

Financial statements

**Office of the Inspector-General of Emergency Management
Financial Statements
For the year ended 30 June 2019**

Office of the Inspector-General of Emergency Management
Financial statements
For the year ended 30 June 2019

<u>CONTENTS</u>	Page no.
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Note 1 Basis of financial statement preparation	7
Note 2 Objectives and principal activities of the office	8
Note 3 Appropriation revenue	9
Note 4 Services received at below fair value	9
Note 5 Employee expenses	9
Note 6 Key Management Personnel disclosures	11
Note 7 Supplies and services	13
Note 8 Other expenses	13
Note 9 Receivables	13
Note 10 Plant and equipment	14
Note 11 Payables	14
Note 12 Accrued employee benefits	14
Note 13 Related party transactions with other Queensland Government-controlled entities	14
Note 14 Commitments	15
Note 15 Financial instruments	15
Note 16 Events occurring after balance date	15
Note 17 Budgetary reporting	16
Management Certificate	19
Independent Audit Report	20

Office of the Inspector-General of Emergency Management
Statement of comprehensive income
For the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Income from continuing operations			
Appropriation revenue	3	4,369	4,215
Services received below fair value	4	498	710
Total revenue		4,867	4,925
Expenses from continuing operations			
Employee expenses	5	2,951	2,902
Supplies and services	7	1,259	1,095
Grants and subsidies		10	27
Depreciation	10	1	1
Other expenses	8	643	898
Total expenses from continuing operations		4,864	4,923
Operating results for the year		3	2

The accompanying notes form part of these statements.

Office of the Inspector-General of Emergency Management
Statement of financial position
As at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash		1,528	1,537
Receivables	9	64	54
Prepayments		47	-
Total current assets		1,639	1,591
Non-current assets			
Plant and equipment	10	6	7
Total non-current assets		6	7
Total assets		1,645	1,598
Liabilities			
Current liabilities			
Payables	11	235	157
Accrued employee benefits	12	113	119
Other current liabilities		132	160
Total current liabilities		480	436
Total liabilities		480	436
Net assets		1,165	1,162
Equity			
Contributed equity		669	669
Accumulated surplus		496	493
Total equity		1,165	1,162

The accompanying notes form part of these statements.

Office of the Inspector-General of Emergency Management
Statement of changes in equity
For the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Contributed equity		
Opening balance	669	669
Closing balance	669	669
Accumulated surplus/(deficit)		
Opening balance	493	491
Operating result	3	2
Closing balance	496	493
Total equity	1,165	1,162

Office of the Inspector-General of Emergency Management
Statement of cash flows
For the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Service appropriation receipts	4,341	4,375
User charges and fees	13	-
Grants and other contributions	-	2
GST input tax credits from ATO	119	129
GST collected from customers	1	1
<i>Outflows:</i>		
Employee expenses	(2,969)	(2,877)
Supplies and services	(1,227)	(1,238)
Grants and subsidies	(10)	(27)
GST paid to suppliers	(132)	(127)
GST remitted to ATO	(1)	(1)
Other	(145)	(188)
Net cash provided by/(used in) operating activities	(9)	49
Cash flows from investing activities		
<i>Outflows:</i>		
Payments for property, plant and equipment	-	(8)
Net cash provided by/(used in) investing activities	-	(8)
Net increase/(decrease) in cash	(9)	41
Cash at beginning of financial year	1,537	1,496
Cash at end of financial year	1,528	1,537

Reconciliation of operating result to net cash from operating activities

Operating result	3	2
Non-cash items included in operating result:		
Depreciation expense	1	1
Change in assets and liabilities:		
Increase/(decrease) in accrued employee benefits	(7)	20
(Increase)/decrease in annual leave reimbursement receivable	(11)	4
(Increase)/decrease in GST input tax credits receivable	(13)	2
(Increase)/decrease in other receivables	-	2
(Increase)/decrease in prepayments	(47)	-
Increase/(decrease) in trade creditors	79	(119)
(Increase)/decrease in trade receivables	13	(23)
Increase/(decrease) in other current liabilities	(28)	160
Net cash from operating activities	(9)	49

Accounting Policy - Cash

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 within a specified limit in accordance with the *Financial Accountability Act 2009*. The approved overdraft limit is \$250,000.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

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 Financial Reporting Requirements for the year beginning 1 July 2018 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.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

1 Basis of financial statement preparation (continued)

(g) Future impact of accounting standards not yet effective

The office did not voluntarily change any of its accounting policies during 2018-19. As at the date of authorisation of the financial report, the following accounting standards and interpretations have future commencement dates.

AASB 1058 - Income of Not-for-Profit Entities and AASB 15 - Revenue from Contracts with Customers

These standards will first apply to the office from 1 July 2019.

The impact of these standards on the financial statements has been assessed as not applicable, as it relates to any unspent grant revenue received at the end of a reporting period. This is due to the office not expecting to receive grants revenue. The impact of the standard will be further assessed if it becomes applicable in the future.

AASB 16 - Leases

This standard will first apply to the office from 1 July 2019.

Under this standard, lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all non-cancellable leases with a term of more than 12 months, unless the asset is of low value. The accounting treatment will change from being recognised as an expense to recognising a right-of-use asset and associated liability, interest and depreciation expense, resulting in a financial reporting impact on the financial statements from 2019-20.

The office currently has one lease only, from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO). Lease payments under this arrangement totalled \$362,000 for 2018-19. The office has been advised by Queensland Treasury and DHPW that, effective 1 July 2019, amendments to the framework agreements that govern QGAO will result in the above arrangement being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation assets used within these arrangements. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred due to the office not being impacted by this standard.

Other standards and interpretations

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the office or have no material impact.

(h) Accounting Standards applied for the first time

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), became effective in 2018-19 and addresses recognition, classification, measurement and de-recognition of financial assets and financial liabilities and impairment of financial assets, including statutory receivables. There is no impact on the office arising from this standard.

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.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
3 Appropriation revenue		
Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in Statement of comprehensive income		
Budgeted appropriation revenue	4,209	4,307
Lapsed appropriation revenue	-	(92)
Total appropriation receipts	4,209	4,215
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	160	
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(132)	(160)
Net appropriation revenue	4,237	4,055
Plus: Deferred appropriation payable to Consolidated Fund (expense)	132	160
Appropriation revenue recognised in Statement of comprehensive income	4,369	4,215

Accounting Policy - Appropriation revenue for services

Appropriations provided under the *Appropriation Act 2018* 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 below fair value

Services received below fair value	498	710
Total	498	710

For 2018-19, 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 the office. Services provided by PSBA to the office at nil cost include assets management services, human resource services, financial services and information and communication technology services. 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	2,276	2,239
Employer superannuation contributions	294	292
Long service leave levy	48	47
Annual leave levy	230	236
Other employee benefits	18	17

Employee related expenses

Workers' compensation premium	13	13
Training expenses	72	58
Total	2,951	2,902

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)	21	21
--	-----------	-----------

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.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

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 Schemes. A levy is payable to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

Superannuation

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.

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rebates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan - 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*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the office at the specified rate following completion of the employee's service each pay period. The office's obligations are limited to those contributions paid.

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.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

6 Key Management Personnel disclosures

(a) Details of key management personnel (KMP)

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*. The office's responsible minister is the Minister for Fire and Emergency 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 2018-19. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management. The management structure of IGEM changed in January 2019.

Position	Position Responsibility
Inspector-General of Emergency Management (Chief Executive Officer)	The Inspector-General of Emergency Management is responsible for leading and managing the office to provide assurance and advice to enable confidence in Queensland's disaster and emergency management arrangements.
Director, Performance, Reporting and Policy Analysis (July - December 2018)	The Director, Performance, Reporting and Policy Analysis is responsible for developing and coordinating internal strategy, planning and governance arrangements for the Office. The role also acts as a liaison point with PSBA and other agencies in relation to external policy and governance, and provides policy advice to the Inspector-General of Emergency Management and the Office's Executive Management Committee (EMC).
Director, Interoperability and Innovation (July - December 2018)	The Director, Interoperability and Innovation leads review and assurance activities, and facilitates programs and solutions designed to help the office and agencies deliver better disaster management outcomes. The role represents the office at innovation forums and promotes interoperability across the sector.
Director, Community and Stakeholder Engagement (July - December 2018)	The Director, Community and Stakeholder Engagement oversees the active engagement of disaster management stakeholders across all levels of government, tertiary and non-government organisations, and the community. The role also provides strategic advice to the Inspector-General of Emergency Management and the Office's EMC regarding corporate communications, media relations and issues management.
Director, Standards Best Practice and Evaluation (July - December 2018)	The Director, Standards, Best Practice and Evaluation leads review and assurance activities, and is responsible for the management and performance of the Emergency Management and Assurance Framework, including the Standard, and the Assurance Excellence Development Program. This role also has oversight of the Lessons Management Program.
Director, Governance & Reporting (January - June 2019)	The Director, Governance & Reporting provides informed, proactive strategic advice to the IGEM and to the minister regarding performance, reporting, governance, policy and practice in relation to disaster management and the operation of the Office of the IGEM.
Director, Research & Engagement (January - June 2019)	The Director, Research and Engagement provides informed and high-level advice to the IGEM and to the Minister regarding media, communication, engagement, public education and public information in relation to disaster management.
Executive Director, Assurance and Evaluation (January - June 2019)	The Executive Director, Assurance and Evaluation is responsible for leading, directing and managing the development, implementation and delivery of key assurance and evaluation frameworks, projects and activities which are valued by stakeholders and enable improved performance, monitoring and reporting in disaster 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 are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

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.
- No KMP remuneration packages provide for performance or bonus payments.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

6 Key Management Personnel disclosures (continued)

(c) Remuneration expenses

1 July 2018 – 30 June 2019

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inspector-General of Emergency Management (Chief Executive Officer)	281	-	5	32	-	318
Inspector-General of Emergency Management (Chief Executive Officer) Acting (24 November - 31 December 2018)	25	-	-	2	-	27
*Director, Performance, Reporting and Policy Analysis (July-December 2018) *Director, Governance and Reporting (January - June 2019)	163	-	3	18	-	184
*Director, Interoperability and Innovation (July-December 2018) *Executive Director, Assurance and Evaluation (January - June 2019)	166	-	3	17	-	186
*Director, Community and Stakeholder Engagement (July - December 2018) *Director, Research and Engagement (January - June 2019)	167	-	3	18	-	188
*Director, Standards Best Practice and Evaluation (July - December 2018)	73	-	1	8	-	82

*IGEM's management structure changed as at 1 January 2019.

1 July 2017 – 30 June 2018

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inspector-General of Emergency Management (Chief Executive Officer)	291	-	5	27	-	324
Director, Performance, Reporting and Policy Analysis	161	-	3	18	-	182
Director, Interoperability and Innovation	161	-	3	18	-	182
Director, Interoperability and Innovation - Acting	24	-	-	2	-	26
Director, Community and Stakeholder Engagement	163	-	3	18	-	184
Director, Standards Best Practice and Evaluation	163	-	3	18	-	184

(d) Related party transactions with people/entities related to KMP

There were no material related party transactions associated with the office's KMP during 2018-19 (2017-18:nil).

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
7 Supplies and services		
Communication expenses	25	25
Computer expenses	67	133
Consultancies and contractors	344	122
Operating lease rentals	331	377
Property expenses	61	39
Shared service provider expenses	162	154
Travel	100	93
Conference workshop costs	51	45
Other	117	106
Total	1,259	1,095

8 Other expenses		
Deferred appropriation payable to Consolidated Fund	132	160
External Audit fees *	9	23
Insurance premiums - QGIF	4	4
Services provided below fair value **	498	710
Total	643	898

* Total audit fees to the Queensland Audit Office relating to the 2018-19 financial statements are estimated to be \$14,000 (2017-18: \$13,500). The balance of the fees for the 2018-19 audit is expected to be incurred and paid in 2019-20.

** 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.

For litigation purposes, under the QGIF policy, the agency would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants.

9 Receivables

Current

Trade debtors	1	14
	1	14
GST receivable	35	22
	35	22
Annual leave reimbursements	28	18
	28	18
Total	64	54

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 the invoice date.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
10 Plant and equipment		
<i>Plant & Equipment</i>		
Gross value	8	8
Less: Accumulated depreciation	(2)	(1)
Closing Balance	6	7
Reconciliation		
Opening balance	7	-
Acquisitions	-	8
Depreciation	(1)	(1)
Closing Balance	6	7

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 of 20% on a straight-line basis.

11 Payables

Trade creditors	231	153
Tax liabilities	4	4
Total	235	157

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.

12 Accrued employee benefits

Annual leave levy payable	52	57
Long service leave levy payable	13	12
Salaries and wages outstanding	48	50
Total	113	119

Accounting Policy - Accrued employee benefits

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*.

13 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 Notes 4 and 8.

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 7.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
14 Commitments		
Non-cancellable operating lease commitments		
Operating lease commitments inclusive of non-recoverable GST at reporting date are payable as follows:		
Not later than one year	327	314
Later than one year and not later than five years	513	840
Total	840	1,154

15 Financial instruments

(a) Categorisation of financial instruments

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

Financial assets	Note		
Cash		1,528	1,537
Financial assets measured at amortised cost:			
Receivables	9	64	54
Total		1,592	1,592
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	11	235	157
Total		235	157

(b) Financial risk management

The office's activities expose it to a minor 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 - held at fair value
- Receivables - held at amortised cost
- Payables - held at amortised cost.

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

16 Events occurring after balance date

There were no events occurring after balance date that management considers would have a material impact on the information disclosed in these financial statements.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

17 Budgetary reporting

Statement of comprehensive income	Variance Note	Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Income from continuing operations				
Appropriation revenue		4,209	4,369	160
Services received below fair value	17(a)	678	498	(180)
Total revenue		4,887	4,867	(20)
Expenses from continuing operations				
Employee expenses		2,939	2,951	12
Supplies and services		1,248	1,259	11
Grants and subsidies		-	10	10
Depreciation		-	1	1
Other expenses	17(a)	700	643	(57)
Total expenses from continuing operations		4,887	4,864	(23)
Operating results for the year		-	3	3

Explanation of major variances

17(a) The reduction in services received below fair value and other expenses is due to a review completed in 2018-19 of the cost model currently utilised by PSBA in assessing cost allocations per operational unit. The review outcomes resulted in re-aligned cost allocations for services provided to the office.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

17 Budgetary reporting (continued)

Statement of financial position	Variance Note	Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Assets				
Current assets				
Cash		1,496	1,528	32
Receivables		46	64	18
Prepayments	17(b)	-	47	47
Total current assets		1,542	1,639	97
Non-current assets				
Plant and equipment		-	6	6
Total non-current assets		-	6	6
Total assets		1,542	1,645	103
Liabilities				
Current liabilities				
Payables		281	235	(46)
Accrued employee benefits		100	113	13
Other current liabilities	17(c)	2	132	130
Total current liabilities		383	480	97
Total liabilities		383	480	97
Net assets		1,159	1,165	6
Total equity		1,159	1,165	6

Explanation of major variances

17(b) Prepayments relate to subscriptions that have been prepaid for the 2019-20 financial year.

17(c) Other current liabilities variance relates to deferring appropriations from 2018-19 to 2019-20 as part of end of year adjustments.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2019

17 Budgetary reporting (continued)

Statement of cash flows	Variance Note	Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Services appropriation receipts		4,209	4,341	132
User charges and fees		4	13	9
Grants and other contributions		-	-	-
GST input tax credits from ATO		-	119	119
GST collected from customers		-	1	1
<i>Outflows:</i>				
Employee expenses		(2,939)	(2,969)	(30)
Supplies and services		(1,248)	(1,226)	22
Grants and subsidies		-	(10)	(10)
GST paid to suppliers		-	(132)	(132)
GST remitted to ATO		-	(1)	(1)
Other		(26)	(145)	(119)
Net cash provided by/(used in) operating activities		<u>-</u>	<u>(9)</u>	<u>(9)</u>
Net increase/(decrease) in cash		-	(9)	(9)
Cash at beginning of financial year		1,496	1,537	41
Cash at end of financial year		<u>1,496</u>	<u>1,528</u>	<u>32</u>

Explanation of major variances

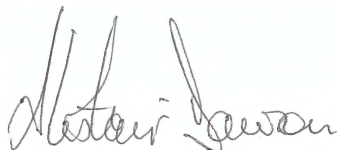
Nil material variances.

Office of the Inspector-General of Emergency Management
Management Certificate for the year ended 30 June 2019

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 2019 and of the financial position of the office at the end of that year; and
- (c) the Inspector-General Emergency Management, as the Accountable Officer, acknowledges responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Alistair Dawson APM

A/Accountable Officer
A/Inspector-General Emergency Management

Date 29, 8, 19



Wayne Brummer
B.Bus (Acctg), Grad Cert Prof Acctg
MIPA, GAICD
Chief Finance Officer

Date 29, 8, 19

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 2019, 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 2019, the statement of comprehensive income, statement of changes in equity, 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

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 2019:

- a) I received all the information and explanations I required.

In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



John Welsh
as delegate of the Auditor-General

30 August 2019

Queensland Audit Office
Brisbane