

**Office of the Inspector-General of Emergency Management
Financial Statements
For the year ended 30 June 2021**

Office of the Inspector-General of Emergency Management
Financial statements
For the year ended 30 June 2021

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Office of the Inspector-General of Emergency Management
Statement of comprehensive income
For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Income from continuing operations			
Appropriation revenue	3	4,200	4,346
Services received below fair value	4	521	521
Total revenue		4,721	4,867
Expenses from continuing operations			
Employee expenses	5	2,601	3,061
Supplies and services	7	807	1,012
Depreciation	10	2	1
Other expenses	8	540	534
Total expenses from continuing operations		3,950	4,608
Operating result for the year		771	259

The accompanying notes form part of these statements.

Office of the Inspector-General of Emergency Management
Statement of financial position
As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash		2,220	1,580
Receivables	9	110	40
Prepayments		21	17
Total current assets		2,351	1,637
Non-current assets			
Plant and equipment	10	3	5
Total non-current assets		3	5
Total assets		2,354	1,642
Liabilities			
Current liabilities			
Payables	11	60	31
Accrued employee benefits	12	97	111
Other current liabilities		2	76
Total current liabilities		159	218
Total liabilities		159	218
Net assets		2,195	1,424
Equity			
Contributed equity		669	669
Accumulated surplus		1,526	755
Total equity		2,195	1,424

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 2021

	2021	2020
	\$'000	\$'000
Contributed equity		
Opening balance	669	669
Closing balance	669	669
Accumulated surplus/(deficit)		
Opening balance	755	496
Operating result	771	259
Closing balance	1,526	755
Total equity	2,195	1,424

Office of the Inspector-General of Emergency Management
Statement of cash flows
For the year ended 30 June 2021

	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Service appropriation receipts	4,126	4,290
User charges and fees	13	(17)
GST input tax credits from ATO	81	132
GST collected from customers	1	1
<i>Outflows:</i>		
Employee expenses	(2,695)	(3,048)
Supplies and services	(781)	(1,187)
GST paid to suppliers	(85)	(106)
GST remitted to ATO	(1)	(1)
Other	(19)	(13)
Net cash provided by/(used in) operating activities	640	52
Net increase/(decrease) in cash	640	52
Cash at beginning of financial year	1,580	1,528
Cash at end of financial year	2,220	1,580

Reconciliation of operating result to net cash from operating activities

Operating result	771	259
Non-cash items included in operating result:		
Depreciation expense	2	1
Change in assets and liabilities:		
Increase/(decrease) in accrued employee benefits	(14)	(2)
(Increase)/decrease in annual leave reimbursement receivable	(48)	20
(Increase)/decrease in GST input tax credits receivable	(5)	26
(Increase)/decrease in long service leave reimbursement receivable	(31)	(5)
(Increase)/decrease in prepayments	(4)	30
Increase/(decrease) in trade creditors	30	(204)
(Increase)/decrease in trade receivables	13	(17)
Increase/(decrease) in other current liabilities	(74)	(56)
Net cash from operating activities	640	52

Accounting Policy - Cash

Cash assets include cash on hand and all cash and cheques received 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*. On 16 March 2015, an overdraft facility was approved with a limit of \$250,000. This facility remained fully undrawn at 30 June 2021 and is available for use in the next reporting period.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2021

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 38 of the *Financial and Performance Management Standard 2019*.

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 2020 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

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

All 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

No new accounting standards with material impact were applied for the first time in 2020-21.

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 to enhance Queensland's disaster management arrangements.

The office contributes to the Queensland Government's objectives for the community of Safeguarding our health and Backing our frontline services. The office does this by ensuring that the best possible disaster management arrangements are in place to protect and benefit all Queenslanders.

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 2021

	2021	2020
	\$'000	\$'000
3 Appropriation revenue		
Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in Statement of comprehensive income		
Original budgeted appropriation revenue	4,126	4,260
Supplementary amounts:		
Unforeseen expenditure	-	30
Total appropriation receipts (cash)	4,126	4,290
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	76	132
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(2)	(76)
Net appropriation revenue	4,200	4,346
Plus: Deferred appropriation payable to Consolidated Fund (expense)	-	-
Appropriation revenue recognised in Statement of comprehensive income	4,200	4,346
Variance between original budgeted and actual appropriation revenue	74	86

Accounting Policy - Appropriation revenue for services

Appropriations provided under the *Appropriation (2020-21) Act 2021* 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	521	521
Total	521	521

For 2020-21, 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 and lease 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. From 1 July 2021 the fair value arrangement has been transferred from PSBA to the Queensland Police Service.

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.

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2021

5 Employee expenses

Employee benefits

Wages and salaries	2,045	2,407
Employer superannuation contributions	279	294
Long service leave levy	44	45
Annual leave levy	215	242
Other employee benefits	(5)	16

Employee related expenses

Workers' compensation premium	15	13
Training expenses	8	8
Other employee related expenses	-	35
Total	2,601	3,061

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	22
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* FTE data as at 30 June 2021 (based upon the fortnight ending 2 July 2021).

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.

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 Enterprise Bargaining Agreement (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 2021

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 Police and Corrective Services and 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 2020-21. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Inspector-General of Emergency Management (Chief Executive Officer)	The Inspector-General of Emergency Management is responsible for leading the Office to provide assurance and advice to enhance Queensland's disaster management arrangements.
Executive Director, Assurance and Evaluation	The Executive Director, Assurance and Evaluation leads, directs and manages the development, implementation and delivery of key assurance and evaluation frameworks, projects and activities which enable improved performance, monitoring and reporting in disaster management.
Director, Interoperability and Innovation	The Director, Interoperability and Innovation significantly influences the development and delivery of interoperability and innovation across disaster and emergency management functions.
Director, Governance and Reporting	The Director, Governance and Reporting significantly influences the development and delivery of strategic partnerships, performance, reporting and governance activities across disaster and emergency management functions.
Director, Research and Engagement	The Director, Research and Engagement significantly influences the development and delivery of strategic partnerships, communication, media, research and engagement activities across disaster and emergency management functions.
Director, Legal, Monitoring and Evaluation	The Director, Legal, Monitoring and Evaluation provides high quality independent legal advice to the IGEM and significantly influences the development and delivery of standards and evaluation across disaster and emergency management functions.

(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 carpark 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 2021

6 Key Management Personnel disclosures (continued)

(c) Remuneration expenses

1 July 2020 – 30 June 2021

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)	324	6	7	37	-	374
Executive Director, Assurance and Evaluation (1 - 31 July 2020)	21	-	-	2	-	23
Director, Interoperability and Innovation (1 August 2020 - 30 June 2021)	134	4	3	17	-	158
Director, Governance and Reporting	151	4	3	19	-	177
Director, Research and Engagement	150	4	3	19	-	176
Director, Legal, Monitoring and Evaluation Acting (7 December 2020 - 5 February 2021)	22	-	1	3	-	26
Director, Legal, Monitoring and Evaluation Acting (1 March - 21 May 2021)	16	-	-	2	-	18

* In the 2020-21 financial year, capabilities were realigned to better support the delivery of the Office's functions under Section 16C of the *Disaster Management Act 2003*.

1 July 2019 – 30 June 2020

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) Separated 1 November 2019	13	1	-	12	-	26
Inspector-General of Emergency Management (Chief Executive Officer) Acting (17 July 2019 - 5 February 2020). Appointed 6 February 2020	252	3	6	24	-	285
Executive Director, Assurance and Evaluation Acting	190	-	4	20	-	214
Director, Governance and Reporting	142	-	3	18	-	163
Director, Research and Engagement Acting (17 June - 2 August 2019)	12	-	-	2	-	14
Director, Research and Engagement Acting (5 August - 27 September 2019)	7	-	-	1	-	8
Director, Research and Engagement Appointed 30 September 2019	113	-	2	13	-	128

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

There were no material related party transactions associated with the office's KMP during 2020-21 (2019-20: nil).

Office of the Inspector-General of Emergency Management
Notes to the financial statements
For the year ended 30 June 2021

	2021	2020
	\$'000	\$'000
7 Supplies and services		
Communication expenses	19	20
Computer expenses	-	85
Consultancies and contractors	92	70
Lease rentals	351	334
Property expenses	67	65
Shared service provider expenses	126	120
Travel	32	78
Analytical & data collection services	-	92
Conference workshop costs	38	19
Minor plant and equipment purchases	32	58
Other	50	71
Total	807	1,012

Accounting Policy - Lease expenses

Lease expenses include lease rentals for short-term leases, leases of low value assets and office accommodation through the Department of Energy and Public Works (DEPW). These payments are expensed in the periods in which they are incurred.

8 Other expenses

External Audit fees *	15	8
Insurance premiums - QGIF	4	5
Services provided below fair value **	521	521
Total	540	534

* Total audit fees to the Queensland Audit Office relating to the 2020-21 financial statements are estimated to be \$14,500 (2019-20: \$14,500). The balance of the fees for the 2020-21 audit is expected to be incurred and paid in 2021-22.

** 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	5	18
	5	18
GST receivable	14	9
	14	9
Annual leave reimbursements	56	8
Long service leave reimbursements	35	5
	91	13
Total	110	40

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 2021

	2021	2020
	\$'000	\$'000
10 Plant and equipment		
<i>Plant & Equipment</i>		
Gross value	8	8
Less: Accumulated depreciation	(5)	(3)
Closing Balance	<u>3</u>	<u>5</u>
Reconciliation		
Opening balance	5	6
Depreciation	(2)	(1)
Closing Balance	<u>3</u>	<u>5</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 of 20% on a straight-line basis.

11 Payables

Trade creditors	57	27
Tax liabilities	3	4
Total	<u>60</u>	<u>31</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. From 25 March 2020, all payment terms were set to immediate and this remains in place as at 30 June 2021.

12 Accrued employee benefits

Annual leave levy payable	61	87
Long service leave levy payable	13	17
Salaries and wages outstanding	23	7
Total	<u>97</u>	<u>111</u>

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 Energy and Public Works (DEPW) 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 2021

14 Financial instruments		2021	2020
		\$'000	\$'000
(a) Categorisation of financial instruments			
The office has the following categories of financial assets and financial liabilities:			
Financial assets	Note		
Cash		2,220	1,580
Financial assets measured at amortised cost:			
Receivables	9	110	40
Total		2,330	1,620
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	11	60	31
Total		60	31

(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.

15 Events occurring after balance date

As a result of Public Service Departmental Arrangements Notice (No.2) 2021, effective 1 July 2021, the Public Safety Business Agency (PSBA) was disestablished and as a consequence all its functions and activities were transferred to the Queensland Police Service (QPS) and the Queensland Fire and Emergency Services (QFES). From 1 July 2021 the services received below fair value arrangement has been transferred from PSBA to the QPS (refer note 4).

There were no other 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 2021

16 Budgetary reporting

Statement of comprehensive income	Variance Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000
Income from continuing operations				
Appropriation revenue		4,202	4,200	(2)
Services received below fair value		520	521	1
Total revenue		4,722	4,721	(1)
Expenses from continuing operations				
Employee expenses	16(a)	3,007	2,601	(406)
Supplies and services	16(b)	1,173	807	(366)
Depreciation		-	2	2
Other expenses		542	540	(2)
Total expenses from continuing operations		4,722	3,950	(772)
Operating results for the year		-	771	771

Explanation of major variances

- 16(a) Employee expenses were below budget by \$0.406 million due to vacant positions which were unable to be filled due to Government recruitment restrictions.
- 16(b) Supplies and services were below budget by \$0.366 million due to reduced expenditure as a consequence of the COVID-19 pandemic, including reduced travel and inability to conduct face-to-face forums or meetings. In addition, IGEM has achieved savings through tight fiscal management to contribute towards the Government Savings and Debt Plan.

The budgets for the Statement of Financial Position and the Statement of Cash Flows were not undertaken by Queensland Government for the 2020-21 financial year.

Management Certificate

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.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; and
- (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 financial year ended 30 June 2021 and of the financial position of the office at the end of that year; and

The Inspector-General of Emergency Management, as the Accountable Officer, acknowledges responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 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

Accountable Officer
Inspector-General of Emergency Management

Date 26/8/21



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

Date 26/8/21

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 2021, 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 2019* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, 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.

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 2019* 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. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- 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.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year 30 June 2021:

- 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.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the *Financial and Performance Management Standard 2019*. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.



30 August 2021

Michael Claydon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane