



Crown
Solicitor's
Office

www.cso.nsw.gov.au

NSW Crown Solicitor's Office Annual Report

for the period ended 30 June 2014

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1. Letter of Submission



**Crown
Solicitor's
Office**

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21 August 2014

Mr Brad Hazzard
Attorney General and Minister for Justice
Level 31, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000.

Dear Attorney General,

I have pleasure in presenting to you the annual report of the Crown Solicitor's Office for the period 24 February 2014, when the CSO became an executive agency under Schedule 1 to the *Government Sector Employment Act 2013*, to 30 June 2014.

The report has been prepared in accordance with the *Annual Reports (Departments) Act 1985* and the *Public Finance and Audit Act 1983* for presentation to Parliament.

Yours faithfully,

I V Knight
Crown Solicitor

2. Charter

The Crown Solicitor's Office (CSO) is an executive agency related to the Department of Justice (DJ). The establishment of the CSO as an executive agency commenced on 24 February 2014 pursuant to Schedule 1 to the *Government Sector Employment Act 2013*. The Crown Solicitor is the head of the agency and is responsible to the Attorney General. Prior to 24 February 2014, the CSO was a business unit within DJ.

Pursuant to s. 110 of the *Legal Profession Act 2004*, the Crown Solicitor may act as solicitor for:

- ▶ the State of New South Wales
- ▶ a person suing or being sued on behalf of the State of New South Wales
- ▶ a Minister of the Crown in his or her official capacity as such a Minister
- ▶ a body established by an Act or other law of New South Wales
- ▶ an officer or employee of the Public Service or any other service of the State of New South Wales or of a body established by an Act or other law of New South Wales
- ▶ a person holding office under an Act or other law of New South Wales or because of the person's appointment to that office by the Governor or a Minister of the Crown
- ▶ or any other person or body, or any other class of persons or bodies, approved by the Attorney General.

Tied legal work defined under Premier's Memorandum 1995/39 must be referred to the Crown Solicitor, and is performed on a cost recovery basis.

The Crown Solicitor's legal fees and disbursements for tied legal work are met from an appropriation administered by DJ unless some other fund is available, such as the Treasury Managed Fund.

The Crown Solicitor competes with the private sector for untied legal work.

3. Aims and objectives

3.1 What the Crown Solicitor's Office sets out to do

The Crown Solicitor provides legal services to the State Government of NSW and the other entities specified in s. 110 of the *Legal Profession Act 2004*.

The current NSW Crown Solicitor is Mr Ian V. Knight. He is the solicitor on the record for the purpose of legal proceedings.

The Crown Solicitor, supported by his staff, is the largest provider of legal services to the NSW Government and its agencies and the sole provider of legal services in all matters which are regarded as being core to government functions. He manages thousands of legal matters each year, many of which are long-running matters involving substantial litigation.

The Crown Solicitor must be engaged by government agencies to perform legal services in respect of matters which:

- ▶ have implications for government beyond an individual Minister's portfolio
- ▶ involve the constitutional powers and privileges of the State and/or the Commonwealth
- ▶ raise issues which are fundamental to the responsibilities of government
- ▶ arise from, or relate to, matters falling within the Attorney General's area of responsibility.

The Crown Solicitor also competes with the private legal profession to perform untied legal work for government agencies.

The Crown Solicitor's staff understand the sensitivities which attend the functions of the NSW State Government and work hard to ensure positive working partnerships are built with clients. They seek to use their unique knowledge to provide high quality legal advice and services while maintaining integrity and professional independence.

History

In 1817 the office of Solicitor for the Crown was created, with Thomas Wylde being appointed.

In 1839, two Crown Solicitors were appointed, one to deal with civil matters and the other to deal with criminal matters. Following the advent of responsible government in 1856 the two offices were combined into a single office devoted solely to government work. John Williams junior was the first to undertake this role, serving for 32 years from 1859-1891. The criminal law work came to be handled by the separate office of the Clerk of the Peace, replaced in 1987 by the Office of the Director of Public Prosecutions.

John Varnell Tillett, appointed in 1902 at age 34, was the first Australian-born Crown Solicitor. The Crown Solicitor then had a staff of 33, comprising 21 professional officers, seven clerical officers and five messengers.

Between the early 1960s and the 1970s overall staff numbers doubled from 60 to 120. During the 1990s the operations of the CSO were commercialised and the Crown Solicitor was required to compete with the private legal profession for untied government legal work.

In 1994 Ian Knight was appointed Crown Solicitor and in 1996 he commenced a restructure of the office, converting its four branches to ten specialist practice groups. The office has expanded to a staff of some 360 people.

It now comprises 11 legal practice groups specialising in 11 areas of law, many of which have important implications for the community.

On 24 February 2014 the CSO became a Public Service executive agency related to DJ with the Crown Solicitor as Head of the agency under Schedule 1 to the *Government Sector Employment Act 2013*.

From that date the CSO ceased to be part of the then Department of Attorney General and Justice but remained within the Justice Cluster. The Secretary of DJ exercises the employer functions of the government in relation to executives employed in the CSO.

3.3 Services provided

Some 360 legal and support staff are employed in eleven legal practice groups specialising in:

- Administrative Law
- Child Protection
- Commercial Litigation and Property Law
- Community Law
- Constitutional and Native Title Law
- Criminal Law
- Employment Law
- Government and Commercial Law
- Inquiries
- Torts Law (Justice/Enforcement Agencies)
- Torts Law (Service/Regulatory Agencies)

The CSO provides administrative and business support to practice groups and clients. The Business Services unit comprises:

- Financial and Support Services
- Information Services
- Information Technology
- Marketing
- Resource Management and Planning

In addition, legal services support managers and staff operate within each Group.

The CSO provides a range of value-add services to clients.

Value-add Service	Number between 24 February – 30 June 2014	Numbers of clients attending/ receiving
Monthly Client Reports	5	200 per month
Monthly CSO seminars	4	279 total for period
Monthly CSO webinars	4	81 attended for period
CSO specialised training – GIPPA and PPIPA	7	99 attended for period
Specialised eBulletins	2	1,200 total for period
Off-site training	1	23 attended for period
Crown Solicitor's Client Newsletter	1	3,000 total for period

In addition to these services, the CSO offers clients the benefits of:

WORK PRACTICES AND STRATEGIES

The Crown Solicitor's clients benefit from a focus on continuous improvement in our business systems and processes, particularly in the use of the latest technology in practice management and reporting. Systems, resources and work practices that promote cost efficiency include:

- ▶ electronic diary management
- ▶ legally trained paralegals
- ▶ advisings database
- ▶ comprehensive precedents and practice manuals
- ▶ CSO legal library
- ▶ client-specific protocols
- ▶ periodic client reviews and audits.

DOCUMENT STORAGE AND TECHNOLOGY

One of the CSO's key strengths as a legal service provider is the importance that it places on integrated technologies to provide innovative and efficient business solutions. Its staff are supported by advanced and comprehensive technology provided through a managed and standardised environment. Its IT infrastructure is secure, stable and reliable, utilising recognised industry standard products and applications.

CLIENT REPORTS

The CSO provides free monthly and quarterly reports to all clients with thorough information about the status of their legal matters. Client Reports are synthesised from a range of integrated electronic databases.

CSO Client Reports update clients on the status of each of their active matters, major issues, anticipated action, estimates of potential liability, all related estimates, costs and disbursements and contact details for CSO staff working on their matters.

CSO CLIENT CENTRE

CSO clients have exclusive access to the CSO Client Centre, an online knowledge database. This resource contains papers, CLE presentations, past issues of newsletters and eBulletins and a full suite of materials developed by CSO solicitors, and some barristers, on a wide range of legal topics. CSO staff regularly provide presentations and papers for legal conferences, and these materials are also available via the CSO Client Centre.

Clientele

The Crown Solicitor provides legal services to NSW Government departments and agencies.

The Crown Solicitor may act for:

- ▶ the State of NSW
- ▶ persons suing or being sued on behalf of the State
- ▶ Ministers of the Crown
- ▶ a body established by a law of the State
- ▶ an officer or an employee of the Public Service or any other service of the State or of a body established by a law of the State
- ▶ a person holding office under a law of the State or because of appointment to that office by the Governor or any Minister of the Crown
- ▶ any other person or body approved by the Attorney General.

The Crown Solicitor does not provide legal services to the general public.

As a NSW government agency, the CSO complies with all NSW Government directions and policies and endeavours to understand clients' objectives, challenges and how they operate. To this end it regularly surveys clients.

The CSO exists to serve the public interest and endeavours to ensure legal costs for government are reasonable.

4. Access

Crown Solicitor's Office

Level 5, 60-70 Elizabeth Street
SYDNEY NSW 2000

Tel: (02) 9224-5000

Fax: (02) 9224-5011

Website: www.cso.nsw.gov.au

Business Hours: 8.30 am to 5.30 pm

5. Management and structure

5.1 The CSO Executive



L-R: Denise McOnie, Ian Knight and Peter Anet

Ian V Knight, Crown Solicitor, BA, LLB (Hons)

Ian was appointed Crown Solicitor for the State of New South Wales in 1994. In addition to being the Head of the agency, Ian heads the Government and Commercial Law practice group which specialises in law relating to the Executive, Parliament, the public sector, regulatory bodies and commercial advice and transactions. He joined the CSO in 1970 and served with the organisation for ten years as Assistant Crown Solicitor before taking up the position of Ombudsman for the Northern Territory and Delegate of the Commonwealth Ombudsman in 1991. From 1981 to 1991 Ian was the Assistant Crown Solicitor in charge of the Advising and Constitutional Law Branch of the CSO during which period he served as a member of the NSW Legal Aid Review Committee, the State's Officer to the Special Committee of Solicitors General and a member of the Australian Delegation to the UN Law of the Sea Conference.

Peter Anet, Deputy Crown Solicitor, BA, LLB

Peter has been Deputy Crown Solicitor since 1996, in charge of the Constitutional Law and Native Title practice group. He deputises for the Crown Solicitor in the Crown Solicitor's absence. Peter acts for and advises Government on a wide range of matters such as native title, Aboriginal Land rights, State and Federal constitutional issues, including intergovernmental arrangements and matters involving statutory interpretation and commercial transactions. Before being appointed as Deputy Crown Solicitor, Peter practised for several years in the then Advising Branch of the CSO, specialising in Constitutional Law. He spent a year at the Cabinet Office where he advised and participated in negotiations with both Commonwealth and other States regarding government response to the Mabo decision. He has also practised in commercial law, criminal law (including the Age Tapes Royal Commission) and conveyancing in his career with the CSO.

Denise McOnie, Practice Manager, B Com, LLB

Denise has over 30 years' experience as a solicitor and is a graduate of UNSW with degrees in both Commerce and Law. Prior to her appointment as Practice Manager of the CSO, she was the Assistant Crown Solicitor in charge of the Community Law practice group. As the Practice Manager of CSO, she is responsible for Business Services including Risk Management, Resource Management and Planning, Training, Finance and Support, Information Management and Marketing. Denise played a significant role in the successful commercialisation of the CSO and continues to play a major role in its development and growth as a successful competitor for government legal services.

CSO Practice Group leaders



John McDonnell, Assistant Crown Solicitor, BA, LLB

John leads the Administrative Law practice group. He has practised law for over 30 years, for much of that time specialising in constitutional law and, more recently, administrative law. John has written and supervised numerous advices regarding administrative law matters with particular emphasis on statutory interpretation, administrative law and access to information and privacy. John has appeared in most jurisdictions including the Administrative Decisions Tribunal. John has instructed counsel in significant matters such as the challenges to Government's proposed alterations to local government boundaries and the recent High Court challenge to the ICAC Commissioner on the grounds of bias.



Paul Crollini, Assistant Crown Solicitor, BA, LLB

Paul has been with the CSO since 1983 and has extensive knowledge and experience in property law, commercial law and commercial litigation. This experience covers the conveyancing field from Old System Title, Torrens, Western Lands and Crown Lands and has been involved in some of the most significant property transactions for the State. Paul has acted in major leasing transactions for a number of government agencies both as lessor and lessee. In 2002, Paul was seconded for two years to the National Parks and Wildlife where he was involved in redrafting the conveyancing precedents for the National Parks and Wildlife Service as well as acting for the Service in complex leasing and licensing agreements. Paul has also acted on behalf of the Office of Environment and Heritage in the purchase of water access licences under the *Water Management Act 2000*.



Richard Kelly, Assistant Crown Solicitor B Ec, LLB

Richard was admitted in 1993, and joined the CSO in May 2000. He was appointed as an Assistant Crown Solicitor in 2001, and since January 2008 has headed the Torts (Service) practice group, representing and advising agencies across a wide range of NSW portfolio areas, in the most challenging and complex tort-related work undertaken in the Team. Richard is regularly sought out by clients to provide advice on complex issues of law and litigation strategy generally. Prior to his current role, Richard headed the Torts (Justice) practice group, and played a central role in representing and advising Justice agencies such as NSW Police Force and the Office of Director of Public Prosecutions.



Anthea Tomlin, Assistant Crown Solicitor, LLB, BA

Anthea has been with the CSO for over 18 years and has led the Community Law practice group since 2003. She has managed public interest immunity matters for a broad range of NSW Government agencies, including providing extensive advice and representation to NSW law enforcement agencies in complex and significant criminal matters. Anthea oversees and provides advice and representation to the Attorney General in matters relating to charities and charitable trusts and for a range of clients in relation to discrimination and guardianship. She has supervised and practised in all aspects of children's law including adoptions, Children's Court care and protection applications, District Court appeals from the Children's Court, Family Court interventions and applications to the Supreme Court pursuant to its *parens patriae* jurisdiction.



David Norris, Assistant Crown Solicitor, Dip Law (SAB)

David was appointed as Assistant Crown Solicitor of the Criminal Law practice group in March 2012. He has extensive experience in general criminal advice including statutory interpretation of regulatory offence provisions, prosecution procedures under the *Criminal Procedure Act 1986*, sentencing and reviews of conviction. David has assisted at several high profile royal commissions and inquiries. His particular area of specialty is contempt of court. He has presented papers to the Annual Conferences of the Supreme Court, the District Court, the Industrial Relations Commission and the Compensation Court on this topic. He has advised the Attorney General, the Supreme Court, and other clients in relation to possible contempt such as sub judice contempt, threats to parties and witnesses, breach of court orders and scandalising the court. He is the author of the Contempt chapter of the Judicial Commission's "Civil Trials Bench Book".



Alice Paul, A/Assistant Crown Solicitor, B Com, PhD (Industrial Relations), LLB

Alice is an Accredited Specialist in Employment and Industrial Law and advises on a range of employment matters including difficult workplace conflicts, discrimination, work health and safety, prohibited employment, applicable industrial instruments and employee entitlements. Alice represents departments and agencies in various jurisdictions – Supreme Court, IRC, Federal Circuit Court and NCAT. She has defended unfair dismissals and unfair contract claims, and has appeared in industrial disputes and disciplinary proceedings. Alice has represented government agencies in significant industrial matters, State Wage Cases, new awards and award reviews, and assisted the Coroner at inquests into workplace deaths. Most recently Alice has assisted in the development of the *Government Sector Employment Act 2013*. She is a member of the Law Society's Employment Law Committee and the Industrial Relations Society of NSW.



Margaret Bateman, Assistant Crown Solicitor, LLM, Dip Teach

Prior to joining the CSO, Margaret worked in private practice where she gained extensive litigation experience in a number of areas of law including criminal law, personal injury, contract law, property law, commercial law, family law and equity. Since joining the CSO in 2002, Margaret has acted in large and complex matters predominantly on behalf of NSW Police Force (NSWPF), including claims for wrongful arrest, false imprisonment, malicious prosecution, trespass, assault and negligence claims. She has had conduct of matters involving highly sensitive issues and has resolved a number of contentious matters by way of early settlement. Margaret served as a Law Society of New South Wales Councillor for a number of years and has sat on numerous Law Society committees.



Cheryl Drummy, Assistant Crown Solicitor, BA, LLB (Hons)

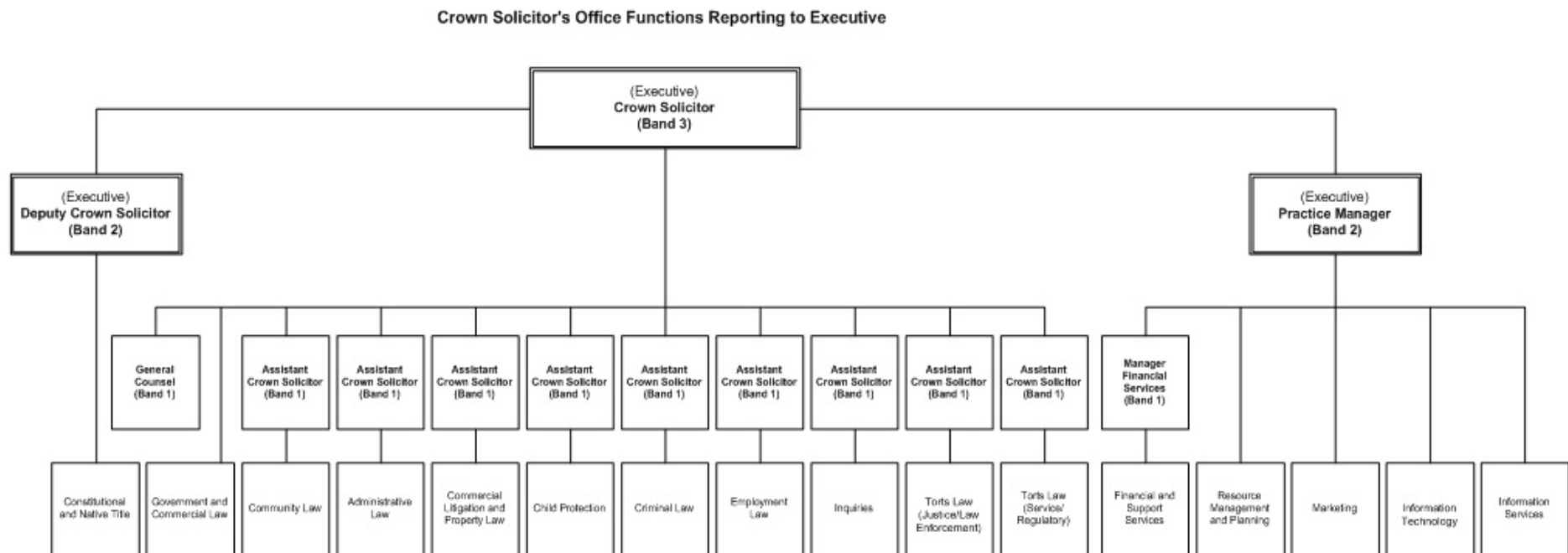
Cheryl joined the CSO in 2002 and the Community Law/Child Protection practice group in 2004. She currently leads the Child Protection practice group and has carriage of, supervises and practices in all aspects of child protection law including Children's Court and District Court care proceedings, Family Court and Federal Circuit Court matters, adoption and prerogative relief applications in the Supreme Court and applications pursuant to its *parens patriae* jurisdiction. She also deals with matters involving wills and estate entitlements and claims under the *Succession Act 2006* on behalf of children under the parental responsibility of the Minister for Family and Community Services. Cheryl is also a member of the Law Society Family Issues and Legal Aid Review committees. Cheryl's practice also included the carriage and supervision of public interest immunity matters for a range of NSW Government agencies. This work included significant 2008 Court of Appeal and Court of Criminal Appeal decisions dealing with the interplay between public interest immunity and the open justice principle.



Catherine Follent, Assistant Crown Solicitor, BA, LLB (Hons), LLM

Catherine has led the Inquiries practice group since the team's establishment in July 2009, and joined the CSO's Criminal Law practice group as a senior solicitor in 2001. She advises the Crown Solicitor's clients on criminal law issues and investigatory processes, and has represented interested parties and assisted coroners in a wide range of coronial inquests. In 2010-2011 Catherine was Solicitor Assisting the Judicial Commission of NSW in the inquiries concerning complaints against Magistrate Brian Maloney and Magistrate Jennifer Betts. She was also the Principal Solicitor for the Special Commissions of Inquiry into Campbelltown and Camden Hospitals in 2003/2004 and Acute Care Services in NSW Public Hospitals in 2008. Prior to joining the CSO, Catherine worked as a solicitor with the Office of the NSW Director of Public Prosecutions, and in private practice in the areas of professional discipline and health law.

5.3 Organisation chart indicating functional responsibilities



6. Summary review of operations

6.1 Narrative summary of significant operations

The CSO became an executive agency under Schedule 1 of the *Government Sector Employment Act 2013* (the GSE Act) on 24 February 2014. This was a significant change for the CSO, which was previously a business unit within the then Department of Attorney General and Justice (now Department of Justice). This report therefore mainly covers the period 24 February 2014 to 30 June 2014.

Over this period the CSO has been focussed on managing the change to an executive agency and the implementation of the new employment arrangements under the *GSE Act*.

The CSO is structured into 11 specialist legal practice groups and five corporate support units. Over the 2013/14 year the Crown Solicitor was instructed in 3,518 new matters, an increase of 72 on the previous year. Financially, the CSO delivered a net operating surplus of \$1.310M for the period from 24th February 2014 to 30th June 2014.

During the year the SICorp TFM Legal Services Panel commenced operation, the CSO successfully tendered for placement on the Panel. Under these panel arrangements the Crown Solicitor has been providing legal services to government in matters having Treasury Managed Fund coverage.

Over the past year the Crown Solicitor was the Solicitor Assisting the Special Commission of Inquiry Concerning the Investigation of Certain Child Sexual Abuse Allegations in the Hunter Region. This Inquiry commenced in January 2013 and reported on 31 May 2014.

The Crown Solicitor continues to represent the State of NSW before the Royal Commissions into Institutional Responses to Child Sexual Abuse.

7. Management and activities

The Crown Solicitor through the CSO provides advice, litigation and transactional legal services to the NSW Government across 11 specialist legal practice groups. The CSO also delivers seminars and training workshops to the public sector.

The Crown Solicitor is engaged by agencies to perform tied legal services in matters which have implications for government beyond an individual Minister's portfolio, involve the constitutional powers and privileges of the State and/or the Commonwealth, raise issues which are fundamental to the responsibilities of government, and relate to matters falling within the Attorney General's area of responsibility. These principles of tied legal work are set out in the Premier's Memorandum 1995-39.

The Crown Solicitor competes with the private legal profession for untied legal work and is required to submit tenders for placement on government legal services panels.

The CSO operates as a self-funded agency and derives revenue on a cost recovery basis for tied legal work from a fund known as the Core Fund, administered by the Secretary, DJ, and derives revenue intended to generate a surplus from agencies for untied work to fund its needs.

The Crown Solicitor was instructed in 3,518 new matters during 2013-14, an increase in 72 matters on the previous year. Its annual client survey achieved a record 254 responses. The result was that 79% of clients rated the CSO's overall performance as "above average" or "excellent", compared to the target of 80%.

Growth in revenue from untied legal services and other services was 4.3%, compared to the target of 6%. This represented a 5.6% increase in untied fees revenue offset by a decrease in other services revenue.

The CSO continued to provide specialised introductory and advanced training sessions for clients on the *Government Information (Public Access) Act 2009* (GIPAA) and the *Privacy and Personal Information Protection Act 1998* (PPIPA). Monthly seminars had over 800 attendees and webinars were offered for the benefit of 250 regional clients.

The CSO will be working on the implementation of the executive and other reforms under the *GSE Act* and will continue to improve service delivery in a manner that keeps costs to government reasonable. The CSO will also be going to tender for a new practice management system with the aim of improving efficiency in the delivery of legal services.

The CSO is also a member of the Office of Environment and Heritage's Sustainability Advantage Program and has applied for Bronze status as part of that program.

8. Human resources

8.1 Number of officers and employees by category

The following table contains human resources information for the CSO from the end of 2013/14, the first year of operation under the *GSE Act*. All information provided is an estimate compiled for the CSO analysing information from the Annual Workforce Profile.

Occupation Classification (ANZSCO)	2013/14*
Managers	5.00
Professionals	187.44
Technicians and Trades Workers	2.00
Community and Personal Services Workers	0.00
Clerical and Administrative Workers	150.44
Sales Workers	0.00
Machinery Operators and Drivers	0.00
Labourers	0.00

* Non-casual FTE at census period based on information derived from workforce profile submission to PSC.

8.2 Senior executives

8.2.1 *Number of senior executives by band and gender within each band*

Band	2014	
	Female	Male
Band 4 (Secretary)	N/A	N/A
Band 3 (Deputy Secretary)	0	1
Band 2 (Executive Director)	1	1
Band 1 (Director)	11	7
Totals	12	9
	21 total	

8.2.2 *Average total remuneration package for senior executives*

Band	Range \$	Average remuneration 2014 \$
Band 4 (Secretary)	422,501 – 488,100	N/A
Band 3 (Deputy Secretary)	299,751 – 422,500	336,850
Band 2 (Executive Director)	238,301 – 299,750	261,300
Band 1 (Director)	167,100 – 238,300	184,748

8.2.3 *Percentage of expenditure relating to senior executives*

11.72% of the CSO's total employee related expenditure in 2013/14 was related to senior executives (both senior officers and Senior Executive Service). This number was based on column 4d of the workforce profile relating to Total Gross Earnings – year to date.

Please note that for 2013/14, a 20.74% on-cost was applied to base remuneration packages.

The CSO had not yet implemented the senior executive structure during the reporting year. The above table presents the number of transitional senior executives employed during the year and remuneration levels equivalent to the senior executive bands as per instructions in Public Service Commission Circular PSCC 2014-09.

8.3 **Exceptional movements in wages, salaries or allowances**

There is nothing to report on in respect of exceptional movements in wages salaries or allowances.

8.4 **Personnel policies and practices**

During this reporting period, the CSO became a Public Service executive agency related to DJ with the Crown Solicitor as Head of the agency under Schedule 1 to the *GSE Act 2013*. The CSO adopted as its own DJ personnel policies and practices and these continued except where modified. The Secretary, DJ, exercises the employer functions of the government in relation to executives employed in the CSO.

8.5 **Industrial relations policies and practices**

During this reporting period, the CSO became a Public Service executive agency related to DJ with the Crown Solicitor as head of the agency under Schedule 1 of the *GSE Act 2013*. The CSO has adopted as its own DJ industrial relations policies and practices and these continued except where modified.

9. Consultants

No consultants were engaged by or on behalf of the CSO during the reporting year from the 24th February 2014 to the 30th June 2014.

10. Disability plans

10.1 Progress in implementing the Disability Plan

During this reporting period, the CSO became a Public Service executive agency related to DJ with the Crown Solicitor as Head of the agency under Schedule 1 to the *GSE Act 2013*.

The CSO has adopted as its own the DJ Disability Action Plan. A CSO specific plan will be developed and implemented for the next reporting period.

For the reporting period the CSO has participated in the Stepping into Law program and engaged students for the summer and winter program during their semester breaks. The CSO has also extended the offer of temporary employment contracts to two students.

The CSO continues to apply the Reasonable Adjustment policy across the office.

The CSO will work collaboratively with government disability services such as Job Access, Australia Network on Disability and other rehabilitation providers to assist in the recruitment and placement of future candidates.

11. Promotion

11.1 Overseas visits by employees and officers

There were no overseas visits by CSO employees and officers during the period 24th February 2014 to 30th June 2014.

12. Consumer response

12.1 Extent and main features of complaints

The CSO regularly surveys clients through its annual client survey, its bi-monthly end of matter surveys and its bi-annual externally conducted benchmark survey. Feedback and suggestions from clients are generally followed up with clients and inform its client service strategies.

The CSO has a formal procedure for handling complaints (from clients or any other person), and this procedure is made known to all staff (via the Staff Manual and our intranet), clients and interested members of the public (via the CSO website). A record is kept of all complaints.

There were no significant complaints in this reporting period.

12.2 Services improved/changed in response to complaints/suggestions

A recent initiative implemented as a result of surveys and a client tender requirement has been the development and implementation of a project management approach to the conduct of legal matters.

This has been very well received by clients and provides improved management and transparency over the cost and scope of legal matters and underpins the CSO's cost conscious approach.

Workforce Diversity

Statistical information on EEO target groups

Table 1. Trends in the representation of EEO Groups ⁽¹⁾

EEO Group	Benchmark or target	% of Total Staff ⁽²⁾			
		2011	2012	2013	2014*
Women	50%	N/A	N/A	N/A	73.1%
Aboriginal people & Torres Strait Islanders	2.6% ⁽³⁾	N/A	N/A	N/A	1.6%
People whose first language was not English	19%	N/A	N/A	N/A	15.2%
People with a disability	N/A ⁽⁴⁾	N/A	N/A	N/A	2.9%
People with a disability requiring work-related adjustment ⁽⁵⁾	1.1% (2011) 1.3% (2012) 1.5% (2013)	N/A	N/A	N/A	2.4%

Table 2. Trends in the distribution of EEO Groups ⁽⁶⁾

EEO Group	Benchmark or target	Distribution Index ⁽⁷⁾			
		2011	2012	2013	2014*
Women	100	N/A	N/A	N/A	91
Aboriginal people & Torres Strait Islanders	100	N/A	N/A	N/A	N/A
People whose first language was not English	100	N/A	N/A	N/A	93
People with a disability	100	N/A	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A

⁽¹⁾ Based on staff numbers as at 30 June

⁽²⁾ Excludes casual staff

⁽³⁾ Minimum target by 2015

⁽⁴⁾ Per cent employment levels are reported but a benchmark level has not been set

⁽⁵⁾ Minimum annual incremental target

⁽⁶⁾ A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

⁽⁷⁾ Excludes casual staff

Major diversity outcomes

The CSO aims to attract people from diverse backgrounds to assist in better understanding and meeting the needs of its clients and reflect the community we serve. This will also assist to promote the CSO as an employer of choice.

For the reporting period, the CSO has participated in the Stepping Into Law Program and engaged law students during summer and winter semester breaks. Two students have been offered temporary contracts following completion of the program.

The CSO has continued to be committed to targeting recruitment programs for aboriginals. In the reporting year an Aboriginal cadet completed the program and was engaged as a graduate solicitor. The CSO is currently reviewing its targeted recruitment programs with a view to increasing the number of candidates applying for roles. As part of this process the CSO is working with providers to assisting with sourcing candidates.

The CSO continues to be a member of the Equity and Diversity Alliance and actively promotes:

- ▶ learning and development programs
- ▶ career development opportunities through office wide expressions of interest
- ▶ flexible working arrangements
- ▶ reasonable adjustments in the workplace
- ▶ Harmony Day
- ▶ Mental Health Month
- ▶ NAIDOC week

The CSO adopted as its own DJ's Diversity Action Plan. A CSO specific plan will be developed and implemented for the new reporting period.

Work Health and Safety

Since becoming an executive agency on 24 February 2014, the CSO's Work Health and Safety operations continued under the terms of the Department of Justice's Health and Safety policy.

A number of initiatives continued to be implemented by the CSO, including health and well-being initiatives, workplace assessment and consultative arrangements.

14.1.1 *Health and well-being*

The CSO's investment in health promotion initiatives and early intervention strategies aimed to promote working safely, healthy lifestyle and increased awareness in mental health. These initiatives included:

- ▶ on-site counselling
- ▶ on-site head, neck and shoulder massages
- ▶ yoga and pilates classes
- ▶ opening of a time-out room
- ▶ short courses focusing on:
 - resilience
 - recognising and managing mental illness
 - coaching and mentoring for managers
 - stress management
 - managing psychological injury for managers.

14.1.2 *Work Health and Safety statistics*

There were seven incidents reported during the period 25 February 2014 to 30 June 2014; of these incidents there were six injuries and one near miss reported.

Of the six injuries reported, one became a workers compensation claim.

Injuries were reported as caused by body stressing, slip, trip and fall and being hit by an object.

Particular programs supporting training and awareness in relation to causes of injury included ergonomics in the workplace and safety awareness.

These programs included the provision of information to employees by email and employees undertaking e-learning courses.

15.1 Implementing the government's Waste Reduction and Purchasing Policy

The CSO is committed to implementing sustainable practices in its workplace. It joined the NSW Office of Environment and Heritage (OEH) Sustainability Advantage program in 2011 and has an annual Strategic Sustainability Action Plan.

In 2014 it submitted an application for Bronze Membership to this program. The program supports the CSO in identifying how it can measure and reduce its impact on the environment, along with lowering expenditure on resources and energy, improving productivity, instigating innovative practices and enhancing its reputation.

The CSO has a Sustainability Committee that identifies and promotes the Sustainability Action Plan throughout the organisation. Sections on both its intranet and public website outline its sustainability credentials and achievements, along with details in the CSO Staff Manual. Sustainability targets are built into its Business Plan.

In March 2014 the CSO ran a "Switch Off" campaign targeting electricity consumption. This campaign achieved a 10% reduction in energy consumption for the period.

The figures quoted below are for the full financial year 2013-14, rather than just the period 24 February to 30 June 2014, unless otherwise stated.

During this financial year the CSO:

- ▶ purchased 100% of A4 and A3 white photocopy paper as carbon neutral or recycled content
- ▶ ensured that all paper suppliers have sustainability accreditations
- ▶ recycled 47 tonnes of cardboard and paper
- ▶ reduced consumption of electricity by 5% on the previous year
- ▶ achieved an overall reduction in paper usage of 7% (Feb– June 2014)
- ▶ recycled over 900 plastic folders (Feb - June 2014)
- ▶ saved 122 cubic metres of landfill via a secure paper destruction program
- ▶ recycled 245kgs of printer toner cartridges
- ▶ updated 88 down-lights to LED lights
- ▶ used recycled and sustainable paper and bamboo pens at training programs along with Fair Trade coffee and sustainable cups and utensils
- ▶ participated in a mobile muster resulting in the recycling of 4.5 kgs of phones.

16. Additional matters

16.1 Requirements of *Privacy and Personal Information Protection Act 1998*

Details of the agency's review under s. 7(3) of the Act during the year and details of any information made publicly available as a result of the review.

- ▶ As the CSO only became an "agency" on 24 February 2014, it is not yet required to have conducted a review.

Total number of access applications received during the year (including withdrawn applications but not including invalid applications).

- ▶ One application was received.

Total number of access applications received that agency refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure.

- ▶ No application was refused.

Statistical information as described in Schedule 2 of the Regulation.

- ▶ See APPENDIX 5.

Each agency referred to in Sch 3 of the Regulation (subsidiary agency) is declared to be part of and included in the parent agency specified in Schedule 3.

- ▶ CSO has no subsidiary agencies.

16.2 Other

No costs were incurred in the production of this report.

This Report may be requested on CD-ROM by contacting:
cso_marketing@cso.nsw.gov.au

This Report may be accessed at the CSO's website, www.cso.nsw.gov.au, under the Policy and Tabled Documents section.

17. Public Interest Disclosures

There were no Public Interest Disclosures (PID) to the CSO in the reporting period.

The CSO has a PID Policy in place.

The PID Policy has been emailed to all staff, is included in the Staff Manual, its intranet site and is published on its public website.

Crown Solicitor's Office

Annual Financial Statements

for the period ended 30 June 2014

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Crown Solicitor's Office

Financial Statements for the period ended 30 June 2014

Statement by the Crown Solicitor

Pursuant to Section 45F of the Public Finance and Audit Act 1983, I state that:

- a) The accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards, the provisions of the Public Finance and Audit Act 1983, the Financial reporting Code for NSW General Government Sector Entities, the Public Finance and Audit Regulation 2010, the Treasurer's Directions and NSW Treasury Circulars.
- b) The financial statements exhibit a true and fair view of the financial position and transactions of the Crown Solicitor's Office for the period ended 30th June 2014.
- c) As at the date of this statement, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Richard Kelly
Acting Crown Solicitor
16th September 2014

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Crown Solicitor's Office

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Crown Solicitor's Office (the Office), which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows, service group statements and summary of compliance with financial directives for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Office as at 30 June 2014, and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

Crown Solicitor's Responsibility for the Financial Statements

The Crown Solicitor is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Crown Solicitor determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Office's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Crown Solicitor, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Crown Solicitor's Office Financial Statements

for the period ended 30 June 2014

My opinion does *not* provide assurance:

- about the future viability of the Office
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



David Daniels
Director, Financial Audit Services

19 September 2014
SYDNEY

Crown Solicitor's Office
Financial Statements

for the period ended 30 June 2014

Statement of Comprehensive Income

for the period ended 30 June 2014

	Notes	Actual 30 June 2014 \$'000
Expenses excluding losses		
Operating expenses		
Employee related expenses	2(a)	13,566
Other operating expenses	2(b)	3,322
Depreciation and amortisation	2(c)	538
Finance costs	2(d)	73
Other expenses	2(e)	8,935
Total expenses excluding losses		26,434
Revenue		
Sale of goods and services	3(a)	27,507
Investment revenue	3(b)	163
Other revenue	3(c)	74
Total revenue		27,744
Net result		1,310
Other comprehensive income		
<i>Items that will not be reclassified subsequently to net result</i>		
Superannuation actuarial gains/(losses)	19	(3,982)
Total other comprehensive income		(3,982)
Total comprehensive income		(2,672)

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2014

	Notes	Actual 30 June 2014 \$'000
Assets		
Current assets		
Cash and cash equivalents	5	20,719
Receivables	6	16,748
Other	9	<u>5,559</u>
Total current assets		<u>43,026</u>
Non-current assets		
Property, plant and equipment		
- plant and equipment	7	548
- leasehold improvements	7	1,274
Intangibles	8	1,009
Other	9	<u>3,067</u>
Total non-current assets		<u>5,898</u>
Total assets		<u>48,924</u>
Liabilities		
Current liabilities		
Payables	10	7,417
Provisions	11	<u>9,480</u>
Total current liabilities		<u>16,897</u>
Non-current liabilities		
Provisions	11	<u>17,291</u>
Total non-current liabilities		<u>17,291</u>
Total liabilities		<u>34,188</u>
Net assets		<u>14,736</u>
Equity		
Accumulated funds	12	<u>14,736</u>
Total equity		<u>14,736</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the period ended 30 June 2014

		Accumulated funds \$'000
Balance at 24 February 2014		<u>0</u>
Net result for the period		<u>1,310</u>
Other comprehensive income:		
Superannuation actuarial gain/(loss)		<u>(3,982)</u>
Total other comprehensive income		<u>(3,982)</u>
Total comprehensive income for the period		<u>(2,672)</u>
Transactions with owners in their capacity as owners		
Increase in net assets from administrative restructure	12	<u>17,408</u>
Balance at 30 June 2014		<u>14,736</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the period ended 30 June 2014

	Notes	Actual 30 June 2014 \$'000
Cash flows from operating activities		
Payments		
Employee related		(8,585)
Other		(10,129)
Total payments		<u>(18,714)</u>
Receipts		
Sale of goods and services		11,424
Interest received		106
Other		12,282
Total receipts		<u>23,812</u>
Net cash flows from operating activities	16	<u>5,098</u>
Cash flows from investing activities		
Purchases of property, plant and equipment		(18)
Net cash flows from investing activities		<u>(18)</u>
Net increase / (decrease) in cash		
Opening cash and cash equivalents		-
Cash transferred in as a result of administrative restructuring	12	15,639
Closing cash and cash equivalents	5	<u>20,719</u>

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Crown Solicitor's Office (CSO) was created on the 24th February 2014 as a result of the commencement of the *Government Sector Employment Act 2013* (GSE Act) and the *Administrative Arrangements Order 2014* which populated Schedule 1 to the GSE Act (refer note 1(m)).

The CSO is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. CSO's financial report is consolidated as part of the NSW Total State Sector Accounts.

The CSO as a reporting entity has no controlling or controlled entities.

These financial statements for the operating period 24th February 2014 to 30th June 2014 have been authorised for issue by the Acting Crown Solicitor.

(b) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the NSW Treasurer.

Property, plant and equipment are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency with the exception of the detailed actuarial reports on superannuation provided by Pillar Administration which are reported in single Australian dollars (refer note 19).

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Insurance

Insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the fund manager based on past claim experience.

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Rendering of services

Revenue from the provision of legal services is recognised when time is recorded on matters, as the amounts of revenue can be reliably measured and it is probable that economic benefits will flow to the CSO. Recoveries of disbursements and the associated expense have been recognised in the financial statements. CSO incurs expenses on behalf of clients associated with the provision of legal services and these expenses are billed to clients at cost. They are disclosed in notes 2(e) and 3(a).

(ii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

(iii) Other revenue

Other revenue comprises monies received from outside entities not categorised in the revenue headings mentioned above. The revenue is recognised when the fee in respect of services provided is receivable.

(g) Assets

(i) Acquisition of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, that is, deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) are capitalised.

(iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with *AASB 13 Fair Value Measurement* and *AASB 116 Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

Assets were transferred from the Department of Police and Justice (formerly the Department of Attorney General and Justice) to the new reporting entity on the 24th February 2014 at the amount that they were recognised by the transferor immediately prior to transfer.

All of CSO's property, plant and equipment at 30th June 2014 are non-specialised assets recognised at depreciated historical cost as a surrogate for fair value.

CSO will revalue each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation surplus.

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

(iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

The depreciation/amortisation rates used for each class of assets are as follows:

Property, plant and equipment	30 June 2014
	% Rate
Plant & Equipment	
Make good assets	Over term of operating lease
Computer equipment, voice and data communications acquired prior to 30 th June 2012	25
Computer equipment, voice and data communications acquired after 1 July 2012	20
Laptop computers	25
Desktop PCs	20
Furniture and fittings	10
Other plant and equipment	20
Leasehold improvements	Over term of operating lease
Intangible assets	
Software	25
Software acquired after 1 July 2012	20
Software – major projects	10% or over the useful life of the asset where that is assessed at less than 10 years.

(vi) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(vii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or a component of an asset, in which case the costs are capitalised and depreciated.

(viii) Leased assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

There are no finance lease arrangements.

(ix) Intangible assets

Intangible assets are recognised only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation.

CSO's intangible assets are amortised using the straight-line method over a period from four to ten years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than the carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(x) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the surplus/(deficit) for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(xi) Impairment of financial assets

All financial assets, except those measured at fair value through the statement of comprehensive income, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. Reversal of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(xii) Trust Funds

The Crown Solicitor operates a Trust Account in accordance with the Legal Profession Act 2004. As the monies cannot be used for the achievement of the CSO's own objectives, these funds are not recognised in the financial statements.

(h) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Employee benefits and other provisions

(a) Salaries and wages, annual leave, sick leave and on costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. CSO has assessed the actuarial advice based on the entity's circumstances and determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

(b) Long service leave and superannuation

CSO contributes to the Agency Funded Crown LSL Pool and these payments are included in Employee Related Expenses. The amount of payments expected to be made to the employees is recognised as LSL liabilities and the amounts expected to be reimbursed by the Crown Finance entity as assets.

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is based on the application of certain factors (specified in NSWTC 14/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The defined benefit superannuation liability is not assumed by the Crown and CSO recognises the net defined benefit liability (asset) in the financial statements.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Actuarial gains and losses are recognised immediately in other comprehensive income in the year in which they occur.

(c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(iii) Other provisions

Other provisions exist when there is a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

(i) Fair Value Hierarchy

A number of CSO's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, CSO categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

Refer Note 17 for further disclosures regarding fair value measurements of financial assets.

(j) Equity and reserves

The category "Accumulated funds" includes all current and prior period retained funds.

(k) Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/ functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the entity recognises the asset at the transferor's carrying amount. The intangible assets transferred to CSO on the 24th February 2014 comprised software and have been recognised at the transferor's carrying amount.

(l) Budgeted amounts

Budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, as adjusted for section 24 of the Public Finance and Audit Act where there has been a transfer of functions between departments. Other amendments made to the budget are not reflected in the budgeted amounts.

As there was no section 24 determination made in respect of the commencement of the Crown Solicitor's Office as an Executive Agency from the 24th February 2014, there are no reported budgeted amounts.

(m) Administrative Restructure

On the 24th February 2014, as a result of the commencement of the *Government Sector Employment Act 2013* (GSE Act) and the *Administrative Arrangements Order 2014*, the Crown Solicitor's Office within the Department of Police and Justice (formerly the Department of Attorney General and Justice) became an executive agency.

The financial results of the CSO up to the date of transfer are included in the financial results of the Department of Police and Justice while the financial results for the period from the 24th February 2014 are included in this report.

Transfer of assets and liabilities has been made in accordance with NSW Treasury's Accounting Policy TPP 09-3, Contributions by owners made to wholly-owned Public Sector Agencies, with regard to transfers effected by Public Sector Employment and Management Orders.

Note 12 includes comparative statements of comprehensive income for the transferred function and discloses the assets and liabilities transferred.

This is an administrative restructure, which is treated as a contribution by owners and recognised as an adjustment to Accumulated Funds. The transfer is recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure, which approximates fair value.

(n) Comparative information

As the Crown Solicitor's Office did not exist as a reporting entity prior to the 24th February 2014, there is no comparative information reported with the exception of Note 12.

(o) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2013-14

CSO commenced as a reporting entity on the 24th February 2014. As this is the first report, there are no impacts as a result of changes in accounting policy including new or revised Australian Accounting Standards.

(ii) Issued but not yet effective

The following relevant Accounting Standards have not been applied and are not yet effective, as per NSW Treasury Circular TC 14/03:

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 10 (NFP) *Consolidated Financial Statements* **(NFP entities only)**
- AASB 11 (NFP) *Joint Arrangements* **(NFP entities only)**
- AASB 12 (NFP) *Disclosure of Interests in Other Entities* **(NFP entities only)**
- AASB 127 (NFP) *Separate Financial Statements* **(NFP entities only)**
- AASB 128 (NFP) *Investments in Associates and Joint Ventures* **(NFP entities only)**
- AASB 1031 *Materiality*
- AASB 1055 and AASB 2013-1 regarding budgetary reporting
- AASB 2011-7 (NFP) regarding consolidation and joint arrangements **(NFP entities only)**
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*
- AASB 2013-4 regarding financial instruments – *Novation of Derivatives and Continuation of Hedge Accounting*
- AASB 2013-5 regarding accounting for Investment Entities
- AASB 2013-6 regarding *Reduced Disclosure Requirements*
- AASB 2013-7 regarding accounting for life insurance contracts
- AASB 2013-8 regarding *Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities*
- AASB 2013-9 regarding the *Conceptual Framework, Materiality and Financial Instruments* (Parts B and C).

The impact of the new standards and interpretations on issue but not effective has been assessed and the impact is considered to be insignificant.

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

2. EXPENSES EXCLUDING LOSSES

(a) Employee related expenses

	30 June
	2014
	\$'000
Salaries and wages (including recreation leave)	11,074
Superannuation - defined benefit plans	300
Superannuation - defined contribution plans	823
Long service leave	489
Workers' compensation insurance	106
Payroll tax and fringe benefit tax	701
Redundancy payments	73
	<u>13,566</u>

(b) Other operating expenses

Auditor's remuneration - audit of the financial statements	38
- audit of the financial statements	7
- audit of the Trust Account	1,372
Operating Lease Rental Expense – minimum lease payments	-
Consultants	78
Contractors	753
Fees for services rendered	5
Insurance	272
Repairs and routine maintenance*	797
Other operating expenses	<u>3,322</u>

** Reconciliation - Total maintenance*

Maintenance expense - contracted labour and other (non-employee related) as above	272
Employee related maintenance expense included in Note 2(a)	-
Total maintenance expenses included in Note 2(a) and Note 2(b)	<u>272</u>

(c) Depreciation and amortisation expense

Depreciation:

Plant and equipment	144
Leasehold Improvements	144
Total depreciation	<u>288</u>

Amortisation:

Intangibles	250
Total amortisation	<u>250</u>

Total depreciation and amortisation	<u>538</u>
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(d) Finance costs

Unwinding of discount rate for the make-good of premises	73
	<u>73</u>

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

(e) Other expenses

30 June
2014
\$'000

Legal disbursements on behalf of clients	8,935
	<u>8,935</u>

3. REVENUE

(a) Sale of goods and services

30 June
2014
\$'000

Rendering of services – legal fees	18,572
Legal disbursements on behalf of clients	8,935
	<u>27,507</u>

(b) Investment revenue

Interest revenue	163
	<u>163</u>

(c) Other revenue

Other services provided	69
SES motor vehicle contributions	5
	<u>74</u>

4. SERVICE GROUP OF THE AGENCY

The Crown Solicitor's Office comprises a single service group that was transferred from the Department of Police and Justice (formerly the Department of Attorney General and Justice) on the 24th February 2014. The results for this single service group from the 24th February 2014 are represented by the financial statements contained in this report. There are no administered expenses or income.

The service group covers the provision of core and non-core (general) legal services to NSW Government. The Crown Solicitor must be engaged by government agencies to perform core legal services for matters that have implications for government beyond an individual Minister's portfolio, involve the constitutional powers and privileges of the State or raise issues that are fundamental to the responsibilities of government. The Crown Solicitor's Office also competes with the private legal profession for non-core legal work.

For financial disclosures in respect of the transfer, refer to Note 12.

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

5. CASH AND CASH EQUIVALENTS

30 June
2014
\$'000

Cash at bank and on hand	20,719
	<u>20,719</u>

For the purposes of the Statements of cash flows, cash and cash equivalents include cash at bank, cash on hand and TCorp Hour Glass Cash Facility.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

30 June
2014
\$'000

Cash and cash equivalents (per statement of financial position)	20,719
Closing cash and cash equivalents (per statement of cash flows)	<u>20,719</u>

Refer Note 17 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

6. RECEIVABLES

30 June
2014
\$'000

Current receivables

Sale of goods and services	16,167
Less: Allowance for Impairment	(84)
Prepayments	557
Interest receivable	57
GST Receivable from the Commonwealth	51
	<u>16,748</u>

Movements in the allowance for impairment

Balance at 24 th February 2014	(84)
Amounts written off during the year	-
Increase/(decrease) in allowance recognised in profit or loss	-
Balance at 30 June	<u>(84)</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 17.

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

7. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment \$'000	Leasehold Improvements \$'000	Total \$'000
At 30 June 2014 - fair value			
Gross carrying amount	649	1,418	2,067
Accumulated depreciation and impairment	(101)	(144)	(245)
Net carrying amount	548	1,274	1,822

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Plant and equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Period ended 30 June 2014			
Net carrying amount at 24 February 2014	-	-	-
Additions	18	-	18
Additions (non-cash)	-	-	-
Disposals	-	-	-
Acquisitions through administrative restructures	674	1,418	2,092
Net revaluation increment less revaluation decrements	-	-	-
Depreciation expense (note 2 (c))	(144)	(144)	(288)
Other movements - work in progress transfers	-	-	-
Net carrying amount at end of period	548	1,274	1,822

8. INTANGIBLE ASSETS

	Software \$'000	Total \$'000
At 30 June 2014		
Cost (gross carrying amount)	1,259	1,259
Accumulated amortisation and impairment	(250)	(250)
Net carrying amount	1,009	1,009

Reconciliation

	Software \$'000	Total \$'000
Period ended 30 June 2014		
Net carrying amount at 24 February 2014	-	-
Additions	-	-
Disposals	-	-
Additions through administrative restructures	1,259	1,259
Impairment loss	-	-
Amortisation (recognised in "depreciation and amortisation", note 2 (c))	(250)	(250)
Other movements	-	-
Net carrying amount at end of period	1,009	1,009

9. CURRENT/NON-CURRENT ASSETS – OTHER

30 June
2014
\$'000

Crown Acceptance of long service leave liability - current	5,559
Crown Acceptance of long service leave liability – non-current	293
Defined Benefits superannuation – Prepaid contributions – non-current	2,774
	<u>8,626</u>

10. PAYABLES

30 June
2014
\$'000

Accrued salaries, wages and on-costs	898
Creditors	6,301
Accruals	218
	<u>7,417</u>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in note 17.

11. CURRENT/NON-CURRENT PROVISIONS

30 June
2014
\$'000

Current

Employee benefits and related on-costs

Annual leave	3,031
Long Service leave	5,559
Long Service Leave - Related Oncost	890
	<u>9,480</u>

Non-current

Employee benefits and related on-costs

Long Service leave	293
Long Service Leave - Related Oncost	46
Superannuation (Note 19)	15,127
	<u>15,466</u>

Non-current

Other provisions

Make good	1,825
	<u>1,825</u>

Total non-current provisions

17,291

Aggregate employee benefits and related on-costs

Provisions - current	9,480
Provisions - non-current	15,466
Accrued salaries, wages and on-costs (Note 10)	898
	<u>25,844</u>

a) Annual Leave

The liability at 30 June 2014 was \$2,657,000. This is based on leave entitlements at 30th June using remuneration rates to be payable post 30 June.

Of this liability, the value expected to be taken within 12 months is \$2,330,000 and \$327,000 after 12 months. This calculation is based on the current levels of annual leave taken by staff and the minimum required to be taken to achieve the target of 30 days by June 2015.

b) Long Service Leave

The total liability at 30th June 2014 was \$5,852,000 which is shown as current \$5,559,000 and non-current \$293,000.

2014
\$'000

Short term – expected to be settled within 12 months	790
Long term – not expected to be settled within 12 months	5,062
	<u>5,852</u>

CSO contributed \$239,000 to the Crown Finance Entity pool account during this financial year. Reimbursements from the Crown Finance Entity because of payments to staff or transfers of entitlement to other agencies were \$269,000.

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

c) Make Good

Make good provision represents estimated restoration costs that the CSO is obliged to incur to restore premises to an acceptable condition as agreed with the owners of the premises, upon expiry of operating lease arrangements.

Movements in provisions (other than employee benefits)

	Make good
2014	\$'000
Carrying amount at 24 February 2014	1,752
Additional provisions recognised	-
Amounts used	-
Unused amounts reversed	-
Unwinding/change in the discount rate	73
Net carrying amount at end of the period	<u>1,825</u>

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

12. INCREASE / DECREASE IN NET ASSETS FROM EQUITY TRANSFERS

This note includes comparative information for the statements of comprehensive income of CSO and discloses the assets and liabilities transferred from the Department of Police and Justice (formerly the Department of Attorney General and Justice) (refer note 1(m)).

Statement of Comprehensive Income for the transferred functions of CSO for the year ended 30 June 2014

	8 months to 24 th Feb. 2014 Actual \$'000	12 months Actual to 30 June 2014 \$'000	12 months Actual to 30 June 2013 \$'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	23,607	37,173	32,962
Other operating expenses	5,947	9,269	9,529
Depreciation and amortisation	1,076	1,614	1,733
Finance costs	-	73	-
Other expenses	16,521	25,456	23,493
Total expenses	47,151	73,585	67,717
Revenue			
Sale of goods and services	48,584	76,091	70,295
Investment revenue	265	428	459
Other revenue	179	253	457
Total revenue	49,028	76,772	71,211
Gain/(Loss) on disposal	-	-	(19)
Net result	1,877	3,187	3,475
Other comprehensive income			
<i>Items that will not be reclassified subsequently to net result</i>			
Superannuation actuarial gains/(losses)	-	(3,982)	5,636
Total other comprehensive income	-	(3,982)	5,636
Total comprehensive income	1,877	(795)	9,111

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

Statement of Assets and Liabilities for the transferred functions of CSO for the year ended 30 June 2014

	As at 24 Feb 2014 \$'000	As at 30 June 2014 \$'000	As at 30 June 2013 \$'000
Assets			
Current assets			
Cash and cash equivalents	15,639	20,719	13,238
Receivables	12,159	16,748	13,546
Other	4,998	5,559	4,998
Total current assets	32,796	43,026	31,782
Non-current assets			
Property, plant and equipment			
Leasehold Improvement	1,418	1,274	1,726
Plant and equipment	674	548	939
Property, plant and equipment	2,092	1,822	2,665
Intangibles	1,259	1,009	1,719
Other	2,591	3,067	2,217
Total non-current assets	5,942	5,898	6,601
Total assets	38,738	48,924	38,383
Liabilities			
Current liabilities			
Payables	445	7,417	879
Provisions	8,255	9,480	9,717
Total current liabilities	8,700	16,897	10,596
Non-current liabilities			
Provisions	12,630	17,291	11,147
Total non-current liabilities	12,630	17,291	11,147
Total liabilities	21,330	34,188	21,743
Net assets	17,408	14,736	16,640

13. COMMITMENTS FOR EXPENDITURE

	30 June
	2014
	\$'000
(a) Operating Lease Commitments	
Future non-cancellable operating lease rentals not provided for and payable	
Not later than one year	4,724
Later than one year and not later than five years	14,169
Later than five years	-
Total (including GST)	<u>18,893</u>

These operating lease commitments relate to leases currently held in relation to the occupancy of office premises and the lease of one motor vehicle.

The total "Operating Lease Commitments", leases on a month to month basis and cancellable operating leases (motor vehicles) above include input tax credits of \$1,717,000 that are expected to be recoverable from the Australian Taxation Office.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The CSO has no contingent liabilities or contingent assets.

15. BUDGET REVIEW

There was no determination made under section 24 of the Public Finance and Audit Act to transfer a budget to the Crown Solicitor's Office from Department of Police and Justice (formerly the Department of Attorney General and Justice) from the 24th February 2014. Consequently, there are no budgeted amounts to report against for the period.

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

16. RECONCILIATION OF OPERATING CASH FLOWS TO NET RESULT

	30 June
	2014
	\$'000
Net cash inflow from operating activities	5,098
Depreciation and amortisation	(538)
Net capital movements	5,615
Decrease/(increase) in provisions	(26,771)
Increase/(decrease) in prepayments and other assets	25,323
Decrease/(increase) in creditors	(7,417)
Net result	1,310

17. FINANCIAL INSTRUMENTS

CSO's principal financial instruments are outlined below. These financial instruments arise directly from CSO's operations. CSO does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

CSO's main risks arising from financial instruments are outlined below, together with the entity's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Crown Solicitor has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continuous basis.

(a) Financial instrument categories

Financial Assets	Note	Category	30 June
			2014
			\$'000
Class:			\$'000
Cash and cash equivalents	5	N/A	20,719
Receivables ¹	6	Loans and receivables (at amortised cost)	16,140
			36,859
Financial Liabilities			30 June
		Category	2014
			\$'000
Class:			\$'000
Payables ²	10	Financial liabilities measured at amortised cost	7,313
			7,313

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

Crown Solicitor's Office
Notes to and forming part of the financial statements
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(b) Credit risk

Credit risk arises when there is the possibility of the entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the entity, including cash and receivables. No collateral is held by the entity. The entity has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date in accordance with the asset recognition criteria. Collectability of trade debtors is reviewed on an ongoing basis and debts over 90 days are assessed for impairment. Debts, which are known to be uncollectable are written off, only after all avenues of debt collection have been exhausted. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Payment terms are between 14 and 30 days.

CSO's debtors are primarily other NSW government entities and credit risk is assessed as very low. Based on past experience, debtors that are not past due \$3,285,000 and less than six months past due \$918,000 are not considered impaired and together these represent 98.0 per cent of the total trade debtors. There are no debtors, which are currently not past due or impaired whose terms have been renegotiated.

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$'000	\$'000	\$'000
2014			
< 3 months overdue	577	577	-
3 months - 6 months overdue	341	341	-
> 6 months overdue	84	-	84
	1,002	918	84

Notes

1. Each column in the table reports gross receivables.
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the entity will be unable to meet its payment obligations when they fall due. The entity continuously manages risk through monitoring future cash flows, which coordinates the payment of creditors with cash receipts from debtors.

CSO has effective billing and debtor management policies and procedures in place to maintain levels of debt within established KPIs and to ensure that work in progress is billed in a timely fashion.

Crown Solicitor's Office
Notes to and forming part of the financial statements
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The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the payment of simple interest is at the discretion of the Crown Solicitor. There were no such payments made in the quarter ending March 2014. In the quarter ending June 2014, interest of \$468.00 was incurred based on an interest rate of 10.63%.

During the current year and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. CSO's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below summarises the maturity profile of the CSO's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure			Maturity Dates		
	Nominal	Fixed	Variable	Non-	1 -5	> 5
	Amount	Interest	Interest	interest	< 1 year	years
	\$'000	\$'000	\$'000	bearing	\$'000	\$'000
2014						
Payables	7,313	-	-	7,313	-	-
	7,313	-	-	7,313	-	-

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The CSO has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

Exposure to interest rate risk arises primarily through the entity's interest bearing assets. The sensitivity analysis is performed based on a reasonably possible change of +/- 1 per cent, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The CSO's exposure to interest rate risk is set out below.

Crown Solicitor's Office
Notes to and forming part of the financial statements
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	Carrying amount \$'000	Impact of 1% Increase		Impact of 1% decrease	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2014					
<i>Financial assets</i>					
Cash and cash equivalents	20,719	207	207	(207)	(207)
Receivables	16,140	-	-	-	-
<i>Financial liabilities</i>					
Payables	7,313	-	-	-	-
	44,172	207	207	(207)	(207)

Other price risk – TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment facilities, which are held as cash for strategic rather than trading purposes. The entity has no direct equity investments.

Facility	Investment Sectors	Investment Horizon	2014 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	11,757

(e) Fair value measurement

(i) Fair Value compared to carrying amount

Financial instruments are generally recognised at cost. Cash and cash equivalents include TCorp investments which are assessed at fair value (refer Note 5). The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short term nature of many of the financial instruments.

(ii) Fair Value recognised in the statement of financial position

	2014 Level 1 \$'000	2014 Level 2 \$'000	2014 Level 3 \$'000	2014 Total \$'000
Financial Assets at fair value				
TCorp Hour-Glass Investment Facility	-	11,757	-	11,757
Total	-	11,757	-	11,757

The table above only includes financial assets as no financial liabilities were measured at fair value in the statement of financial position.

There were no transfers between Level 1 and 2 during the financial year.

The value of the Hour-Glass Investments is based on the entity's share of the value of the underlying assets of the facility, based on market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

18. TRUST FUNDS

The Crown Solicitor receives money in trust for clients usually pending settlement of clients' transactions. These monies are excluded from the financial reports, as the entity cannot use them for the achievement of its objectives. Interest earned on funds held in the Crown Solicitor's trust account is retained by NSW Treasury.

	30 June 2014 \$'000
Cash balance at 1 July 2013	11,671
Add: Receipts	151,122
Less: Expenditure	<u>152,312</u>
Cash balance at the 30 June 2014	<u>10,481</u>

Crown Solicitor's Office
Notes to and forming part of the financial statements
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19. DEFINED BENEFIT SUPERANNUATION

The following information has been prepared by the Scheme actuary.

30 June 2014 Superannuation Position Basis

	SASS	SANCS	SSS	Total
	30 June	30 June	30 June	30 June
	2014	2014	2014	2014
Member Numbers				
Contributors	17	27	10	
Deferred benefits	0	0	0	
Pensioners	0	0	35	
Pensions fully commuted	0	0	1	
Superannuation Position for AASB 119 purposes				
	\$	\$	\$	\$
Accrued liability (Note 1)	6,031,277	1,601,107	53,945,502	61,577,886
Estimated reserve account balance	(7,233,283)	(3,174,065)	(38,818,467)	(49,225,816)
1. Deficit/(surplus)	(1,202,006)	(1,572,959)	15,127,035	12,352,070
2. Future Service Liability (Note 2)	1,002,619	479,428	636,366	2,118,414
3. Surplus in excess of recovery available from schemes (-1.-2. and subject to a minimum of zero)	0	0	0	0
4. Net (asset)/liability to be recognised in statement of financial position (1.+3.)	(1,202,006)	(1,572,959)	15,127,035	12,352,070

Note 1:

The accrued liability includes a contribution tax provision. This is calculated based on grossing up the deficit less the allowance for past service expenses and insurable death and disability liabilities at a contribution tax rate of 15%.

Note 2:

The Future Service Liability (FSL) does not have to be recognised by an employer. It is only used to determine if an asset ceiling limit should be imposed (AASB 119 para 64). Under AASB 119, any prepaid superannuation asset recognised cannot exceed the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling limit is imposed. (Note: this also includes a contribution tax provision).

AASB 119 – Disclosure items 30 June 2014

Nature of the benefits provided by the fund

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Scheme Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2012.

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- Longevity risk – The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

Reconciliation of the Net Defined Benefit Liability/(Asset)

	SASS Financial Year to 30 June 2014 \$	SANCS Financial Year to 30 June 2014 \$	SSS Financial Year to 30 June 2014 \$	Total Financial Year to 30 June 2014 \$
Net Defined Benefit Liability/(Asset) at start of year	(1,061,260)	(1,266,756)	10,580,345	8,252,328
Current service cost	218,850	67,269	47,172	333,291
Net Interest on the net defined benefit liability/(asset)	(44,044)	(49,182)	396,954	303,728
Past service cost	0	0	0	0
(Gains)/losses arising from settlements	0	0	0	0
Actual return on Fund assets less Interest income	(823,979)	(197,325)	(4,740,114)	(5,761,417)
Actuarial (gains)/losses arising from changes in demographic assumptions	(0)	0	0	0
Actuarial (gains)/losses arising from changes in financial assumptions	172,088	79,927	1,959,101	2,211,116
Actuarial (gains)/losses arising from liability experience	531,928	(151,888)	7,151,937	7,531,977
Adjustment for effect of asset ceiling	0	0	0	0
Employer contributions	(195,589)	(55,004)	(268,361)	(518,953)
Net Defined Benefit Liability/(Asset) at end of year	(1,202,006)	(1,572,959)	15,127,035	12,352,070

Reconciliation of the Fair Value of Fund Assets

	SASS Financial Year to 30 June 2014 \$	SANCS Financial Year to 30 June 2014 \$	SSS Financial Year to 30 June 2014 \$	Total Financial Year to 30 June 2014 \$
Fair value of Fund assets at beginning of the year	6,265,106	2,534,689	32,295,559	41,095,355
Interest income	229,262	93,008	1,199,873	1,522,144
Actual return on Fund assets less Interest income	823,979	197,325	4,740,114	5,761,417
Employer contributions	195,589	55,004	268,361	518,953
Contributions by participants	94,098	0	141,173	235,271
Benefits paid	(340,761)	210,940	89,235	(40,586)
Taxes, premiums & expenses paid	(33,990)	83,100	84,152	133,262
Transfers in	0	0	0	0
Contributions to accumulation section	0	0	0	0
Settlements	0	0	0	0
Exchange rate changes	0	0	0	0
Fair value of Fund assets at end of the year	7,233,283	3,174,065	38,818,467	49,225,816

Crown Solicitor's Office
Notes to and forming part of the financial statements
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Reconciliation of the Defined Benefit Obligation

	SASS Financial Year to 30 June 2014 \$	SANCS Financial Year to 30 June 2014 \$	SSS Financial Year to 30 June 2014 \$	Total Financial Year to 30 June 2014 \$
<i>Present value of defined benefit obligations at beginning of the year</i>	5,203,846	1,267,933	42,875,904	49,347,683
Current service cost	218,850	67,269	47,172	333,291
Interest cost	185,218	43,826	1,596,828	1,825,872
Contributions by participants	94,098	0	141,173	235,271
Actuarial (gains)/losses arising from changes in demographic assumptions	(0)	0	0	0
Actuarial (gains)/losses arising from changes in financial assumptions	172,088	79,927	1,959,101	2,211,116
Actuarial (gains)/losses arising from liability experience	531,928	(151,888)	7,151,937	7,531,977
Benefits paid	(340,761)	210,940	89,235	(40,586)
Taxes, premiums & expenses paid	(33,990)	83,100	84,152	133,262
Transfers in	0	0	0	0
Contributions to accumulation section	0	0	0	0
Past service cost	0	0	0	0
Settlements	0	0	0	0
Exchange rate changes	0	0	0	0
<i>Present value of defined benefit obligations at end of the year</i>	6,031,277	1,601,107	53,945,502	61,577,886

Reconciliation of the effect of the Asset Ceiling

	SASS Financial Year to 30 June 2014 \$	SANCS Financial Year to 30 June 2014 \$	SSS Financial Year to 30 June 2014 \$	Total Financial Year to 30 June 2014 \$
<i>Adjustment for effect of asset ceiling at beginning of the year</i>	0	0	0	0
Change in the effect of asset ceiling	0	0	0	0
<i>Change in the effect of asset ceiling</i>	0	0	0	0

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

Fair value of Fund assets

All Pooled Fund assets are invested by STC at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities.

As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30th June 2014

Asset category	Total (A\$'000)	Quoted prices in		
		active markets for identical assets Level 1 (A\$'000)	Significant observable inputs Level 2 (A\$'000)	Unobservable inputs Level 3 (A\$'000)
Short Term Securities	2,452,755	1,572,615	880,140	-
Australian Fixed Interest	2,365,014	10,928	2,354,086	-
International Fixed Interest	880,529	-	880,529	-
Australian Equities	11,738,636	11,494,549	241,423	2,664
International Equities	10,953,329	8,172,677	2,780,531	121
Property	3,272,986	894,113	692,296	1,686,577
Alternatives	6,329,410	565,401	4,897,152	866,857
Total*	37,992,659	22,710,283	12,726,157	2,556,219

The percentage invested in each asset class at the reporting date is:

Asset Category	As at 30 June 2014
Short Term Securities	6.5%
Australian Fixed Interest	6.2%
International Fixed Interest	2.3%
Australian Equities	30.9%
International Equities	28.8%
Property	8.6%
Alternatives	16.7%
Total*	100.0%

*Additional to the assets disclosed above, at 30 June 2014 Pooled Fund has provisions for receivables/(payables) estimated to be around \$2.2 billion, giving an estimated assets totalling around \$40.2 billion.

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

Crown Solicitor's Office
Notes to and forming part of the financial statements
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Fair value of entity's own financial instruments

The disclosures below relate to total assets of the Pooled Fund.

The fair value of the Pooled Fund assets include as at 30 June 2014 \$173.9 million in NSW government bonds.

Significant Actuarial Assumptions at the Reporting Date

As at	30 June 2014
Discount rate	3.57% pa
Salary increase rate (excluding promotional increases)	2.27% pa to 30 June 2015, then 2.5% pa to 30 June 2018, 3.0% pa from 1 July 2018 to 30 June 2023, and 3.5% pa thereafter
Rate of CPI increase	2.5% pa as per the 2012 Actuarial Investigation of the Pooled Fund
Pensioner mortality	Fund

Sensitivity Analysis

The entity's total defined benefit obligation as at 30 June 2014 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2014.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base Case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	3.57%	2.57%	4.57%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	61,577,886	71,122,411	53,833,036

	Base Case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	2.5%	3.0%	2.0%
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	61,577,886	65,791,613	57,741,010

	Base Case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (A\$)	61,577,886	61,932,821	61,230,777

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

	Base Case	Scenario G +5% pensioner mortality rates	Scenario H -5% pensioner mortality rates
Defined benefit obligation (A\$)	61,577,886	60,924,501	62,269,284

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements.

Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and was last reviewed following completion of the triennial review as at 30 June 2012. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Surplus/deficit

The following is a summary of the 30 June 2014 financial position of the Fund calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	SASS 30 June 2014	SANCS 30 June 2014	SSS 30 June 2014	Total 30 June 2014
	\$	\$	\$	\$
Accrued benefits*	5,670,736	1,585,635	30,478,212	37,734,584
Net market value of Fund assets	(7,233,283)	(3,174,065)	(38,818,467)	(49,225,816)
Net (surplus)/deficit	(1,562,547)	(1,588,430)	(8,340,254)	(11,491,232)

*There is no allowance for a contribution tax provision within the Accrued Benefits figure for AAS 25. Allowance for contributions tax is made when setting the contribution rates.

Contribution recommendations

Recommended contribution rates for the entity are:

	SASS	SANCS	SSS
	multiple of member contributions	% member salary	multiple of member contributions
	1.9	2.5	1.5

Crown Solicitor's Office
Notes to and forming part of the financial statements
for the period ended 30 June 2014

Economic assumptions

The economic assumptions adopted for the 30 June 2012 actuarial investigation of the Pooled Fund are:

Weighted-Average Assumptions

Expected rate of return on Fund assets backing current pension liabilities	8.3% pa
Expected rate of return on Fund assets backing other liabilities	7.3% pa
Expected salary increase rate (excluding promotional salary increases)	SASS, SANCS, SSS 2.7% pa (PSS 3.5% pa) to 30 June 2018, then 4.0% pa thereafter
Expected rate of CPI increase	2.5% pa

Expected contributions

	SASS Financial Year to 30 June 2015 \$	SANCS Financial Year to 30 June 2015 \$	SSS Financial Year to 30 June 2015 \$	Total Financial Year to 30 June 2015 \$
Expected employer contributions	178,786	60,790	211,760	451,336

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 13.2 years.

Profit and Loss Impact

	SASS Financial Year to 30 June 2014 \$	SANCS Financial Year to 30 June 2014 \$	SSS Financial Year to 30 June 2014 \$	Total Financial Year to 30 June 2014 \$
Current service cost	218,850	67,269	47,172	333,291
Net interest	(44,044)	(49,182)	396,954	303,728
Past service cost	0	0	0	0
(Gains)/Loss on settlement	0	0	0	0
Defined benefit cost	174,806	18,087	444,126	637,020

Other Comprehensive Income

	SASS Financial Year to 30 June 2014 \$	SANCS Financial Year to 30 June 2014 \$	SSS Financial Year to 30 June 2014 \$	Total Financial Year to 30 June 2014 \$
Actuarial (gains) losses on liabilities	704,016	(71,961)	9,111,039	9,743,093
Actual return on Fund assets less Interest income	(823,979)	(197,325)	(4,740,114)	(5,761,417)
Adjustment for effect of asset ceiling	0	0	0	0
Total remeasurement in Other Comprehensive Income	(119,963)	(269,286)	4,370,925	3,981,676

20. EVENTS AFTER THE REPORTING PERIOD

No events have occurred between the financial reporting date and the date of these financial statements that require adjustment to, or disclosure in, these financial statements.

End of audited financial statements.

APPENDICES

19. Appendix 1: Accounts payment performance

19.1 Aged analysis at the end of each quarter from 24th February 2014

Year ended 30 June 2014

Quarter	Current (i.e. within due date) \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 60 and 90 days overdue \$'000	More than 90 days overdue \$'000
All suppliers					
March	0	0	0	0	0
June	0	0	0	0	0
Small business suppliers					
March	0	0	0	0	0
June	0	0	0	0	0

Note: All creditors are paid in the month that the invoice is received/approved for payment and thus there is no balance at the month end.

Accounts due or paid within each quarter from the 24th February 2014:

Measure	March	June
All suppliers		
No of accounts due for payment	1,286	2,445
No of accounts paid on time	1,279	2,412
Actual % of accounts paid on time (based on no of accounts)	99.5%	98.7%
Dollar amount of accounts due for payment	\$3,773,033.48	\$11,631,158.90
Dollar amount of accounts paid on time	\$3,752,140.35	\$11,330,675.04
Actual % of accounts paid on time (based on \$)	99.5%	97.4%
No of payments for interest on overdue accounts	0	6
Interest paid on overdue accounts	\$0.00	\$467.74

Accounts due or paid within each quarter (continued)

Measure	March	June
Small business suppliers		
No of accounts due for payment	268	676
No of accounts paid on time	265	648
Actual % of accounts paid on time (based on no of accounts)	98.9%	95.9%
Dollar amount of accounts due for payment	\$1,343,388.51	\$2,810,458.04
Dollar amount of accounts paid on time	\$1,337,885.01	\$2,769,315.24
Actual % of accounts paid on time (based on \$)	99.6%	98.5%
No of payments for interest on overdue accounts	0	6
Interest paid on overdue accounts	0	\$467.74

19.2 Payment of mandatory interest to small business suppliers

CSO has paid interest during the year to declared small business suppliers as advised above. The main reasons for payment delay are the misplacement of invoices and/or invoices lost in the post.

19.3 Initiatives to improve payment performance

The CSO has undertaken several initiatives to improve payment performance:

- ▶ review of the monthly late payment reports with relevant officers/Team Leaders
- ▶ continued increased use of electronic funds transfer as the preferred method of paying creditors
- ▶ payment of major suppliers by way of consolidated billing
- ▶ all CSO staff have been advised of the payment performance requirements and all new staff are advised of the requirements as part of Induction.

As part of the Practice Management System replacement in the 2014/15 financial year, the CSO will be considering centralised receipting and use of electronic workflow for approval of invoices.

20. Appendix 2: Credit card certification

In accordance with the Treasurer's Direction 205.01, it is hereby certified that the use of corporate credit cards has been in accordance with government guidelines.



I V Knight
Crown Solicitor

21. Appendix 3: Digital information security policy attestation



**Crown
Solicitor's
Office**

Your Ref:
My Ref: AD2013.60
T081 V Knight
Tel: (02) 9224-5238
Fax: (02) 9224-5244
Email: ian_knight@csa.nsw.gov.au

25 July 2014

ICT Board
c/o ICT Policy
Department of Finance & Services
2-24 Rawson Place
SYDNEY NSW 2000

**Digital Information Security Annual Attestation Statement for the 2013-2014
Financial Year for NSW Crown Solicitor's Office**

I, Ian Knight, NSW Crown Solicitor of the NSW Crown Solicitor's Office, am of the opinion that Information Technology Services had an Information Security Management System in place during the financial year being reported on consistent with the Core Requirements set out in the *Digital Information Security Policy for the NSW Public Sector*.

I, Ian Knight, NSW Crown Solicitor of the NSW Crown Solicitor's Office, am of the opinion that the security controls in place to mitigate identified risks to the digital information and digital information systems of NSW Crown Solicitor's Office are adequate for the foreseeable future.

I, Ian Knight, NSW Crown Solicitor of the NSW Crown Solicitor's Office, am of the opinion that all Public Sector Agencies, or part thereof, under the control of NSW Crown Solicitor's Office with a risk profile sufficient to warrant an independent Information Security Management System have developed an Information Security Management System in accordance with the Core Requirements of the *Digital Information Security Policy for the NSW Public Sector*.

I, Ian Knight, NSW Crown Solicitor of the NSW Crown Solicitor's Office, am of the opinion that, where necessary in accordance with the *Digital Information Security Policy for the NSW Public Sector*; certified compliance with *AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems - Requirements* had been maintained by all or part of NSW Crown Solicitor's Office and all or part of any Public Sector Agencies under its control.

Yours faithfully

Ian Knight
Crown Solicitor

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AD2013.60 D2014/318977

22. **Appendix 4: Internal audit and risk management policy attestation**

I, Ian Victor Knight, Crown Solicitor, am of the opinion that the Crown Solicitor's Office has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

I, Ian Victor Knight, Crown Solicitor, am of the opinion that the Audit and Risk Committee for the Crown Solicitor's Office is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09-08.

The Chair and Members of the Audit and Risk Committee are:

- ▶ Independent Chair: Brian Suttor (February 2014 – May 2017)
- ▶ Independent Member 1: Paul Crombie (February 2014 – May 2017)
- ▶ Independent Member 2: Ian Neale (February 2014 – May 2017)
- ▶ Independent Member 3: Joan Wilcox (February 2014 – May 2017)
- ▶ Independent Member 4: Arthur Butler (February 2014 – June 2017)

These processes provide a level of assurance that enables the senior management of the Crown Solicitor's Office to understand, manage and satisfactorily control risk exposures.



.....
I V Knight
Crown Solicitor
Date: 22 August 2014

23. *Appendix 5: Privacy and Personal Information Protection Act 1998*

23.1.1 *Table A: Number of applications by type of application and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information held	Application withdrawn
Media	0	0	0	0	0	0	0	0
MPs	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
NFP organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representatives)	0	0	0	0	0	0	0	0
Members of the public (other)	1	0	0	0	0	0	0	0

23.1.2 *Table B: Applications by type and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	1	0	0	0	0	0	0	0
Access applications - partly personal information applications & partly other	0	0	0	0	0	0	0	0

23.1.3 *Table C: Invalid applications*

Reason for invalidity	Number of applications
Application does not comply with formal requirements (s. 41 of the Act)	0
Application is for excluded information of the agency (s. 43 of the Act)	0
Application contravenes restraint order (s. 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently become valid applications	0

23.1.4 *Table D: Overriding public interest against disclosure*

Matters listed in Schedule 1 of the Act	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

23.1.5 *Table E: Other public interest considerations against disclosure*

Matters listed in section 14 of the Act	Number of times when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

23.1.6 *Table F: Timeliness*

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Decided within time (deemed refusal)	0
TOTAL	1

23.1.7 *Table G: Number of applications reviewed under Part 5 of the Act*

By type of review and outcome	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	0	0	0
Internal review following recommendation under s. 93 of Act	0	0	0
Review by ADT	0	0	0
TOTAL	0	0	0

23.1.8 *Table H: Applications for review under Part 5 of the Act*

By type of applicant	Number of applications
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see s. 54 of the Act)	0

