Financial information

Financial summary

This financial summary provides an overview of the CCC's financial performance for the 2014–15 financial year and includes historical financial information for the previous four financial years. A more detailed view of the Commission's financial performance for 2014–15 is provided in the financial statements included in this annual report.

Financial results

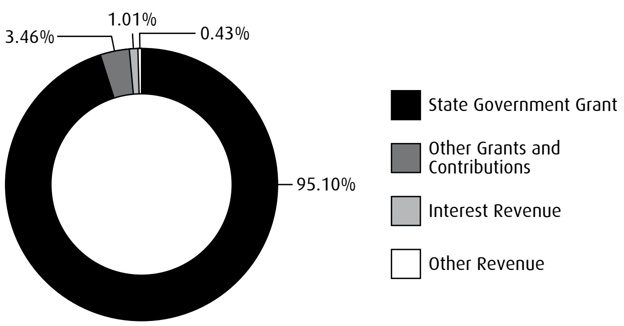
The CCC's financial result for 2014–15 was that revenue exceeded expenses by $216 000, resulting in an operating surplus at the end of the financial year.

Financial Results	2010–11 $m	2011–12 $m	2012–13 $m	2013–14 $m	2014–15 $m
State Government Grant	48.288	49.077	49.661	50.752	52.172
Other Grants and Contributions	0.370	0.350	0.482	0.543	1.896
Interest Revenue	0.801	0.844	0.611	0.587	0.554
Other Revenue	0.103	0.169	0.123	0.282	0.237
Total Revenue	**49.562**	**50.440**	**50.877**	**52.164**	**54.859**
Employee Expenses	34.354	36.598	36.005	35.868	37.829
Supplies and Services	12.644	11.016	10.763	12.141	12.016
Depreciation and Amortisation	2.158	2.280	2.544	2.550	2.624
Other Expenses	0.642	0.636	0.709	1.023	2.174
Total Expenditure	**49.798**	**50.530**	**50.021**	**51.582**	**54.643**
Operating surplus (deficit)	**(0.236)**	**(0.090)**	**0.856**	**0.582**	**0.216**
Net assets	**15.843**	**15.389**	**14.894**	**15.476**	**15.692**

Revenue

The CCC is predominantly funded through grant funds received from the Queensland Government. This revenue is supplemented by interest earnings on cash reserves and other general revenue receipts including staff car parking income and gains on sale of plant and equipment. Additionally, the Commission receives non-cash contributions for services, predominantly from other Queensland Government agencies. In accordance with government policy, the CCC recognises these services as both revenue and expenditure only if the services would have been purchased, had they not been donated, and if their fair value can be measured reliably.

Figure 6. Revenue sources



Financial summary

Figure 7. Application of revenue sources (as a % of 2014–15 total expenditure)

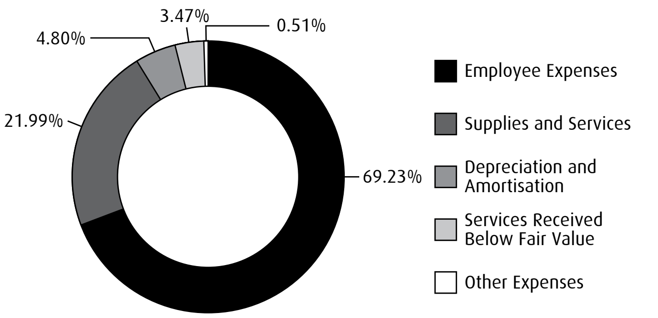


Figure 8. Expenditure by functional area

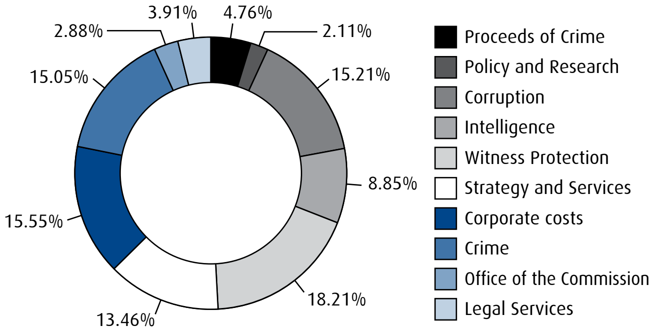


Figure 9. Revenue $m, 2010–11 to 2014–15

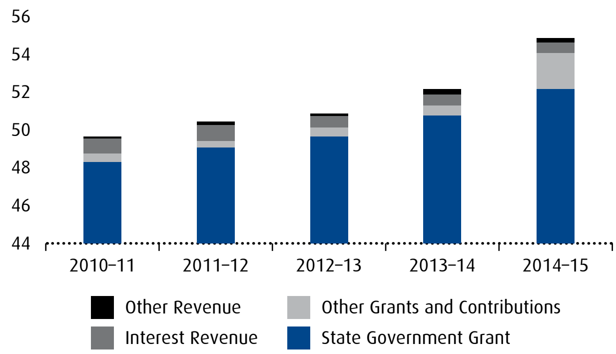
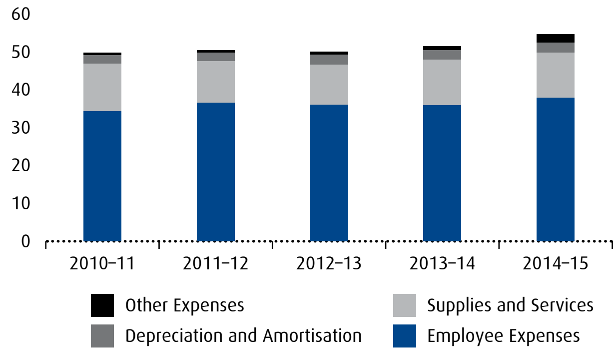


Figure 10. Expenditure $m, 2010–11 to 2014–15



Financial performance

Total revenue for 2014–15 was $54.859m, an increase of 5.17% or $2.695m from the previous year. The state government grant increased by 2.8% from the previous year and includes OMCG-specific funding of $2.966m (2013–14, $1.901m). In January 2014, the CCC was granted a one-off allocation of $6.7m to undertake additional OMCG-related work. Almost half of these funds have been invested in establishing a new civil confiscations team for a three-year period, expiring in December 2016. The remaining funds were invested in criminal intelligence hearings, investigations, and surveillance work associated with OMCGs over a 12-month period across the 2013–14 and 2014–15 financial years. This funding expired on 31 December 2014.

Other grants and contributions increased by 249.17% or $1.353m from the previous years, mainly due to additional operation support provided by the QPS for surveillance work and boiler room fraud investigations.

Expenses

Total expenditure for 2014–15 was $54.643m, an increase of 5.93% or $3.061m from the previous year.

Employee expenses are the CCC's major form of expenditure and comprise almost 70% of total expenditure, or $37.829m in 2014–15. Employee expenditure increased by 5.47% or $1.961m over the previous year. Major contributing factors include additional costs associated with enterprise bargaining increases and additional resources being dedicated to OMCGs.

The CCC spent $12.016m for supplies and services expenditure in 2014–15, compared with $12.141m in 2013–14. This is a decrease of 1.03% or $125 000 from the previous year, mainly due to lower expenditure on technical equipment and computer software; however, travel expenditure almost doubled from the previous year due to higher operational travel requirements.

Payments for office accommodation are the highest category of supplies and services expenditure at $4.420m (almost 37% of total supplies and services expenditure). Telecommunications access and information retrieval costs are the second-highest category of expenditure at $1.463m or 12%, followed by payments to external contractors for various services at $1.380m or 11% of total supplies and services expenditure.

All other expenditure remained relatively consistent with the previous financial year. Refer to Note 6 of the Financial Statements for further details of supplies and services expenditure.

Financial position

Capital acquisitions

The CCC invested $1.321m in capital acquisitions during the 2014–15 financial year compared with $2.408m in 2013–14, mainly as part of the ongoing asset replacement and maintenance program in accordance with the CCC's Asset Strategic Plan. The higher expenditure in 2013–14 is the result of the CCC investing almost $0.500m in leasehold improvements to create a third hearing room to support increased crime and intelligence hearings activity. Additional motor vehicles and surveillance equipment were also purchased in 2013–14 to support the increased OMCG-related activity.

A full breakdown of capital acquisitions can be found in Note 12 of the Financial Statements under the property, plant and equipment reconciliation.

Assets

As at 30 June 2015, CCC total assets were valued at $25.956m (2013–14, $26.609m), decreasing by $653 000 from the previous year. The decrease is primarily due to a lower book value of non-current assets at 30 June 2015 compared with the previous year. This is mainly the result of higher depreciation write-offs during the 2014–15 financial year compared with capital acquisitions.

Liabilities

As at 30 June 2015, the CCC's liabilities were valued at $10.264m compared with $11.133m in the previous year. The decrease of $869 000 is mainly due to lower amounts owing to suppliers at 30 June 2015.

Financial risk management

The CCC operates in an internal control and risk management framework that ensures compliance with our financial responsibilities, cost minimisation and value for money. These controls include:

- ensuring that financial records are properly maintained
- regular financial audits by the Queensland Audit Office and the CCC's Internal Auditor
- regular monitoring and assessment of financial internal controls
- the CCC Executive Leadership Group ensures the budget is framed to maximise outputs from the strategic plan, and monitors the budget to ensure that targets are achieved
- continued engagement with the CCC's Audit and Risk Management Committee
- regular internal and external financial reporting, including quarterly reports to the PCCC
- maintaining an updated Financial Management Practice Manual and financial delegation registers
- ensuring ongoing training and development of finance staff.

Purchasing and expense management

The CCC manages its procurement processes in accordance with *Queensland Procurement Policy 2013*. Our aim is to maximise value for money when purchasing goods and services and to ensure that there is probity and accountability of procurement outcomes. We do this by ensuring compliance with the CCC's policies and procedures, and ongoing monitoring and improvement of systems and processes.

The CCC's expense management system ensures prompt recognition and recording of expenditure in a manner which satisfies monitoring and reporting objectives and accountability requirements. Creditors are generally settled on 30-day terms. The CCC paid all its accounts on time during the financial year and took advantage of discounts on early settlement of accounts.

Asset management

The CCC manages its assets in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. The CCC performs an asset stock-take on an annual basis.

Chief Finance Officer (CFO) statement

In terms of section 77 of the *Financial Accountability Act 2009*, the CFO statement is a mandatory requirement for state government departments only. However, the CCC has adopted best practice by providing the accountable officer with a CFO statement for the financial year ended 30 June 2015, attesting to the financial internal controls of the CCC operating efficiently, effectively and economically.

The CFO statement has been presented to the CCC's Audit and Risk Management Committee.

About the Financial Statements

Introduction

The Financial Statements highlight the CCC's financial performance and overall position as at 30 June 2015.

The Financial Statements consist of five parts:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Cash Flow Statement
- Notes to and forming part of the Financial Statements.

The Financial Statements are prepared by the CCC's finance staff, examined by the CCC's Audit and Risk Management Committee, Executive Leadership Group and internal audit, and then audited by the Queensland Auditor-General.

Statement of Comprehensive Income

The Statement of Comprehensive Income (SOCI) measures the entity's financial performance over a specific period (usually 12 months). The SOCI comprises a profit and loss statement which compares revenues received against expenses incurred. Excess revenue over expenses results in an operating surplus, while excess expenses over revenue results in an operating deficit.

For the year ended 30 June 2015, the CCC's revenue exceeded expenditure by $216 000, resulting in an operating surplus.

Statement of Financial Position

The Statement of Financial Position provides a snapshot of the financial health of an entity at the end of the reporting period. It presents the value of the assets held, amounts owing (liabilities) and the equity (net worth) of the entity.

As at 30 June 2015, the CCC's equity was valued at $15.692m, increasing by $216 000 from the previous year due to the current year operating result.

Assets

Assets are items of value controlled by an entity, from which future economic benefits are expected to flow to the entity. Assets are classed as "current assets" or "non-current assets".

Current assets are those assets that can be readily converted into cash within the next 12 months. The CCC's current assets include cash, trade debtors and other receivables, and prepaid expenditure.

Non-current assets are those assets are not easily converted into cash and that an entity does not expect to convert into cash within the next 12 months.

At 30 June 2015, the CCC's non-current assets of $12.287m included the book value of leasehold improvements, motor vehicles, computer and other equipment, artwork and software (intangibles).

Liabilities

Liabilities are the amounts owed by the entity. Similarly to assets, they are classed as "current liabilities" and "non-current liabilities".

Current liabilities are amounts owing that an entity plans to pay within the next 12 months. For the CCC, current liabilities include amounts owed to suppliers (usually settled on 30-day terms), amounts owing to employees for leave entitlements, provisions for expenditure based on contractual obligations expected to be incurred within the next 12 months, and lease incentive liabilities for the CCC's office accommodation.

Non-current liabilities are those liabilities which an entity is not expected to pay within 12 months or which have no legal requirement to settle the debt within the next 12 months. The CCC's non-current liabilities relate to the provision for costs to restore the leased premises to its original condition, lease incentive liabilities for leased premises, and deferred lease liabilities which have arisen due to recognising lease expense payments on a straight-line method over the term of the lease. The smoothing of lease payments over the term of the lease will extinguish the deferred lease liability by the end of the lease term.

Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of the CCC as at 30 June 2015.

Equity

Equity is the net worth of the entity and is represented by total assets less total liabilities in the Statement of Financial Position. An entity's equity balance is made up of initial capital (contributions), accumulated surplus/deficit and reserves.

The CCC's capital contribution of $12.221m comprises the closing equity balances of the former Criminal Justice Commission and the former Queensland Crime Commission as at 31 December 2001 of $4.237m, an equity injection from government for the Green Square leasehold fitout in the 2007–08 financial year of $9.707m, and non-appropriated equity withdrawals of $1.723m.

The accumulated surplus of $3.463m at 30 June 2015 consists of current year and prior year's operating results. In addition, the CCC has an asset revaluation surplus of $8000 as a result of a revaluation increment due to the CCC revaluing its artwork.

Statement of Changes in Equity

The Statement of Changes in Equity details movements in the equity of an entity during the reporting period. The equity balance is affected by the operating result (surplus or deficit) for the period, equity injections or withdrawals, and asset revaluations.

Cash Flow Statement

This statement shows the actual movements of cash during the financial year. During the 2014–15 financial year, the CCC received $55.415m in cash and paid out $53.850m in cash to manage its operating activities. In addition, $1.114m was invested in capital acquisitions.

The CCC's cash balance at 30 June 2015 was $12.489m compared with $12.038m at 30 June 2014. The increase in cash is mainly due to the 2014–15 operating surplus.

Notes to and forming part of the Financial Statements

The notes to the Financial Statements provide a more detailed break-up of line items presented in the Financial Statements. They also disclose other matters such as the CCC's accounting policies, explanations of major budget variances, outstanding commitments at the end of the reporting period, and other financial disclosures including key executive management personnel and remuneration. The Financial Statements should be read in conjunction with these accompanying notes.

Financial Statements

General information

These financial statements cover the Crime and Corruption Commission (formally Crime and Misconduct Commission), an independent statutory body established under the *Crime and Corruption Act 2001*, which reports directly to the Queensland Parliament.

For financial reporting purposes, the Commission is a statutory body in the terms of the *Financial Accountability Act 2009*, and is subsequently consolidated into the whole-of-government financial report.

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

Level 2, North Tower Green Square
515 St Pauls Terrace
Fortitude Valley QLD 4006

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

For information relating to the Commission's financial statements, please call 07 3360 6060, email <mailbox@ccc.qld.gov.au> or visit the Commission's website at <www.ccc.qld.gov.au>.

Contents

Statement of Comprehensive Income
for the year ending 30 June 2015

	Notes	Actual 2015 $'000	Budget 2015 $'000	Actual 2014 $'000
Income from Continuing Operations				
Grants and other contributions	2, 2(i)	54,068	52,179	51,295
Interest	8(i)	554	650	587
Other revenue	3, 3(i)	177	55	204
Total Revenue		54,799	52,884	52,086
Gains on disposal of property, plant and equipment		60	70	78
Total Income from Continuing Operations		**54,859**	**52,954**	**52,164**
Expenses from Continuing Operations				
Employee expenses	4,4(i),5	37,829	38,407	35,868
Supplies and services	6,6(i)	12,016	11,752	12,141
Depreciation and amortisation	11,12	2,624	2,617	2,550
Impairment losses	12	13	–	–
Finance costs	16	77	65	72
Other expenses	2(i), 7	2,084	113	951
Total Expenses from Continuing Operations		**54,643**	**52,954**	**51,582**
Operating Result from Continuing Operations		**216**	**–**	**582**
Total Comprehensive Income	22(i)	**216**	**–**	**582**

The accompanying notes form part of these statements.

Note references with (i) refer to explanations of major budget variances.

Statement of Financial Position
as at 30 June 2015

	Notes	Actual 2015 $'000	Budget 2015 $'000	Actual 2014 $'000
Current Assets				
Cash and cash equivalents	8,8(ii)	12,489	11,429	12,038
Receivables	9,9(i)	671	872	658
Other assets	10,10(i)	509	577	496
Total Current Assets		**13,669**	**12,878**	**13,192**
Non-Current Assets				
Intangible assets	11	298	285	394
Property, plant and equipment	12,12(i)	11,958	11,045	13,006
Other non-current assets	10	31	15	17
Total Non-Current Assets		**12,287**	**11,345**	**13,417**
Total Assets		**25,956**	**24,223**	**26,609**
Current Liabilities				
Payables	13	2,790	2,840	3,765
Lease liabilities	14	312	311	309
Unearned revenue		2	–	2
Accrued employee benefits	15,15(i)	2,900	1,730	2,658
Total Current Liabilities		**6,004**	**4,881**	**6,734**
Non-Current Liabilities				
Lease liabilities	14	1,898	1,896	2,443
Accrued employee benefits	15(i)	–	645	–
Provisions	16,16(i)	2,362	1,907	1,956
Total Non-Current Liabilities		**4,260**	**4,448**	**4,399**
Total Liabilities		**10,264**	**9,329**	**11,133**
Net Assets		**15,692**	**14,894**	**15,476**
Equity				
Contributed equity		12,221	12,220	12,221
Accumulated surplus		3,463	2,666	3,247
Asset revaluation surplus		8	8	8
Total Equity	22(ii)	**15,692**	**14,894**	**15,476**

The accompanying notes form part of these statements.

Note references with (i) or (ii) refer to explanations of major budget variances.

Statement of Changes in Equity
for the year ending 30 June 2015

	Accumulated Surplus $'000	Asset Revaluation Surplus $'000	Contributed Equity $'000	TOTAL $'000
Balance as at 1 July 2013	**2,665**	**8**	**12,221**	**14,894**
Operating result from continuing operations	582	–	–	582
Balance as at 30 June 2014	**3,247**	**8**	**12,221**	**15,476**

	Accumulated Surplus $'000	Asset Revaluation Surplus $'000	Contributed Equity $'000	TOTAL $'000
Balance as at 1 July 2014	**3,247**	**8**	**12,221**	**15,476**
Operating result from continuing operations	216	–	–	216
Balance as at 30 June 2015	**3,463**	**8**	**12,221**	**15,692**

The accompanying notes form part of these statements.

Statement of Cash Flows
for the year ending 30 June 2015

	Notes	Actual 2015 $'000	Budget 2015 $'000	Actual 2014 $'000
Cash flows from operating activities				
Inflows				
Grants and other contributions		52,172	52,179	50,752
Interest receipts		557	650	563
GST input tax credits from ATO	9(ii)	2,467	1,916	2,313
GST collected from customers		34	–	68
Other	3(i)	185	55	205
Outflows				
Employee expenses		(38,978)	(38,347)	(36,986)
Supplies and services		(12,302)	(11,707)	(9,191)
GST paid to suppliers	9(iii)	(2,319)	(1,888)	(2,440)
GST remitted to ATO		(73)	(28)	(28)
Other	6(ii)	(178)	(720)	(260)
Net cash provided by operating activities	17,17(i)	**1,565**	**2,110**	**4,996**
Cash flows from investing activities				
Inflows				
Sales of property, plant and equipment		207	246	182
Outflows				
Payments for property, plant and equipment	12(ii)	(1,321)	(1,198)	(2,409)
Net cash used in investing activities		**(1,114)**	**(952)**	**(2,227)**
Net increase in cash and cash equivalents		451	1,158	2,769
Cash and cash equivalents at beginning of financial year		12,038	10,271	9,269
Cash and cash equivalents at end of financial year	8(ii)	**12,489**	**11,429**	**12,038**

The accompanying notes form part of these statements.

Note references with (i), (ii) or (iii) refer to explanations of major budget variances.

Notes to and forming part of the Financial Statements 2014–15

Objectives of the Crime and Corruption Commission

Notes to and forming part of the Financial Statements 2014–15

Objectives of the Crime and Corruption Commission (CCC)

The Commission makes a unique contribution to protecting Queenslanders from crime and corruption. The Commission's objectives are to reduce the impact of major crime, reduce the incidence of serious corruption in the public sector and provide an effective witness protection service. Further information on the CCC's objectives and progress during the reporting period can be found in the Performance Scorecard on pages 7 to 9 of the Annual Report.

Note 1: Summary of Significant Accounting Policies

(a) Statement of Compliance

The Commission is a not-for-profit entity.

These financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- Section 43(1) of the Financial and Performance Management Standard 2009
- Applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2015

Except where stated, the historical cost convention is used. This means that assets are recorded at their initial cost and liabilities are valued at the amount initially received in exchange for obligation.

(b) The Reporting Entity

The financial statements include the value of all assets, liabilities, equity, revenues and expenses of the Commission. The Commission does not control any other entities.

(c) Grants and Contributions

Government grants and contributions are non-reciprocal in nature and are recognised as revenue in the year in which the Commission obtains control over them or the right to receive them.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of goods or services is explained in Note 2(i).

(d) Interest

Interest revenue is recognised as the interest accrues.

(e) Taxation

The Commission 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 taxes accounted for by the Commission. GST credits receivable from and GST payable to the ATO, are recognised. Refer to Note 9.

(f) Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Refer to Note 19.

Notes to and forming part of the Financial Statements 2014–15

Note 1: Summary of Significant Accounting Policies (cont'd)

(g) Non-Current Physical and Intangible Assets

Cost of Acquisition

All assets are initially recorded at their purchase price plus any costs incurred that are directly attributable to bringing the asset to the location and condition necessary for it to be able to operate as intended.

Direct costs associated with the design and implementation costs of software are recorded as an acquisition cost.

Routine repair and maintenance costs, minor renewal costs and costs of training staff in the use of the asset are not included in the cost of acquisition, but instead are expensed when incurred. Items comprising the Commission's technical library are also expensed on acquisition.

Capitalisation Thresholds

The Commission only recognises assets in the Statement of Financial Position where their initial acquisition costs exceed a set monetary limit with assets below this value being expensed:

Plant and Equipment	$5 000
Intangible Assets	$100 000

Depreciation and Amortisation

Each class of depreciable asset is depreciated or amortised based on the following useful lives:

Plant and Equipment:

Motor vehicles	3–8 yrs
Computer equipment	1–8 yrs
General and technical equipment and furniture	3–15 yrs
Leasehold improvements	7–13yrs

Intangible Assets:

Software	6–9 yrs

The useful lives of plant and equipment and intangible assets were reviewed during the reporting period and adjusted where necessary.

(h) Financial Instruments

Financial instruments are classified and measured as follows:

Financial assets

- Cash and cash equivalents — held at fair value through profit or loss
- Receivables — held at amortised cost
- Other financial assets – held at fair value through profit or loss

Financial liabilities

- Payables and accrued employee benefits — held at amortised cost

The fair value of receivables and payable is the transaction cost or the face value. All other disclosures relating to the measurement and financial risk management of financial instruments held by the Commission are included in Note 20.

Notes to and forming part of the Financial Statements 2014–15

Note 1: Summary of Significant Accounting Policies (cont'd)

(i) Employee Benefits

Wages, Salaries and Sick Leave

Salaries and wages due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates.

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.

Annual leave

Annual leave benefits are accrued on a pro rata basis in respect of services provided by employees up to balance date, and are calculated having regard to the expected future rates of pay and related on-costs. Refer to Note 15.

Long service leave

Under the Queensland Government's long service leave central scheme, a levy is made on the Commission to cover the cost of employees' long service leave. 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.

No provision for long service leave is recognised in the Commission's financial statements, the liability being 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.*

Superannuation

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

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(j) Accounting Estimates and Judgments

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgments that have the potential to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year. Such estimates, judgments 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 are outlined in the following financial statement notes:

- Accrued Employee Benefits (Note 15)
- Provisions (Note 16)
- Commitments for Expenditure (Note 18)
- Contingencies (Note 19)

Notes to and forming part of the Financial Statements 2014–15

Note 1: Summary of Significant Accounting Policies (cont'd)

(k) Issuance of Financial Statements

The financial statements are authorised for issue by the Acting Chief Executive Officer and the Acting Chairman at the date of signing the Management Certificate.

(l) Other Presentation Matters

Currency and rounding - Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1000 or, where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives - Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. Where comparative information has been restated, such restatements are not material and would not require disclosure in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

(m) New and Revised Accounting Standards

Accounting policies applied during 2014–15 were only amended where required by Australian accounting standards. The Australian accounting standard applicable for the first time from 2014–15 that had the most significant impact on the Commission's financial statements is AASB 1055 *Budgetary Reporting*.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, the Commission's original published budgeted figures for 2014-15 is disclosed in a separate column in the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows and compared to actual results. Explanations of major variances are included in the accompanying notes to financial report.

The Commission is not permitted to adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. The Commission applies standards and inter pretations in accordance with the respective commencement dates.

At the date of authorisation of the financial report, the expected impact of new or amended Australian Accounting Standards and Interpretations with future commencement dates relevant to the Commission is set out below:

		Applicable for annual reporting periods beginning on or after:
AASB 9 &	*Financial Instruments*	1 January 2018
AASB 2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	

The impact of these standards is that they change the requirements for the classification, measurement and disclosures associated with financial assets in that they will be more simply classified according to whether they are measured at amortised cost or fair value. Given the nature of the Commission's financial assets, this change is not expected to have a material impact on the Commission's financial statements.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Commission's activities, or have no material impact on the Commission.

Notes to and forming part of the Financial Statements 2014–15

Note 2: Grants and Other Contributions

The Commission is funded by parliamentary appropriations under the annual *Appropriation Act 2014* for the provision of its outputs. These appropriations are received by the Department of Justice and Attorney-General and forwarded to the Commission on a quarterly basis in the form of a grant. Refer Note 1(c).

	2015 $'000	2014 $'000
Grants		
Queensland Government grant	52,172	50,752
Other Contributions – Services Received Below Fair Value		
Archival services from Department of Science, Information Technology and Innovation	311	253
Employee costs for police secondments from Queensland Police Service (QPS)	1,585	290
	1,896	543
Total	**54,068**	**51,295**

Note 2 (i):

Grants and other contributions for the year were more than the original budget by $1.889M or 3.62% primarily due to recognising contributions for services received below fair value from other Queensland Government agencies. The increase in the contribution of services from QPS is mainly due to additional operational support allocated to the Commission for surveillance work.

The Commission recognises contributions of services only if the services would have been purchased, had they 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. See Note 7 Other Expenses – Services received below fair value.

Note 3: Other Revenue

	2015	2014
APSACC – share of conference profit (See Note 21)	–	102
Car parking	32	36
Revenue from court awarded costs	60	–
Recoveries from prior year	47	43
Sundry revenue	38	23
Total	**177**	**204**

Note 3 (i):

Other revenue is more than the original budget by $122,000 or 221.82%. The increase in other revenue is mainly due to additional revenue received by court order in relation to a confiscation matter.

Note 4: Employee Expenses

The number of employees including both full-time employees and part-time employees, measured on a full-time equivalent basis is:

	2015	2014
Number of employees	336.6	329

Employer superannuation contributions and long service leave levies are regarded as employee benefits.
Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses. Details of significant accounting policies in relation to employee benefits are disclosed in Note 1(i). Also refer to Note 15.

Notes to and forming part of the Financial Statements 2014–15

Note 4: Employee Expenses (cont'd)

	2015 $'000	2014 $'000
Employee Benefits		
Wages and salaries	27,516	25,991
Annual leave expense	2,066	1,808
Employer superannuation contributions	3,761	3,531
Long service leave levies	657	606
Termination benefits	149	128
Other employee benefits	1,701	1,555
Employee Related Expenses		
Workers' compensation premium	324	270
Payroll tax	1,212	1,564
Other employee related expenses	443	415
Total	**37,829**	**35,868**

Note 4 (i):

Employee expenses are lower than the original budget by $578,000 or 2% primarily due to new senior positions which were created as part an organisational restructure being vacant during the financial year.

Note 5: The Commission, Key Management Personnel and Remuneration Expenses

(a) The Commission

The Commission is the governing body and comprises a Chairman, a part-time Deputy Chairman, two (2) part-time Ordinary Commissioners and a Chief Executive Officer (CEO). The Commission is responsible for providing strategic leadership and direction for the performance of the agency's functions.

The Chairman has specific responsibilities relating to the proper performance of the Commission's functions, whilst the CEO is responsible for the efficient, effective and economic administration of the Commission. The Commission's financial functions are also delegated to the CEO.

(b) Key Management Personnel

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury.

Key management personnel include those positions that supported the Chairman and the CEO in the leadership of the Commission as a whole during 2014–15. Key management personnel are responsible for participating collaboratively in the overall management of the Commission and in particular, to achieve the objectives set by the Commission for the performance of functions within their area of responsibility.

Together with the Chairman and CEO, these positions form part of the Executive Leadership Group (ELG). Further information about the ELG can be found in the body of the Annual Report under the section relating to leadership.

(c) Remuneration Expenses

Part-time Commissioners' Remuneration

The remuneration paid to part-time Commissioners is determined by the Governor-in-Council and based on rates specified in the guidelines for Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities: Remuneration Procedures. The remuneration amounts shown include superannuation.

Notes to and forming part of the Financial Statements 2014–15

Note 5: The Commission, Key Management Personnel and Remuneration Expenses (cont'd)

(c) Remuneration Expenses (cont'd)

Part-time Commissioners' Remuneration (cont'd)

Name of Commissioner	Position	Date of term commencement (Date of term expiration)	2015 $'000	2014 $'000
Phillip Nase	Ordinary Commissioner	6 November 2008 (5 November 2013)	–	17
Michael Keelty	Ordinary Commissioner	6 December 2013 (30 June 2014)	–	26
George Fox	Ordinary Commissioner	23 September 2011 (31 October 2014)	16	47
Marilyn McMeniman	Ordinary Commissioner	8 April 2011 (30 June 2015)	46	47
Sydney Williams*	Deputy Chairman	6 December 2014*	46	26
Total			**108**	**163**

* Ordinary Commissioner up to 30 June 2014; Acting Deputy Chairman from 1 July 2014 to 5 December 2014

Chairman Remuneration

The remuneration paid to the acting Chairman is determined by the Governor-in-Council and is equivalent to the superannuable salary of the President of the Court of Appeal as provided for under the *Judicial Remuneration Act 2007*. There were no remuneration increases for the 2014–15 year.

The acting Chairman's conditions of employment include an expense of office allowance, a motor vehicle allowance equivalent to that of a Chief Executive Officer of a Queensland Government Department appointed under the *Public Service Act 2008*, and non-monetary benefits consisting of car parking benefits, leave equivalent to the public service, and superannuation benefits.

The Chairman is not eligible for a performance bonus.

Chief Executive Officer (CEO) and Senior Executive Remuneration

The remuneration paid to the CEO is determined by the Governor- in-Council, however remuneration policy for both the Commission's CEO and senior executive personnel is based on rates set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*, and approved by the Minister.

For the 2014–15 year, the remuneration for senior executive personnel increased by 2.2% in accordance with government policy.

Remuneration expenses for key management personnel comprise the following components:

- Short-term employee expenses which include:
  - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position
  - non-monetary benefits — consisting of provision of vehicles together with fringe benefits tax applicable to the benefit and car parking 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
- Termination benefits are provided for within individual contracts of employment for senior executive personnel only. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for the termination
- Performance bonuses are not included under contracts in place

The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

Notes to and forming part of the Financial Statements 2014–15

Note 5: Key Management Personnel and Remuneration Expenses (cont'd)

(c) Remuneration Expenses (cont'd)

1 July 2014 – 30 June 2015

Position	Contract classification and appointment authority	Monetary Expenses $'000	Long-Term Employee Expenses $'000	Post-Employment Expenses $'000	Termination Benefits $'000	Total Expenses $'000
Chairman* 22 May 2014 to 30 June 2015	Acting – Crime *and Corruption Act 2001*	497	11	54	–	562
Chief Executive Officer** 1 July 2014 to 30 June 2015	Acting – CEO, *Crime and Corruption Act 2001*	281	5	18	–	304
Executive Director, Corruption 2 April 2014 to current	Current – SES4, *Crime and Corruption Act 2001*	225	5	28	–	258
Executive Director, Crime*** 9 January 2012 to current	Current – SES4, *Crime and Corruption Act 2001*	253	5	26	–	284
Executive Director, Witness Protection and Operations Support 5 May 2014 to current	Current – Chief Superintendent, *Crime and Corruption Act 2001*	170	3	28	–	201
Director, Financial Investigations 18 March 2013 to current	Current – SES2, *Crime and Corruption Act 2001*	163	3	18	–	184
Director, Legal Services 8 August 2011 to current	Current – SES2, *Crime and Corruption Act 2001*	158	3	18	–	179
Executive Director, Strategic and Corporate Services**	Vacant – SES3, *Crime and Corruption Act 2001*	–	–	–	–	–
Total Remuneration		**1,747**	**35**	**190**	**–**	**1,972**

* The Acting Chairman's contract was terminated on 30 June 2015. The Acting Chairman was not entitled to a long service leave payout on termination due to the service period.

** New positions effective from 1 July 2014. The Executive Director, Strategic and Corporate Services position was vacant throughout the reporting period but was occupied from 13 July 2015.

*** The Executive Director, Crime received a non-monetary motor vehicle benefit of $4,000 during the financial year.

1 July 2013 – 30 June 2014

Position	Contract classification and appointment authority	Monetary Expenses $'000	Long-Term Employee Expenses $'000	Post-Employment Expenses $'000	Termination Benefits $'000	Total Expenses $'000
Chairman 22 May 2014 to current	Acting – CEO / *Crime and Misconduct Act 2001*	495	11	53	–	559
Assistant Commissioner, Corruption* 2 April 2014 to current	Acting – SES4 / *Crime and Misconduct Act 2001*	223	–	26	–	249
Assistant Commissioner, Crime*#	Current – SES4 *Crime and Misconduct Act 2001*	215	5	20	–	240
Executive General Manager – up to 30 June 2014**	Outgoing– SES4 / *Crime and Misconduct Act 2001*	241	3	24	67	335
Total Remuneration		**1,174**	**19**	**123**	**67**	**1,383**

* These positions were renamed Executive Director, Corruption and Executive Director, Crime respectively with effect from 1 July 2014.

\# The Assistant Commissioner, Crime received a non-monetary motor vehicle benefit of $16,000 during the financial year.

** This position was abolished on 30 June 2014.

Notes to and forming part of the Financial Statements 2014–15

	2015 $'000	2014 $'000
Note 6: Supplies and Services		
Rental expense – operating lease*	4,420	4,348
Computer maintenance and software	985	1,320
Consultants and contractors	503	450
Corporate service providers	134	119
Electricity	304	343
Furniture and equipment (non asset)	479	798
Telecommunications and access costs	1,463	1,229
Legal costs	751	806
Building and equipment maintenance	370	379
Motor vehicle running costs	439	431
Operational expenses	603	613
Security	492	466
Travel	644	396
Other	429	443
Total	**12,016**	**12,141**

Note 6 (i):

Supplies and services expenditure is $264,000 or 2.25% more than originally budgeted. The variance is mainly due to higher travel costs associated with increased interstate travel for operational requirements. Additionally, higher than budgeted contractor costs for software support services for the COMPASS complaints management system and legal services for crime and corruption related litigation matters, is also contributing to the budget variance.

Note 6 (ii):

*Other cash outflows from operating activities is $542,000 or 75.28% less than the original budget due to a classification error in the original budget for the movement in deferred lease liabilities. As this movement relates to rental expense – operating lease, it is classified as an outflow of supplies and services in the statement of cash flows.

Note 7: Other Expenses		
External audit fees*	60	64
Insurance premiums **	33	31
Services received below fair value (see Note 2)	1,896	543
Losses from disposal of property, plant and equipment	10	150
Special payments***		
– Out of court settlement	54	–
– Other special payments	12	41
APSACC – seed money for future conferences (see Note 21)	–	102
Sundry expenses	19	20
Total	**2,084**	**951**

* Estimate of fees payable to Queensland Audit Office relating to the 2014–15 financial statements (2014 actual fee: $60,400).

** The Commission's non–current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. Insurance claims are subject to a $10,000 deductible per claim.

*** Special payments include ex gratia expenditure and other expenditure that the Commission is not contractually or legally obligated to make to other parties. The out of court settlement was paid to a police officer who was successful in a police misconduct related litigation matter in the Court of Appeal. Other special payments include legal assistance provided to staff on a Commission related matter at a cost of $7,500 (2014: $41,304).

Notes to and forming part of the Financial Statements 2014–15

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include all cash and cheques receipted but not banked at 30 June.

Term deposits are held with major banking institutions and represent liquid investments with short periods to maturity that are readily convertible to cash on hand at the Commission's option and that are subject to a low risk of changes in value. Included in term deposits is a bank guarantee of $48,600 pursuant to a lease agreement.

	2015 $'000	2014 $'000
Imprest accounts	25	25
Cash at bank	413	462
Term deposits	12,051	11,551
Total	**12,489**	**12,038**

Note 8 (i):

As a result of decisions by the Reserve Bank to cut interest rates during the reporting period, term deposits earned interest rates between 2.73% and 3.66% (2014: 3.21% and 4.44%). As a result, interest income was $96,000 or 14.77% less than budgeted.

Note 8 (ii):

As at 30 June 2015 cash and cash equivalents were $1.060M or 9.27% higher than the original budget. The increase in cash is mainly due to higher accrued employee benefits owing at 30 June 2015. Also contributing to the increase in cash and cash equivalents is the prior year operating result of $582,000 which was not anticipated when the original budget was prepared; as reflected by a lower projected bank balance at the beginning of the financial year in the statement of cash flows.

Note 9: Receivables

Receivables represent amounts owed to the Commission at the end of the reporting period.

Sundry debtors are recognised at the amounts due at the time of service delivery, that is, the agreed sale/contract price. Settlement of these amounts is required within 30 days from invoice date. The collectability of receivables is assessed periodically with provision being made for impairment when there is valid evidence that the debts may not be collected. As at reporting date, there were no debtors that required an allowance for impairment.

Contractual Receivables		
Long service leave reimbursements	192	59
Interest receivable	105	108
Sundry debtors	16	24
	313	191
Statutory Receivables		
GST receivable	363	511
GST payable	(5)	(44)
	358	467
Total	**671**	**658**

Note 9 (i):

As at 30 June 2015 receivables were $201,000 or 23% lower than the original budget. The decrease in receivables is primarily due to lower than anticipated long service leave reimbursements from QSuper for long service leave payouts on staff terminations during the last quarter of the financial year.

Note 9 (ii):

As at 30 June 2015 GST input tax credits from the ATO is $551,000 or 28.76% more than originally budgeted because of a higher refund from the ATO in July 2014 relating to the previous financial year.

Notes to and forming part of the Financial Statements 2014–15

Note 9: Receivables (con't)

Note 9 (iii):

As at 30 June 2015 GST paid to suppliers is $431,000 or 22.83% more than originally budgeted. The increase is due to a higher value of supplies and services expenditure not budgeted for and QPS salary reimbursement invoices attracting GST.

Note 10: Other Assets

Other assets include prepayments and rental security deposits. Prepayments relate to invoices paid in advance for goods and services yet to be received and where the value of the invoice is greater than or equal to $1000.
The rental security deposits relate mainly to office accommodation. The deposit is refundable when the lease expires.

	2015 $'000	2014 $'000
Current		
Prepayments	509	496
Total	**509**	**496**
Non-Current		
Prepayments	3	17
Rental security deposits	28	–
Total	**31**	**17**

Note 10 (i):

Other current assets are $68,000 or 12% less than originally budgeted. The decrease is due to lower than anticipated in prepaid expenditure for software and hardware maintenance contracts as at 30 June 2015.

Note 11: Intangible Assets

All intangible assets of the Commission have finite useful lives and are amortised on a straight-line basis over the expected benefit to the Commission.

The Commission's software comprises software licensing and implementation costs for the TRIM Electronic Document and Records Management System (EDRMS) ($0.540M) and the Web Content and Intranet Management System ($0.212M). As at 30 June 2015, the TRIM EDRMS had a remaining useful life of 4 years and a carrying amount of $0.250M, whilst the Web Content and Intranet Management System had a remaining useful life of 2.5 years and a carrying amount of $0.048M.

Software		
At cost	752	752
Less: Accumulated amortisation	(454)	(358)
	298	**394**
Total	**298**	**394**
Intangibles Reconciliation		
Software		
Carrying amount at 1 July	394	511
Amortisation*	(96)	(117)
Carrying amount at 30 June	**298**	**394**

*Amortisation of intangibles is included in the line item "Depreciation and amortisation" in the Statement of Comprehensive Income.

Notes to and forming part of the Financial Statements 2014–15

Note 12: Property, Plant and Equipment

Other than heritage and cultural assets, the Commission uses the cost model to measure all assets after they are recognised, which means that assets are carried at their acquisition cost less accumulated depreciation and any accumulated impairment losses.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, and the new depreciable amount is depreciated over the remaining useful life of the asset to the Commission. The carrying amounts for plant and equipment measured at cost approximate their fair value at reporting date.

Heritage and cultural assets are measured at fair value and are not depreciated as they are considered to have an indefinite useful life. The Commission's heritage and cultural assets comprises of artwork. The artwork is reported at its re-valued amount, being the fair value at the date of valuation.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. That is, when the asset is available for use and is operating in the manner intended by management. These assets are then reclassified to the relevant asset class.

	2015 $'000	2014 $'000
Motor vehicles:		
At cost	1,455	1,396
Less: Accumulated depreciation	(577)	(469)
	878	927
Computer equipment:		
At cost	2,887	2,740
Less: Accumulated depreciation	(1,718)	(1,303)
	1,169	1,437
General and technical equipment:		
At cost	1,820	1,743
Less: Accumulated depreciation	(855)	(672)
	965	1,071
Leasehold improvements:		
At cost	17,401	16,994
Less: Accumulated depreciation	(8,663)	(7,456)
	8,738	9,538
Work in Progress:		
At cost	175	–
Cultural and art assets:		
At fair value	33	33
Total	**11,958**	**13,006**

The Commission has plant and equipment with an original cost of $198,883 (2014: $806,717) and a written down value of zero still being used in the provision of services.

Note 12 (i):

The value of property, plant and equipment (PPE) at 30 June 2015 was $913,000 or 8.27% more than originally budgeted. The increased value of property, plant and equipment was due to a number of factors, including:

- the restoration cost adjustment to leasehold improvements at 30 June 2015, not foreseen at the time of budget
- asset acquisitions for the Covert Surveillance Product Management System and leasehold improvements for office accommodation which was not originally budgeted

Notes to and forming part of the Financial Statements 2014–15

Note 12: Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation	Motor vehicles		Computer equipment		General and technical equipment		Leasehold improvements		Cultural and art assets		Work in progress		Total	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Carrying amount at 1 July	927	698	1,437	1,377	1,071	689	9,538	10,405	33	33	–	–	13,006	13,202
Acquisitions	531	712	257	528	139	709	–	–	–	–	394	459	1,321	2,408
Disposals*	(149)	(106)	–	–	(6)	(148)	(2)	–	–	–		–	(157)	(254)
Transfers between classes	–	–	–	–	–	23	219	436	–	–	(219)	(459)	–	–
Restoration cost adjustment**	–	–	–	–	–	–	329	82	–	–	–	–	329	82
Depreciation***	(431)	(377)	(517)	(468)	(234)	(202)	(1,346)	(1,385)	–	–	–	–	(2,528)	(2,432)
Impairment losses****	–	–	(8)	–	(5)	–	–	–	–	–	–	–	(13)	–
Carrying amount at 30 June	**878**	**927**	**1,169**	**1,437**	**965**	**1,071**	**8,738**	**9,538**	**33**	**33**	**175**	–	**11,958**	**13,006**

* Any gain or loss on disposal is recognised at the date of disposal and is the difference between the consideration received and the carrying value of the asset at the time.

** Leasehold improvements include an amount of $2.018M (2014: $1.689M) for the estimate of restoration costs for the leased premises, which has been recognised as a provision. Refer to Note 16.

*** Plant and equipment are depreciated on a straight-line basis so as to allocate the net cost progressively over its estimated useful life to the Commission. The depreciable amount of leasehold improvements is allocated progressively over the estimated useful life of the asset or the unexpired period of the lease whichever is the shorter. The unexpired period of a lease includes option period where exercise of the option is probable. Depreciation of plant and equipment is included in the line item "Depreciation and amortisation" in the Statement of Comprehensive Income.

**** Impairment of non-current physical and intangible assets is the decline in the service potential of an asset over and above the use reflected through depreciation. All non-current assets are assessed for indicators of impairment on an annual basis. Impairment losses are shown as a separate line item in the Statement of Comprehensive Income.

Notes to and forming part of the Financial Statements 2014–15

Note 12: Property, Plant and Equipment (cont'd)

Note 12 (ii) :

Payments for property, plant and equipment (acquisitions) was $123,000 or 10.27% more than originally budgeted mainly due to asset acquisitions for the Covert Surveillance Product Management System and leasehold improvements for office accommodation not foreseen at the time of the budget. These purchases were offset by budget savings in motor vehicle and general and technical equipment purchases.

Note 13: Payables

The Commission recognises creditors at the agreed purchase price or contract price including any trade and other discounts when goods and services ordered are received. Amounts owing are unsecured, and are generally settled on 30-day terms.

	2015 $'000	2014 $'000
Contractual Payables		
Creditors	1,370	1,625
Queensland Police Service*	1,274	2,010
	2,644	**3,635**
Statutory Payables		
Payroll Tax	109	95
Fringe Benefits Tax	37	35
	146	**130**
Total	**2,790**	**3,765**

* Reimbursement of staff salaries and related on-costs for police seconded to the Commission.

Note 14: Lease Liabilities

A distinction is made between finance and operating leases. Finance leases effectively transfer all risks and benefits of ownership to the lessee. Under an operating lease, the lessor retains substantially all the risks and benefits. The Commission has operating leases for office accommodation and no finance leases.

Incentives received on entering into operating leases are recognised as a liability. The liability is progressively extinguished through a reduction in rental expense over the lease term on a straight line basis.

Current		
Lease incentive liability*	312	309
	312	**309**
Non-Current		
Lease incentive liability*	1,527	1,820
Deferred lease liability **	371	623
Total	**1,898**	**2,443**

* Incentives received on entering into operating leases are recognised as a lease incentive liability. The liability is progressively reduced through a reduction in rental expense over the lease term on a straight line basis.

** Where rental increases are consistent under the lease agreement, operating lease payments are recognised in the period they are incurred using a straight line basis over the period of the lease. The liability will be extinguished upon expiration of the lease.

Notes to and forming part of the Financial Statements 2014–15

Note 15: Accrued Employee Benefits

Salaries and wages due but unpaid at reporting date are recognised as a liability. As the Commission expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Not all annual leave entitlements are expected to be paid within 12 months therefore, in accordance with AASB 119 *Employee Benefits*, the value of annual leave owing at the end of the reporting period is measured as "other long term employee benefits" and recognised at its present value, calculated using yields on Queensland Treasury Corporation AUD benchmark bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

However, as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, the full value of the annual leave liability has been classified as a current liability under accrued employee benefits, in accordance with AASB 101 *Presentation of Financial Statements*.

	2015 $'000	2014 $'000
Wages outstanding	587	430
Annual leave entitlements	2,191	2,111
Long service leave levy payable	122	117
Total	**2,900**	**2,658**

Refer to Note 1(i).

Note 15 (i):

Accrued employee benefits are $525,000 or 23% more than the original budget partly due to an increase in the value of annual leave entitlements at 30 June 2015. Leave entitlements are being monitored by management on a monthly basis with a view to reducing high leave balances. Further contributing to the budget variance is higher than anticipated wages outstanding due to accounting for salaries owing to terminated staff at 30 June 2015.

Note 16: Provisions

Provisions are recorded when the Commission has a present obligation, either legal or constructive, as a result of a past event and the amount of the provision can be reliably measured. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

The provision for restoration costs relate to clauses in lease agreements for office accommodation which require the Commission to restore the leased premises to their original condition. As the settlement of the obligation is expected after 12 or more months, the provision has been discounted to reflect the present value of these obligations using a rate that reflects current market assessments and risks specific to the liability. The finance costs relate to unwinding of the discount on the provision.

The estimate of the restoration costs has been included in the cost of the leasehold assets. Refer to Note 14.

	2015 $'000	2014 $'000
Restoration costs	2,362	1,956
Total	**2,362**	**1,956**

Notes to and forming part of the Financial Statements 2014–15

Note 16: Provisions (cont'd)

	2015 $'000	2014 $'000
Movements in provisions		
Restoration Costs		
Balance at 1 July	1,956	1,802
Provision recognised	329	82
Finance Costs	77	72
Balance at 30 June	**2,362**	**1,956**

Note 16 (i):

As at 30 June 2015, provision for restoration costs was $455,000 or 23.86% more than the original budget. This was due mainly to an increase in estimated cost of the make good provision as a result of additional leasehold improvements made to office accommodation during the reporting period.

Note 17: Reconciliation of Operating Result to Net Cash from Operating Activities

Operating result from continuing operations	216	582
Depreciation and amortisation expense	2,624	2,550
Impairment losses	13	–
Losses on disposal of property, plant and equipment	10	150
Gains on disposal of property, plant and equipment	(60)	(78)
Finance costs	77	72
Change in asset and liabilities:		
(Increase)/decrease in sundry debtors	8	2
(Increase)/decrease in GST input tax receivable	148	(127)
(Increase)/decrease in long service leave reimbursement receivable	(133)	404
(Increase)/decrease in interest receivable	3	(24)
(Increase)/decrease in prepayments	(27)	–
Increase/(decrease) in accounts payable	(975)	1,329
Increase/(decrease) in accrued employee benefits	242	479
Increase/(decrease) in GST payable	(39)	39
Increase/(decrease) in lease liability	(542)	(382)
Net cash from operating activities	**1,565**	**4,996**

Note 17 (i):

As at 30 June 2015, net cash provided by operating activities was $545,000 or 25.83% less than the original budget. This was mainly due to higher cash reimbursements to QPS for invoices outstanding at 30 June 2014 not envisaged at the time of budget.

Notes to and forming part of the Financial Statements 2014–15

Note 18: Commitments for Expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the statement of financial position. Commitments at reporting date are disclosed at their nominal value inclusive of anticipated GST and are payable as follows:

	Operating Leases #		Vehicle Leases		Capital Expenditure		Other Expenditure		Total Commitments	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Not later than one year	5,709	5,448	139	119	187	56	699	954	6,734	6,577
Later than one year and not later than five years	24,050	5,427	206	201	–	–	1,714	425	25,970	6,053
Later than five years	6,459	–	–	–	–	–	–	–	6,459	–
Total	**36,218**	**10,875**	**345**	**320**	**187**	**56**	**2,413**	**1,379**	**39,163**	**12,630**

Operating leases are non-cancellable and are entered into as a means of acquiring access to office accommodation. The leases have a renewal option that is exercisable at market prices. Lease payments are generally fixed, and no lease arrangements create restrictions on other financing transactions.

Note 19: Contingencies

Litigation in progress

As at 30 June 2015, seven (7) cases were ongoing before various courts, naming the Commission as either an applicant or respondent:

	2015 Number of cases	2014 Number of cases
Court of Appeal/High Court	3	5
Supreme Court	3	5
Queensland Civil and Administrative Tribunal (QCAT)	1	4
Total	**7**	**14**

It is not possible to make a reliable estimate of the final costs that could be recovered or payable from these cases at this time.

Note 20: Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Commission becomes party to the contractual provisions of the financial instrument. Certain financial assets and liabilities arise under statute rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments* and are therefore not recognised as financial instruments, for example, GST receivable and fringe benefits tax payable.

The Commission's principal financial instruments are cash and cash equivalents; receivables; payables and accrued employee benefits. Details of significant accounting policies and methods used with respect to each class of financial instrument are disclosed in Note 1 (h).

Notes to and forming part of the Financial Statements 2014–15

Note 20: Financial Instruments (cont'd)

(a) Categorisation of Financial Instruments

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

Category:	Note	2015 $'000	2014 $'000
Financial assets			
Cash and cash equivalents	8	12,489	12,038
Contractual receivables	9	313	191
Total		**12,802**	**12,229**
Financial liabilities			
Contractual payables	13	2,644	3,635
Accrued employee benefits	15	2,900	2,658
Total		**5,544**	**6,293**

(b) Financial Risk Management

The Commission's activities expose it to a variety of financial risks — interest rate risk, credit risk, liquidity risk and market risk. The Commission provides written principles for overall risk management as well as policies covering specific areas. These policies focus on the financial performance of the Commission. All financial risk is managed by the Strategic and Corporate Services Division under policies approved by the Commission.

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the Commission may incur financial loss as a result of another party to a financial instrument failing to discharge its obligation. The Commission monitors exposure to credit risk on an ongoing basis.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment. The Commission manages credit risk by ensuring that it invests in secure assets and monitors all funds owed on a regular basis.

The following table represents the Commission's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk *Category:*	Note	2015 $'000	2014 $'000
Financial Assets			
Cash and cash equivalents	8	12,464	12,013
Contractual receivables	9	313	191
Total		**12,777**	**12,204**

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired.

The Commission did not have any financial assets that were past due but not impaired in the current or previous period.

d) Liquidity Risk

Liquidity risk refers to the situation where the Commission may encounter difficulty in meeting obligations associated with these financial liabilities.

The Commission manages liquidity risk by ensuring the Commission has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that sufficient levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

Notes to and forming part of the Financial Statements 2014–15

Note 20: Financial Instruments (cont'd)

d) Liquidity Risk (cont'd)

In addition, the Commission operates credit card facilities with a total monthly limit of $300,000. As at 30 June 2015 $295,587 was available. The following table sets out the liquidity risk of financial liabilities held by the Commission.

	Note	Payable in							
		< 1 year		1–5 years		> 5 years		Total	
		2015	2014	2015	2014	2015	2014	2015	2014
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities									
Contractual Payables	13	2,644	3,635	–	–	–	–	2,644	3,635
Accrued employee benefits	15	2,206	1,929	694	729	–	–	2,900	2,658
Total		**4,850**	**5,564**	**694**	**729**	**–**	**–**	**5,544**	**6,293**

(e) Fair Value

The Commission considers that the carrying amount of receivables and payables represent fair value at the balance date because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 21: Trust Transactions and Balances

The Commission undertakes certain trustee transactions on behalf of individuals as a result of operational activities and when it acts as host of the Australian Public Sector Anti-Corruption Conference (APSACC). As the Commission acts only in a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed separately under this note.

Operational Activities

At 30 June 2015, the Commission held $27,551 (2014: $15,151) in trust for a number of benefactors as a result of operational activities. The Queensland Audit Office performed a review of the Commission's trust transactions for operational activities for 2014–15.

Australian Public Sector Anti-Corruption Conference (APSACC)

The Australian Public Sector Anti-Corruption Conference (APSACC) is a national conference which is held biennially and hosted by Queensland's Crime and Corruption Commission (QLD - CCC), the New South Wales Independent Commission against Corruption (ICAC) and Western Australia's Corruption and Crime Commission (WA - CCC) on a rotational basis amongst the three states, through a joint venture (non-profit) agreement.

All agencies are involved in the planning and organisation of the event. All three parties are entitled or liable for to an equal distribution of any conference profit or shortfall; however, these funds are retained as seed money to fund future conferences rather than being distributed to the agencies.

APSACC 2013 was hosted by the ICAC in Sydney in November 2014. Surplus funds of $435,765 from APSACC 2013 were retained as seed money to fund future conferences rather than being distributed to the agencies. (Refer to Note 3 and Note 7.)

The Commission will host the next APSACC in November 2015. APSACC 2015 will be an unrivalled opportunity to focus on emerging corruption trends, the latest anti-corruption strategies and future directions in preventing corruption.

As at 30 June 2015, the Commission held $362,475 of seed money in trust to cover expenses for APSACC 2015 (2014: $396,150).

Notes to and forming part of the Financial Statements 2014–15

Note 22: Change in Equity – Explanations of Budget Variance

Note 22 (i):

It was originally anticipated that the Commission would fully spend its 2014-15 operating budget. However, due to lower than anticipated employee expenses during the reporting period, the Commission achieved a budget surplus of $216,000 at 30 June 2015. Refer to Note 4(i).

Note 22 (ii):

Total equity is $798,000 or 5.36% more than originally budgeted. This is due to an increase in accumulated surplus as a result of the prior year budget surplus of $582,000 and the current year budget surplus of $216,000. These budget surpluses were not anticipated at the time that the 2014-15 original budget was prepared.

Certificate of the Crime and Corruption Commission

These general purpose financial statements have been prepared pursuant to Section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections 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 statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Commission for the financial year ended 30 June 2015 and of the financial position of the Commission at the end of that year; and

(c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material aspects, with respect to financial reporting throughout the reporting period.

Sighted and signed

Ann Gummow

Acting Chairman

Crime and Corruption Commission

Date: 25 August 2015

Sighted and signed

Kathleen Florian

Acting Chief Executive Officer

Crime and Corruption Commission

Date: 25 August 2015

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Crime and Corruption Commission

Report on the Financial Report

I have audited the accompanying financial report of the Crime and Corruption Commission, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Acting Chairman and Acting Chief Executive Officer.

The Commission's Responsibility for the Financial Report

The Commission is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Commission's responsibility also includes such internal control as the Commission determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

  (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

  (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Crime and Corruption Commission for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year; and

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

AUDITOR GENERAL
27 AUG 2015
OF QUEENSLAND

A M GREAVES FCA FCPA
Auditor-General of Queensland

Queensland Audit Office
Brisbane