

Appendix C

Financial statements

Queensland Family and Child Commission

Financial Statements

for the year ended 30 June 2022

Queensland Family and Child Commission Financial Statements 2021-22

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Queensland Family and Child Commission
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Income from Continuing Operations			
Grants and other contributions	3.	14,073	13,687
Other revenue		37	34
Total Income from Continuing Operations		14,110	13,721
Expenses from Continuing Operations			
Employee expenses	4.	9,698	9,663
Supplies and services	5.	3,459	3,638
Depreciation and amortisation		33	68
Other expenses	6.	292	165
Total Expenses from Continuing Operations		13,482	13,534
Operating Result from Continuing Operations		628	187
Total Comprehensive Income		628	187

The accompanying notes form part of these financial statements.

Queensland Family and Child Commission
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Current Assets			
Cash and cash equivalents		3,654	3,233
Receivables	7.	436	258
Prepayments		47	130
Total Current Assets		4,137	3,621
Non Current Assets			
Plant and equipment		18	23
Intangible assets	8.	-	29
Total Non Current Assets		18	52
Total Assets		4,155	3,673
Current Liabilities			
Payables	9.	533	441
Accrued employee benefits	10.	260	498
Total Current Liabilities		793	939
Total Liabilities		793	939
Net Assets		3,362	2,734
Equity			
Contributed equity		2,427	2,427
Accumulated surplus		935	307
Total Equity		3,362	2,734

The accompanying notes form part of these financial statements.

Queensland Family and Child Commission

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Accumulated Surplus \$'000	Contributed Equity \$'000	TOTAL \$'000
Balance as at 1 July 2020	120	2,427	2,547
Operating Result from Continuing Operations	187	-	187
Balance as at 30 June 2021	307	2,427	2,734
Balance as at 1 July 2021	307	2,427	2,734
Operating Result from Continuing Operations	628	-	628
Balance as at 30 June 2022	935	2,427	3,362

The accompanying notes form part of these financial statements.

Queensland Family and Child Commission

STATEMENT OF CASH FLOWS for the year ended 30 June 2022

	2022 \$'000	2021 \$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Grants and other contributions	13,989	13,628
GST input tax credits from ATO	358	482
GST collected from customers	7	13
Other revenue	37	34
<i>Outflows:</i>		
Employee expenses	(10,085)	(9,687)
Supplies and services	(3,218)	(4,035)
GST paid to suppliers	(382)	(414)
GST remitted to ATO	(6)	(13)
Other	(279)	(161)
Net cash provided by (used in) operating activities	421	(153)
Cash flows from investing activities		
<i>Outflows:</i>		
Payments for plant and equipment	-	(8)
Net cash provided by (used in) investing activities	-	(8)
Net increase (decrease) in cash and cash equivalents	421	(161)
Cash and cash equivalents at beginning of financial year	3,233	3,394
Cash and cash equivalents at end of financial year	3,654	3,233

The accompanying notes form part of these financial statements.

Queensland Family and Child Commission

STATEMENT OF CASH FLOWS for the year ended 30 June 2022

NOTES TO THE STATEMENT OF CASH FLOW

Reconciliation of Operating Result to Net Cash provided by Operating Activities

	2022	2021
	\$'000	\$'000
Operating surplus/(deficit)	628	187
Depreciation and amortisation expense	33	68
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(155)	(108)
(Increase)/decrease in GST input tax credits receivable	(23)	69
(Increase)/decrease in prepayments	83	39
Increase/(decrease) in accounts payable	92	(496)
Increase/(decrease) in accrued employee benefits	(238)	88
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	421	(153)
	<hr/>	<hr/>

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

Section 1: About the QFCC and this Financial Report

- Note 1: Basis of Financial Statement Preparation
- Note 2: Objectives of the QFCC

Section 2: Notes about our Financial Performance

- Note 3: Grants and Contributions
- Note 4: Employee Expenses
- Note 5: Supplies and Services
- Note 6: Other Expenses

Section 3: Notes about our Financial Position

- Note 7: Receivables
- Note 8: Intangible Assets
- Note 9: Payables
- Note 10: Accrued Employee Benefits

Section 4: Notes about Risks and Other Accounting Uncertainties

- Note 11: Commitments
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- Note 13: Financial Risk Disclosures
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Section 5: Notes on our Performance compared to Budget

- Note 16: Budgetary Reporting Disclosures and Significant Financial Impacts from COVID-19

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- Note 17: Key Management Personnel (KMP) and Related Party Disclosures
- Note 18: Taxation
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- Note 20: Accounting Estimates and Judgements
- Note 21: First Year Application of New Accounting Standards or Change in Accounting Policy
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Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

1. Basis of Financial Statement Preparation

General Information

This financial report covers the Queensland Family and Child Commission (QFCC). It has no controlled entities.

The QFCC is a statutory body established on 1 July 2014 as part of the Queensland Government's response to the Queensland Child Protection Commission of Inquiry (Carmody Inquiry). The QFCC influences change that improves the safety and wellbeing of Queensland's children and their families. The QFCC reviews and improves the systems that protect and safeguard Queensland's children.

The head office and principal place of business of the QFCC is:

Level 8, 63 George Street, Brisbane.

A description of the nature of the QFCC's operations and its principal activities are included in the notes to the financial statements.

Compliance with Prescribed Requirements

The QFCC has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021.

The QFCC is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 21.

Presentation

Currency and Rounding

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

Comparatives

Comparative information reflects the audited 2020-21 financial statements.

Current / Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

1. Basis of Financial Statement Preparation (cont'd)

Presentation (cont'd)

Current / Non-Current Classification (cont'd)

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the QFCC does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

Basis of Measurement

Historical cost is used as the measurement basis in this report.

Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Accounting Policy - Cash and Cash Equivalents

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked as at 30 June.

Shared Service Provider

The Corporate Administration Agency (CAA) provides the QFCC with corporate services under the Shared Services Provider model. The fees and terms of the services are agreed through a Service Level Agreement, negotiated annually and include:

- Financial Services
- Human Resources Recruitment and Payroll
- Information Systems and Support
- Internal Audit Services.

Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chief Executive Officer & Principal Commissioner and the Senior Executive Director at the date of signing the Management Certificate.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

2. Objectives of the QFCC

The QFCC has the following objectives:

- Ensuring systems are accountable for the impact they have on children and families
- Raising awareness and advocate for children and their families
- Empower Queensland children, young people and their families to influence decisions that affect their lives
- Support, connect and collaborate with organisations that advance the rights, safety and wellbeing of children
- Build our capacity, capability and culture to achieve our vision

	2022	2021
	\$'000	\$'000
3. Grants and Contributions		
Grants received from the Department of Justice and Attorney-General	14,073	13,678
Grants received from the Commissioner for Children and Young People Western Australia	-	9
Total	14,073	13,687

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

3. Grants and Contributions (cont'd)

Accounting Policy - Grants and Contributions

Grants, contributions and donations revenue arise from non-exchange transactions where the QFCC does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the QFCC to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the department. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the department satisfies its obligations under the grant through construction of the asset.

The QFCC received grant funding from the Department of Justice and Attorney-General during the 2021-22 financial year. The funding has been recognised as revenue on receipt under AASB 1058 as the QFCC's obligations are not sufficiently specific.

	2022	2021
	\$'000	\$'000
4. Employee Expenses		
<i>Employee Benefits</i>		
Wages and salaries	7,066	7,220
Employer superannuation contributions	953	949
Annual leave levy	753	715
Long service leave levy	186	188
<i>Employee Related Expenses</i>		
Payroll tax	436	442
Other employee related expenses	304	149
Total	9,698	9,663
	2022	2021
Full-Time Equivalent Employees *	63	63

* FTE data as at 30 June 2022 (based upon the fortnight ending 1 July 2022).

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

4. Employee Expenses (cont'd)

Accounting Policy - Wages and Salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the QFCC expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting Policy - Sick Leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Accounting Policy - Annual Leave

Under the Queensland Government's Annual Leave Central Scheme (ALCS), a levy is made on the QFCC to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

Accounting Policy - Long Service Leave

Under the Queensland Government's Long Service Leave Scheme (LSLS), a levy is made on the QFCC to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

Accounting Policy - Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates 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 QFCC at the specified rate following completion of the employee's service each pay period. The QFCC's obligations are limited to those contributions paid.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

4. Employee Expenses (cont'd)

Accounting Policy - Workers' Compensation Premiums

The QFCC 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. It is not employee benefits and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures

Key management personnel and remuneration disclosures are detailed in Note 17.

	2022 \$'000	2021 \$'000
5. Supplies and Services		
Building services *	949	905
Administration costs	164	110
Contractors and consultants	979	1,599
Corporate services provider costs	614	488
Advertising and promotions	218	110
Minor plant and equipment	130	37
Other supplies and services	405	389
Total	3,459	3,638

Office accommodation

* Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), who has substantive substitution rights over the assets used within these schemes. Building Services includes office rental payments to DEPW of \$757k (2021 - \$728k) and these are expensed in the periods in which they are incurred.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

	2022 \$'000	2021 \$'000
6. Other Expenses		
Insurance premiums (QGIF)	5	4
External audit fees *	23	22
Sponsorships paid	127	82
Return of Grant	114	30
Trustee/Board Fees	23	27
Total	292	165

* Total audit fees quoted in the Queensland Audit Office's plan for 2021-22 is \$23,000 (2020-21: \$22,500).

	2022 \$'000	2021 \$'000
7. Receivables		
Trade debtors	6	-
GST receivable	109	86
Annual leave reimbursements	206	132
Long service leave reimbursement	115	40
Total	436	258

Accounting Policy - Receivables

Receivables are measured at amortised cost which approximates their fair values at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase/contract price). Settlement of these amounts is required within 30 days from invoice date.

Impairment of Receivables

Accounting Policy - Impairment of Receivables

The loss allowance for trade and other debtors reflect lifetime expected credit losses and incorporates reasonable supportable forward-looking information. Economic changes impacting the QFCC's debtors, and relevant industry data from part of the QFCC's impairment assessment.

No impairment losses have been recognised for receivables in 2021-22.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

8. Intangible Assets	2022 \$'000	2021 \$'000
Software Purchased: At cost		
Gross	433	433
Less: Accumulated amortisation	(433)	(404)
	-	29

Intangible Assets - Balances and Reconciliation of Carrying Amounts

Software Purchased	2022 \$'000	2021 \$'000
Carrying amount at 1 July	29	91
Amortisation expense	(29)	(62)
Carrying amount at 30 June	-	29

Recognition and Measurement

Accounting Policy

Intangible assets of the QFCC comprise of purchased and internally generated software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for the QFCC's intangible assets. As such the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred. Research and development expensed during the period is included in supplies and services expenses.

Costs associated with internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

8. Intangible Assets (cont'd)

Impairment

Accounting Policy

All intangible assets are assessed for indicators of impairment on an annual basis. No significant indicators of impairment were present at reporting date.

	2022	2021
	\$'000	\$'000
9. Payables		
Trade creditors	434	285
Other payables	99	156
Total	533	441

Accounting Policy

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

	2022	2021
	\$'000	\$'000
10. Accrued Employee Benefits		
<i>Current</i>		
Salaries and wages outstanding	-	268
Annual leave levy payable	200	184
Paid Parental Leave	7	-
Long service leave levy payable	53	46
Total	260	498

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

10. Accrued Employee Benefits (cont'd)**Accounting Policy**

No provision for annual leave or long service leave is recognised in the QFCC'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*.

11. Commitments*(a) Office Accommodation*

The Department of Energy and Public Works (DEPW) provides the QFCC with access to office accommodation under government-wide frameworks. From 1 July 2019, these arrangements are now categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in Note 5.

(b) Other Expense Commitments

The other material expenditure commitments of the QFCC (inclusive of non-recoverable GST input tax credits) contracted for at reporting date but not recognised in the accounts are payable as follows:

	2022	2021
	\$'000	\$'000
Not later than one year	1,457	1,466
Later than one year and not later than five years	3,073	3,306
Total	4,530	4,772

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

12. Contingencies

There were no other known contingent assets or liabilities as at 30 June 2022.

13. Financial Risk Disclosures

Financial Instrument Categories

Financial assets and financial liabilities are recognised in the statement of financial position when the QFCC becomes party to the contractual provisions of the financial instrument. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The QFCC has no financial assets/liabilities recognised at fair value.

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

Category	Note	2022 \$'000	2021 \$'000
Financial Assets			
Cash and cash equivalents		3,654	3,233
Financial assets at amortised cost:			
Receivables	7.	436	258
Total financial assets		4,090	3,491
Financial Liabilities			
Financial liabilities at amortised cost:			
Payables	9.	533	441
Total financial liabilities at amortised cost		533	441

Financial risk management

The activities undertaken by the QFCC do not expose it to any material credit, liquidity or market risk.

14. Events Occurring After Balance Date

No events have occurred after balance date that has a material effect on these financial statements.

15. Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, there are no Australian accounting standards and interpretations with future effective dates that are applicable to the QFCC's activities or have no material impact on the QFCC.

Queensland Family and Child Commission
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

16. Budgetary Reporting Disclosures and Significant Financial Impacts from COVID-19

This section contains explanations of major variances between the QFCC's actual 2021-22 financial results and the original budget presented to Parliament.

Budget to Actual Comparison - Statement of Comprehensive Income

		2022	2022	
	Variance	Actual	Original	Budget
	Notes	\$'000	budget	variance
			\$'000	\$'000
Income from Continuing Operations				
Grants and other contributions	1.	14,073	13,758	315
Other revenue		37	30	7
Total Income from Continuing Operations		14,110	13,788	322
Expenses from Continuing Operations				
Employee expenses	2.	9,698	10,439	(741)
Supplies and services	3.	3,459	3,129	330
Depreciation and amortisation	4.	33	146	(113)
Other expenses	5.	292	74	218
Total Expenses from Continuing Operations		13,482	13,788	(306)
Total Comprehensive Income		628	-	628

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

16. Budgetary Reporting Disclosures and Significant Financial Impacts from COVID-19 (cont'd)

Budget to Actual Comparison - Statement of Financial Position

		2022	2022	
	Variance	Actual	Original	Budget
	Notes	\$'000	Budget	Variance
		\$'000	\$'000	\$'000
Current Assets				
Cash and cash equivalents	6.	3,654	2,624	(1,030)
Receivables	7.	436	319	(117)
Other		47	-	(47)
Total Current Assets		4,137	2,943	(1,194)
Non-Current Assets				
Plant and equipment		18	12	(6)
Intangible assets	8.	-	572	572
Total Non-Current Assets		18	584	566
Total Assets		4,155	3,527	(628)
Current Liabilities				
Payables		533	569	36
Accrued employee benefits	9.	260	410	150
Total Current Liabilities		793	979	186
Total Liabilities		793	979	186
Net Assets		3,362	2,548	(814)

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

16. Budgetary Reporting Disclosures and Significant Financial Impacts from COVID-19 (cont'd)

Budget to Actual Comparison - Statement of Cash Flows

		2022	2022	
	Variance Notes	Actual \$'000	Original Budget \$'000	Budget Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Grants and other contributions	10.	13,989	13,758	231
GST input tax credits from ATO		358	-	358
GST collected from customers		7	-	7
Interest receipts		-	30	(30)
Other		37	150	(113)
<i>Outflows:</i>				
Employee expenses	11.	(10,085)	(10,439)	354
Supplies and services		(3,218)	(3,442)	224
GST paid to suppliers		(382)	-	(382)
GST remitted to ATO		(6)	-	(6)
Other		(279)	(74)	(205)
Net cash (used in) operating activities		421	(17)	438
Net increase in cash held		421	(17)	438
Cash and cash equivalents at beginning of financial year		3,233	2,641	592
Cash and cash equivalents at end of financial year		3,654	2,624	1,030

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

16. Budgetary Reporting Disclosures and Significant Financial Impacts from COVID-19 (cont'd)

This section contains explanations of major variances between the QFCC's actual 2021-22 financial results and the original budget presented to Parliament.

Explanations of Major Variances

Statement of Comprehensive Income

1. Additional supplementary funding received for enterprise bargaining agreement increases.
2. Delays in filling vacant positions, staff on extended leave or secondment to other government agencies and scaling back of initiatives associated with ceasing limited life funding have contributed to lower salary costs.
3. Supplies and services vary each year as projects are developed. Some contract labour used to cover for short term needs.
4. Depreciation and amortisation expenses have decreased following the issuance of IFRIC's agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in April 2021. The QFCC has changed its accounting policy for certain cloud computing and software-as-a-service (SaaS) costs. This impacted amortisation.
5. The increase in other expenses is primarily due to the funding agreement with Children's Rights Queensland.

Statement of Financial Position

6. The increase in Cash and cash equivalents is primarily due to a higher balance at the beginning of the financial year, coupled with additional funding received for enterprise bargaining agreement increases and delays in filling vacant positions, staff on extended leave or secondment to other government agencies and scaling back of initiatives associated with ceasing limited life funding have contributed to lower salary costs.
7. The increase in Receivables is mainly due to the budget being based on historical data for Annual Leave and Long service leave reimbursements, with higher leave taken in the current year.
8. Previously capitalised software costs relating to the Child Death Register has been recognised as an expense via a prior year adjustment. The change in the accounting treatment followed the IFRIC's Interpretations Committee published agenda decision in April 2021, outlining the accounting treatment.
9. The decrease in Accrued Employee Benefits is predominantly due to the timing of the pay period, with the budget based on historical data.

Statement of Cash Flows

10. The variance in Grants and Other Contributions is due to additional supplementary funding received for enterprise bargaining agreement increases.
11. The increase is due to delays in filling vacant positions, staff on extended leave or secondment to other government agencies and scaling back of initiatives associated with ceasing limited life funding have contributed to lower salary costs.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

17. Key Management Personnel (KMP) and Related Party Disclosures

Details of Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the QFCC during 2021-22 and 2020-21.

Position	Position Responsibility
Chief Executive Officer & Principal Commissioner	<p>As the Chief Executive Officer of the agency, the role provides strategic and cross-sectorial leadership and direction to government and non-government agencies to strengthen laws, policies, practices and services that improve the child protection and family support system.</p> <p>The role is responsible for providing expert advice on child protection practices, underpinned by research, to improve the safety and wellbeing of children and young people. Maintaining the rights of children in all situations continues to drive the work of the agency.</p> <p>This role is also the Chair of the independent Child Death Review Board.</p>
Commissioner	<p>The role supports the Principal Commissioner to provide strategic direction and leadership to develop and deliver integrated strategies designed to build capability and capacity and improve the culture of the child protection and family support system.</p> <p>The role has a strong focus on collaboration, partnerships and networks across the sector and improving outcomes for Aboriginal and Torres Strait Islander children and families.</p>
Senior Executive Director	<p>The role leads the agency corporate services, policy, communications and education and community engagement activities. It is responsible for making sure that the QFCC has the appropriate controls, administrative, legal and corporate governance arrangements, media and corporate communications, reporting procedures, and people oriented systems in place to effectively support the operations of the QFCC in line with key legislative and policy obligations.</p>
Executive Director, Child Death Prevention	<p>The role leads child death prevention and the Child Death Review Board secretariat functions.</p> <p>The role oversees the QFCC maintaining a register on all child deaths in Queensland to inform prevention activities and make available better information on risk factors and causes of death.</p>

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

Details of Key Management Personnel (cont'd)

Position	Position Responsibility
Executive Director, Oversight	The role provides leadership to the systemic oversight of Queensland's child protection and family support systems to assess whether the systems are reliable, sustainable and productive. The role also drives activities to influence policy and practice to address the disproportionate representation of Aboriginal and Torres Strait Islander children and young people in the child protection and family support systems.
Director Oversight	<p>The role strategically leads and develops the QFCC's strategic response to our mandated oversight and evaluation functions then monitors strategy implementation.</p> <p>The role provides comprehensive and authoritative advice and recommendations to the Executive Director, Oversight, Executive Leadership Board and government and non-government stakeholders. The role also leads the development of reports on the findings and recommendations of oversight and evaluations of the child protection system.</p>
Director Corporate Services	<p>The role oversees the effective and quality delivery of the corporate services functions of the QFCC.</p> <p>These functions include finance, human resources, governance, business and facilities support services, information and communication technology and contracts and procurement. The role also leads and manages the development, implementation and monitoring of risk management, planning processes and provides integrated organisation performance advice to support the Executive Leadership Board in setting, steering and reviewing the Commission's strategic direction.</p>

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

Details of Key Management Personnel (cont'd)

Position	Position Responsibility
Director Advocacy, Media & Engagement	<p>The role leads the advocacy program for the Commissioners in partnership with internal teams including Policy, Research, Oversight and the Commissioners.</p> <p>It leads the delivery of media and public relations which are responsive to the needs of the Commissioners and Executive Leadership Board. It also develops, leads, implements and maintains the Advocacy Blueprint for the Commissioners; and provides advice on media strategies to improve outcomes for children, young people and families in Queensland.</p>
Director Child Death Review Board Secretariat	<p>The role provides leadership and oversight of the Child Death Review Board secretariat functions.</p> <p>The role manages whole-of-system reviews undertaken by the CDRB and provides high-quality, expert advice to the chair and members. It is also responsible for preparing and publishing findings, reports and briefs on behalf of the CDRB.</p>
Director, Research & Policy	<p>This role provides leadership for the QFCC's strategic policy and research functions, creating an evidence base for improving systems and practice with a focus on improving outcomes for vulnerable children and young people within the child protection and youth justice systems.</p>

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

Remuneration Policies

Remuneration for the Principal Commissioner and Commissioner are set by the Governor in Council in accordance with Division 3, *Family and Child Commission Act 2014*. The remuneration and other terms of employment for the other key executive management personnel are in accordance with directives issued under the *Public Service Act 2008* by the Public Service Commission Chief Executive or the Minister responsible for public sector industrial relations.

Remuneration expenses for those 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 occupied a KMP position.
 - Non-monetary benefits - consisting of provision of vehicle parking together with fringe benefits tax applicable to the benefit.
- Long term employee expenses including amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses including amounts expensed in respect of employer superannuation obligations.
- Termination benefits are in accordance with government industrial instruments and individual contract of employment arrangements.
- Performance bonuses are not paid.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

Remuneration Expense

The following disclosures focus on the expenses incurred by the QFCC attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

1 July 2021 - 30 June 2022

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer & Principal Commissioner (from 01/07/21 to 24/12/21)	151	3	4	13	-	171
Chief Executive Officer & Principal Commissioner (from 31/01/22 to 30/06/22)	127	-	3	15	-	145
Commissioner	201	6	5	21	-	233
Senior Executive Director	201	6	5	22	-	234
Executive Director, Child Death Prevention	170	6	4	18	-	198
Executive Director, Oversight	190	7	5	20	-	222
Director Oversight (from 01/07/21 to 17/06/22)	150	7	4	19	-	180
Director Corporate Services	168	1	4	20	-	193
Director Advocacy, Media & Engagement	140	4	3	17	-	164
Director Child Death Review Board Secretariat	152	4	4	18	-	178
Director, Research & Policy (from 07/02/22 to 30/06/22)	60	2	2	7	-	71
Total Remuneration	1,710	46	43	190	-	1,989

- Following the implementation of a new governance model, the Executive Leadership Board was established in March 2022 to replace the Executive Group. The Executive Leadership Board membership now includes the senior executives and all QFCC Directors.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

KMP Remuneration Expense (cont'd)

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
Chief Executive Officer & Principal Commissioner	286	1	7	26	-	320
Commissioner	221	3	5	22	-	251
Deputy Commissioner (from 1 July 2020 to 31 March 2021)	149	2	4	16	42	213
Executive Director, Child Death Prevention	190	3	4	20	-	217
Executive Director, Oversight	185	4	4	19	-	212
Executive Director, Corporate and Communications (from 20 December 2020) (Acting)	106	2	2	10	-	120
Total Remuneration	1,137	15	26	113	42	1,333

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

17. Key Management Personnel (KMP) and Related Party Disclosures (cont'd)

Related Party Transactions

Transactions with people/entities related to KMP

The QFCC did not enter into any transactions with people, or entities, related to Key Management Personnel during the audit period.

Transactions with other Queensland Government-controlled entities

The QFCC transacts with other Queensland Government controlled entities consistent with normal day-to-day business operations provided under normal commercial terms and conditions.

The QFCC's primary ongoing source of funding is grant funding provided in cash by Department of Justice and Attorney General (Note 3).

The QFCC received services from CAA (Note 1) totalling \$206k and has an operating lease from DEPW for commercial office accommodation (Note 5) totalling \$757k.

18. Taxation

The QFCC 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). FBT and GST are the only Commonwealth taxes accounted for by the QFCC. GST credits receivable from, and GST payable to, the ATO are recognised under Note 7 - Receivables.

19. Insurance

The QFCC's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund with premiums being paid on a risk assessment basis. In addition, the QFCC pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

20. Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical 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.

The QFCC has not recognised any balances that could potentially have a significant effect on these financial statements.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

21. First Year Application of New Accounting Standards or Change in Accounting Policy

Accounting standards applied for the first time

No new accounting standards or interpretations that apply to the QFCC for the first time in 2021-22 had any material impact on the financial statements.

Following the issuance of IFRIC's agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in April 2021, the QFCC has changed its accounting policy for certain cloud computing and software-as-a-service (SaaS) costs. The effects of this change is detailed in Note 21-1 below.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2021-22.

21-1. Configuration or customisation costs in a cloud computing arrangement

1. Summary of change in accounting policy

The QFCC changed its accounting policies in 2021-22 after completing a full analysis of the QFCC's previously capitalised software in response to the IFRIC agenda decision released in March 2021.

The QFCC's new accounting policy now considers where the software code resides, whether it is identifiable and whether the QFCC has the power to both obtain economic benefits from the software and restrict the access of others to those benefits. Configuration or customisation costs that do not qualify for recognition as an intangible asset are further assessed as to the appropriate timing of expense recognition, using the following criteria:

- a) Where the configuration or customisation is considered a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation services are received. This is typically the case when the vendor providing the services is different from the vendor providing access to the software.
- b) Where the configuration or customisation is not a distinct service from the QFCC's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made upfront. This is usually the case when the same vendor is providing both the configuration or customisation services and the access to the cloud software.

Any software that qualifies as an intangible asset is recognised and accounted for in accordance with the QFCC's existing accounting policies on software assets in Note 8, which have not changed.

The standard requires that any change should be applied retrospectively with an adjustment of comparative opening balances at 1 July 2020. However, the relevant intangibles (Child Death Register) were only recognised in 2020-21 financial year, and hence we have restated our prior year balances to reflect the new accounting policy in line with AASB 108.

Queensland Family and Child Commission

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2021-22

21. First Year Application of New Accounting Standards or Change in Accounting Policy (cont'd)

21-1. Configuration or customisation costs in a cloud computing arrangement (cont'd)

2. Impact of changes

As a result of the change in accounting policy, \$754k of capitalised software intangible assets were expensed in 2020-21, with a \$29k reduction to the reported amortisation expense for the same year. In the Statement of Cash flows, payments for capitalised configuration and customisation costs in 2020-21 previously reported as "Payments for intangibles" have been reclassified to "Supplies and services" under cash outflows from operating activities.

The net impacts are summarised in the table below.

	\$'000
<i>Balances as at 30 June 2021</i>	
Intangible assets	(754)
Accumulated surplus	754
<i>Expenses for 2020-21</i>	
Depreciation and amortisation	(29)
Supplies and services	641
Employee expenses	113
<i>Cash outflows for 2020-21</i>	
Supplies and services (outflows from operating activities)	754
Payments for intangibles (outflows from investing activities)	(754)

22. Climate Risk Disclosures

The QFCC has not identified any material climate related risks relevant to the financial report at the reporting date. The QFCC continues to monitor the emergence of such risks under the Queensland Government's Climate Transition Strategy, and Climate Action Plan 2030.

**Queensland Family and Child Commission
Management Certificate
for the year ended 30 June 2022**

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), s.39 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:

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) 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 Queensland Family and Child Commission for the financial year ended 30 June 2022 and of the financial position of the office at the end of that year.

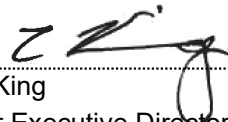
We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



.....
Luke Twyford
Chief Executive Officer & Principal
Commissioner

Queensland Family and Child Commission

Date: 16/8/2022



.....
Tony King
Senior Executive Director

Queensland Family and Child Commission

Date: 16/8/2022

INDEPENDENT AUDITOR'S REPORT

To the Principal Commissioner of the Queensland Family and Child Commission

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Queensland and Family Child Commission.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, 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 2022, 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 Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the Auditor of the Financial Report* section of my report.

I am independent of the entity 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 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 entity for the financial report

The Principal Commissioner 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 Principal Commissioner determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Principal Commissioner is also responsible for assessing the entity'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 entity 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 entity'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 entity.
- Conclude on the appropriateness of the entity'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 entity'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 entity 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 Principal Commission 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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- a) I received all the information and explanations I required.
- b) I consider that, 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 entity's transactions and account balances to enable the preparation of a true and fair financial report.

A handwritten signature in black ink, appearing to read "C. Dougherty".

18 August 2022

Carolyn Dougherty
as delegate of the Auditor-General

Queensland Audit Office
Brisbane