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Statement of comprehensive income

Office of the Inspector-General of Emergency Management
Statement of comprehensive income
For the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Income from continuing operations			
Appropriation revenue	3	3,937	3,947
Services received below fair value	4	640	685
Other revenue		14	12
Total revenue		4,591	4,644
Expenses from continuing operations			
Employee expenses	5	2,641	2,827
Supplies and services	8	1,235	839
Depreciation	11	2	5
Other expenses	9	665	699
Total expenses from continuing operations		4,543	4,370
Operating result from continuing operations		48	274

The accompanying notes form part of these statements.

Statement of financial position

Office of the Inspector-General of Emergency Management
Statement of financial position
As at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents		1,496	1,407
Receivables	10	49	53
Total current assets		1,545	1,460
Non-current assets			
Plant and equipment	11	-	16
Total non-current assets		-	16
Total assets		1,545	1,476
Liabilities			
Current liabilities			
Payables	12	210	228
Accrued employee benefits	13	99	134
Total current liabilities		310	362
Non-current liabilities			
Deferred lease liability	14	75	-
Total non-current liabilities		75	-
Total liabilities		385	362
Net assets		1,160	1,114
Equity			
Contributed equity		669	669
Accumulated surplus		491	445
Total equity		1,160	1,114

The accompanying notes form part of these statements.

Statement of changes in equity

Office of the Inspector-General of Emergency Management
Statement of changes in equity
For the year ended 30 June 2017

	2017 \$'000	2016 \$'000
Contributed equity		
Opening balance	669	669
Closing balance	669	669
Accumulated surplus/(deficit)		
Opening balance	445	171
Operating result	48	274
Closing balance	491	445
Total equity	1,160	1,114

Statement of cash flows

Office of the Inspector-General of Emergency Management
Statement of cash flows
For the year ended 30 June 2017

	2017 \$'000	2016 \$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Service appropriation receipts	3,937	3,924
User charges and fees	11	-
GST input tax credits from ATO	59	131
GST collected from customers	3	4
Other	14	14
<i>Outflows:</i>		
Employee expenses	(2,666)	(2,770)
Supplies and services	(1,035)	(1,208)
Grants and subsidies	(2)	-
GST paid to suppliers	(75)	(108)
GST remitted to ATO	(3)	(4)
Other	(154)	(14)
Net cash provided by/(used in) operating activities	89	(31)
Net increase/(decrease) in cash	89	(31)
Cash at beginning of financial year	1,407	1,438
Cash at end of financial year	1,496	1,407

Reconciliation of operating result to net cash from operating activities

Operating result	48	274
Non-cash items included in operating result:		
Depreciation expense	2	5
Net gain/loss on sale of property, plant and equipment	14	-
Change in assets and liabilities:		
Increase/(decrease) in accrued employee benefits	(36)	62
(Increase)/decrease in accrued revenue	11	-
(Increase)/decrease in annual leave reimbursement receivable	9	4
(Increase)/decrease in GST input tax credits receivable	(16)	23
(Increase)/decrease in long service leave reimbursement receivable	2	-
(Increase)/decrease in other receivables	(2)	(8)
Increase/(decrease) in trade creditors	200	-
Increase/(decrease) in other payables	(143)	(369)
Increase/(decrease) in other current liabilities	-	(23)
Net cash from operating activities	89	(31)

Accounting Policy - Cash and cash equivalents

Cash assets include cash on hand and all cash and cheques receipted but not banked as at 30 June.

The office has authorisation to operate in overdraft with a specified limit in accordance with the *Financial Accountability Act 2009*. The approved overdraft limit is \$ 250,000.

Notes to and forming part of the financial statements 2016-17

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

1 Basis of financial statement preparation

(a) General information

The Office of the Inspector-General of Emergency Management ('the office') is a Queensland Government public service office established under the *Disaster Management Act 2003*.

The office is a not-for-profit entity and has no controlled entities.

(b) Statement of compliance

The office has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year beginning 1 July 2016 and other authoritative pronouncements.

(c) Taxation

The office is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

(d) Basis of measurement

The historical cost convention is used unless fair value is stated as the measurement basis.

(e) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect on the financial statements are outlined in Note 4 Services received at below fair value.

(f) Other presentation matters

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is less than \$500, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current year reporting period. Where such restatements have occurred, they are not material to the financial statements.

(g) Future impact of accounting standards not yet effective

The office did not voluntarily change any of its accounting policies during 2016-17. As at the date of authorisation of the financial report, the following accounting standards and interpretations have future commencement dates. The impact of these on the Financial Statements is currently being assessed.

AASB 15 Revenue for Contracts with Customers, effective 1 January 2018.

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), effective 1 January 2018.

AASB 16 Leases, effective 1 January 2019.

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB107, effective 1 July 2017.

(h) Accounting Standards applied for the first time

The only Australian Accounting Standard applicable to the office that became effective for the first time in 2016-17 is *AASB 124 Related Party Disclosures* (Note 7 and Note 15).

2 Objectives and principal activities of the office

The office was formally established as a public service office on 1 July 2014 under amendments to the *Disaster Management Act 2003*. The office provides assurance and advice that enables confidence in Queensland's emergency management arrangements.

The office has established the Standard for Disaster Management in Queensland, which forms part of the Emergency Management Assurance Framework. The office undertakes targeted reviews and system analysis to identify risks to emergency management planning, preparedness, response and recovery arrangements and recommends evidence based improvements.

Funding for the office's services comes predominantly from parliamentary appropriations.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

	2017 \$'000	2016 \$'000
3 Appropriation revenue		
Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in Statement of comprehensive income		
Budgeted appropriation revenue	3,911	3,886
Unforeseen expenditure	26	38
Total appropriation receipts	<u>3,937</u>	<u>3,924</u>
Plus: Opening balance of appropriation revenue payable	-	23
Appropriation revenue recognised in Statement of comprehensive income	<u>3,937</u>	<u>3,947</u>

Accounting Policy - Appropriation revenue for services

Appropriations provided under the *Appropriation Act* are recognised as revenue when received or receivable. Where approved, appropriation revenue is recorded as a receivable if the approved amounts are not received at the end of the reporting period.

4 Services received at below fair value

Services received below fair value	640	685
Total	<u>640</u>	<u>685</u>

For 2016-17, services received below fair value were provided to the office by the Public Safety Business Agency (PSBA). The value of these services was calculated based on a cost attribution model developed by the PSBA to attribute the actual costs of services provided by that organisation at nil cost to its partner agencies. Services provided by PSBA to its partner agencies at nil cost include asset management, human resource management, financial management and information and communication technology management. The cost of services provided at below fair value materially represents the fair value of the goods and services received by the office.

Accounting Policy - Services received/provided free of charge, below fair value or for nominal value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as a revenue and an expense in the Statement of comprehensive income.

5 Employee expenses

Employee benefits

Wages and salaries	2,049	2,203
Employer superannuation contributions	273	282
Long service leave levy	43	49
Annual leave levy	197	211
Other employee benefits	16	14

Employee related expenses

Workers' compensation premium	15	13
Training expenses	46	53
Other employee related expenses	1	3
Total	<u>2,641</u>	<u>2,827</u>

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis, reflecting Minimum Obligatory Human Resource Information (MOHRI), is:

Full-Time equivalent employees (number)	20	21
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Accounting Policy - Employee expenses

Wages, salaries and sick leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of financial position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months of the reporting date, the liabilities are recognised at their undiscounted values.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

5 Employee expenses (continued)

Accounting Policy - Employee expenses (continued)

Annual leave and long service leave

The office is a member of the Queensland Government's Annual Leave and Long Service Leave Central Scheme. A levy is payable to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Employer superannuation contributions are paid to Qsuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The office's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefits and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*. Amounts payable to superannuation funds are recognised in the Statement of financial position.

Workers' compensation premium

The office pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package.

6 Key Management Personnel (KMP) disclosures

(a) Details of key management personnel

As from 1 July 2016, the office's responsible Minister is identified as part of the office's KMP, consistent with additional guidance included in the revised version of *AASB 124 Related Party Disclosures*. That Minister is the Minister for Police, Fire and Emergency Services and Minister for Corrective Services.

The other non-Ministerial KMP personnel are those positions that had authority and responsibility for planning, directing and controlling the activities of the office during 2016-17. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

(b) Remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The office does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the office's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the KMP are specified in employment contracts or conditions of employment.

Remuneration expenses for KMP comprise the following components:

- Short term employee expenses including:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was a key management person; and
 - non-monetary benefits - may include provision of a motor vehicle and fringe benefits tax applicable to benefits.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post employment expenses include amounts expensed in respect of employer superannuation obligations.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

6 Key Management Personnel (KMP) disclosures (continued)

(c) Remuneration expenses

1 July 2016 – 30 June 2017

Position	Contract classification Appointment authority Date appointed to position Date exited from position	Short Term	Long Term	Post	Total
		Employee Expenses	Employee Expenses	Employment Benefits	Expenses
		\$'000	\$'000	\$'000	\$'000
Inspector-General of Emergency Management (<i>Chief Executive Officer</i>)	CEO Level <i>Disaster Management Act 2003</i> Appointed 31/07/2014	264	5	31	300
Director, Performance, Reporting and Policy Analysis - Acting	SO (SO3) <i>Public Service Act 2008</i> 02/05/2016 - 13/02/2017	93	2	11	106
Director, Performance, Reporting and Policy Analysis	SO (SO3) <i>Public Service Act 2008</i> Appointed 14/02/2017	58	1	9	68
Director, Interoperability and Innovation	SO (SO3) <i>Public Service Act 2008</i> Appointed 01/11/2013	150	3	20	173
Director, Community and Stakeholder Engagement	SO (SO3) <i>Public Service Act 2008</i> Appointed 16/02/2014	152	3	20	175
Director, Standards Best Practice and Evaluation	SO (SO3) <i>Public Service Act 2008</i> Appointed 01/11/2013	151	2	17	170

1 July 2015 – 30 June 2016

Position	Contract classification Appointment authority Date appointed to position Date exited from position	Short Term	Long Term	Post	Total
		Employee Expenses	Employee Expenses	Employment Benefits	Expenses
		\$'000	\$'000	\$'000	\$'000
Inspector-General of Emergency Management (<i>Chief Executive Officer</i>)	CEO Level <i>Disaster Management Act 2003</i> Appointed 31/07/2014	260	5	27	292
Director, Performance, Reporting and Policy Analysis	SO (SO3) <i>Public Service Act 2008</i> 01/11/2013 - 30/04/2016	109	2	14	125
Director, Performance, Reporting and Policy Analysis - Acting	SO (SO3) <i>Public Service Act 2008</i> 02/05/2016	22	-	4	26
Director, Interoperability and Innovation *	SO (SO3) <i>Public Service Act 2008</i> Appointed 01/11/2013	136	3	18	157
Director, Community and Stakeholder Engagement	SO (SO3) <i>Public Service Act 2008</i> Appointed 16/02/2014	144	3	17	164
Director, Standards Best Practice and Evaluation	SO (SO3) <i>Public Service Act 2008</i> Appointed 01/11/2013	146	3	17	166

* The incumbent appointed to this position acted in the position of Inspector-General for the period 30 November 2015 to 24 December 2015.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

7 Related party transactions with people/entities related to KMP

There were no material related party transactions associated with the office's KMP during 2016-17.

8 Supplies and services

	2017 \$'000	2016 \$'000
Accommodation and public utilities	-	5
Communication expenses	4	41
Computer expenses	66	51
Consultancies and contractors	257	143
Transfer costs	6	-
Legal fees	-	8
Maintenance and repairs	7	40
Operating lease rentals	486	175
Operational and other equipment purchases	3	17
Property expenses	37	84
Shared service provider expenses	147	136
Travel	84	63
Conference workshop costs	51	40
Other	88	37
Total	<u>1,235</u>	<u>839</u>

9 Other expenses

External Audit fees *	7	6
Insurance premiums - QGIF	4	5
Goods and services provided below fair value **	640	685
Loss on disposal of non-current assets	14	-
Other	-	3
Total	<u>665</u>	<u>699</u>

* Total audit fees paid to the Queensland Audit Office relating to the 2016-17 financial statements are estimated to be \$13,500 (2015-16: \$13,250). The balance of the fees for the 2016-17 audit is expected to be incurred and paid in 2017-18.

** An equal amount is recognised as revenue and an expense for services received below fair value (refer Note 4).

Accounting Policy - Services received/provided free of charge, below fair value or for nominal value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

Accounting Policy - Insurance

The majority of the office's property and other insurable risks are insured through the Queensland Government Insurance Fund (QGIF) with premiums being paid on a risk assessment basis.

10 Receivables

GST receivable	24	9
	<u>24</u>	<u>9</u>
Annual leave reimbursements	22	31
Long service leave reimbursements	-	2
Accrued revenue	-	11
Other	2	-
	<u>24</u>	<u>44</u>
Total	<u>49</u>	<u>53</u>

Accounting Policy - Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery - the agreed purchase/contract price. The office's standard settlement terms is 30 days from invoice date.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

	2017 \$'000	2016 \$'000
11 Plant and equipment		
Plant & Equipment		
Gross value	-	28
Less: Accumulated depreciation	-	(12)
Closing Balance	<u>-</u>	<u>16</u>
Reconciliation		
Opening balance	16	21
Disposals	(14)	-
Depreciation	(2)	(5)
Closing Balance	<u>-</u>	<u>16</u>

Accounting Policy - Plant and equipment asset thresholds

Items of plant and equipment with a cost or other value equal to or in excess of \$5,000, are recognised for financial reporting purposes in the year of acquisition.

Items purchased or acquired for a lesser value are expensed in the year of acquisition.

Accounting Policy - Depreciation of plant and equipment

Plant and equipment is depreciated at a rate between 5% and 33.33% on a straight-line basis less its estimated residual value, progressively over its estimated useful life to the office.

12 Payables

Trade creditors	204	79
Tax liabilities	4	3
Accrued expenses	2	145
Total	<u>210</u>	<u>228</u>

Accounting Policy - Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount - agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

13 Accrued employee benefits

Annual leave levy payable	39	60
Long service leave levy payable	12	13
Salaries and wages outstanding	49	61
Total	<u>99</u>	<u>134</u>

Accounting Policy - Accrued employee benefits

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

14 Deferred lease liability

Deferred lease liability	75	-
Total	<u>75</u>	<u>-</u>

Accounting Policy - Deferred lease liability

The office has an operating lease for office accommodation. Operating lease payments are recognised in the period they are incurred using straight line basis over the period of the lease. The difference between the expense and the cash payment at a point in time is recorded as deferred lease liability.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

15 Related party transactions with other Queensland Government-controlled entities

The office's primary sources of funding from Government to deliver services are from appropriation revenue and equity injections, both of which are provided in cash via Queensland Treasury.

The office has received below fair value services from the Public Safety Business Agency as disclosed in Note 4 and 9.

The office has made payments to the Department of Housing and Public Works for lease expenditure and Queensland Shared Services for shared service provider expenses. Refer to Note 8.

16 Commitments

Non-cancellable operating lease commitments

Operating lease commitments inclusive of non-recoverable GST at reporting date are payable as follows:

	2017 \$'000	2016 \$'000
Not later than one year	643	163
Later than one year and not later than five years	2,806	624
Later than five years	8,347	-
Total	<u>11,797</u>	<u>787</u>

17 Financial instruments

(a) Categorisation of financial instruments

The office has the following categories of financial assets and financial liabilities:

Financial assets	Note		
Cash		1,496	1,407
Receivables	10	49	53
Total		<u>1,545</u>	<u>1,460</u>
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	12	210	228
Total		<u>210</u>	<u>228</u>

(b) Financial risk management

The office's activities expose it to a degree of financial risk.

Financial risk management is implemented through the Public Safety Business Agency pursuant to Government and office policies. These policies seek to minimise potential adverse effects on the financial performance of the office and ensures the office has sufficient funds available to meet employee and supplier obligations as they fall due.

Accounting Policy - Financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of financial position when the office becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value
- Receivables - held at amortised cost
- Payables - held at amortised cost

Apart from cash and cash equivalents, the office holds no financial assets classified at fair value.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016–17

18 Budgetary reporting

Statement of comprehensive income	Variance Note	Original budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000
Income from continuing operations				
Appropriation revenue		3,911	3,937	26
Services received at below fair value	18(a)	742	640	(102)
Other revenue		-	14	14
Total revenue		4,653	4,591	(62)
Expenses from continuing operations				
Employee expenses	18(b)	2,807	2,641	(166)
Supplies and services	18(c)	1,079	1,235	156
Depreciation		3	2	(1)
Other expenses	18(d)	764	665	(99)
Total expenses from continuing operations		4,653	4,543	(110)
Operating result from continuing operations		-	48	48

Explanation of major variances

- 18(a) The variance in services received at below fair value from PSBA is due to the transfer of some functions in PSBA that previously supported the office, being transferred to other entities in 2016-17, resulting in lower actual costs.
- 18(b) The variance in employee expenses is mainly due to vacancies and part-time work arrangements, causing a reduction in the total annual expense.
- 18(c) The variance in supplies and services is mainly due to an increase in office lease expense, resulting from the relocation to 1 William Street, Brisbane.
- 18(d) Refer also to note 18(a). An equal amount has been recognised as revenue and expense for services received at below fair value provided by the PSBA to the office.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

18 Budgetary reporting (continued)

Statement of financial position	Variance Note	Original budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000
Assets				
Current assets				
Cash and cash equivalents	18(e)	1,421	1,496	75
Receivables		73	49	(24)
Total current assets		1,494	1,545	51
Non-current assets				
Plant and equipment		15	-	(15)
Total non-current assets		15		(15)
Total assets		1,509	1,545	36
Liabilities				
Current liabilities				
Payables	18(f)	467	210	(257)
Accrued employee benefits	18(g)	72	99	27
Other current liabilities	18(h)	131	-	(131)
Total current liabilities		670	310	(360)
Non-current liabilities				
Deferred lease liability	18(i)	-	75	75
Total non-current liabilities		-	75	75
Total liabilities		670	385	(285)
Net assets		839	1,160	321
Total equity	18(j)	839	1,160	321

Explanation of major variances

18(e) Original budget underestimated the opening cash balance for 2016-17.

18(f) The variance in payables reflects the timing of payments in 2016-17, which could only be estimated for the budget.

18(g) The variance in accrued employee benefits reflects the timing of payments for salaries and wages and to the Annual Leave and Long Service Leave central schemes.

18(h) The variance in other current liabilities is due to liabilities originally budgeted for in 2016-17 which did not eventuate.

18(i) The variance in deferred lease liability is due to recognition of lease expense for 1 William Street, Brisbane.

18(j) The variance in total equity is primarily due to a higher than expected operating surplus for 2016-17.

Notes to and forming part of the financial statements 2016-17 (cont'd)

Office of the Inspector-General of Emergency Management Notes to and forming part of the financial statements 2016-17

18 Budgetary reporting (continued)

Statement of cash flows	Variance Note	Original budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Services appropriation receipts		3,911	3,937	26
User charges and fees		-	11	11
GST input tax credits from ATO		-	59	59
GST collected from customers		-	3	3
Other		-	14	14
<i>Outflows:</i>				
Employee expenses		(2,807)	(2,666)	141
Supplies and services		(1,079)	(1,035)	44
Grants and subsidies		-	(2)	(2)
GST paid to suppliers		-	(75)	(75)
GST remitted to ATO		-	(3)	(3)
Other		(22)	(154)	(132)
Net cash provided by/(used in) operating activities		3	89	86
Net increase/(decrease) in cash		3	89	86
Cash at beginning of financial year		1,418	1,407	(11)
Cash at end of financial year	18(k)	1,421	1,496	75

Explanation of major variances

18(k) The variance is due to a higher than expected opening cash balance for 2016-17. Refer also to note 18(e).

Management Certificate for the year ended 30 June 2017

Office of the Inspector-General of Emergency Management Management Certificate for the year ended 30 June 2017

Management Certificate

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Office of the Inspector-General of Emergency Management for the year ending 30 June 2017 and of the financial position of the office at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Rod Wilson
B.Bus(Mgt), MIPA, GAICD
Grad Cert Exec Ldrshp
Chief Finance Officer

Date 14/8/17



Iain S Mackenzie AFSM
MLshipMgt (Policing)
Accountable Officer
Inspector-General of Emergency Management

Date 14/8/17

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Office of the Inspector-General of Emergency Management

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Office of the Inspector-General of Emergency Management.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Key audit matters

I have determined that there are no key audit matters to communicate in my report.

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Independent Auditor's report (cont'd)

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Nick George
as delegate of the Auditor-General



Queensland Audit Office
Brisbane