



05 Financial information

64 | Financial summary

67 | About the Financial Statements

69 | Financial Statements



Financial summary

This financial summary provides an overview of the CCC’s financial performance for the 2017–18 financial year and includes historical financial information for the previous four financial years. A more detailed view of the CCC’s financial performance for 2017–18 is provided in the financial statements.

Financial Results

The CCC’s financial result for 2017–18 was that Revenue exceeded Expenditure by \$407,000, resulting in a net operating surplus at the end of the financial year. The surplus is mainly due to a lower level of expenditure incurred on the development of the new Integrated Case Management System (ICMS) than was originally anticipated as a result of a longer than expected tender evaluation process.

The CCC is funded for its outputs through grant funds received from the Queensland Government comprising of 96.30% of total revenue for 2017–18 (2016–17 — 96.67%).

Table 11. Financial results

Financial Results	2017–18 \$'000	2016–17 \$'000	Variance \$'000
Total Revenue	57,128	56,338	790
Total Expenditure	56,721	56,360	361
Operating surplus (deficit)	407	(22)	429
Net assets	17,894	16,787	1,107

During the 2017–18 financial year, the CCC received additional grant funding for enterprise bargaining (EB) increases, to develop a new ICMS and to continue criminal hearings. The Government has committed the following additional funding for the 2018–19 financial year:

- \$16.3M over four years (\$3.9M per annum ongoing) to enhance the processing of digital evidence and intelligence analysis and provide for a contemporary information security platform
- \$7.4M over four years (\$1.9M per annum ongoing) for additional frontline investigators
- \$1M per annum ongoing to maintain a team to work in wealth order provisions and the serious drug offender confiscation order scheme
- \$1.6M to develop a new integrated case management system; and
- \$0.9M per annum until 2019–20 to fund the criminal intelligence hearings team.

Figure 12. Financial results 2014–15 to 2017–18 (\$ million)

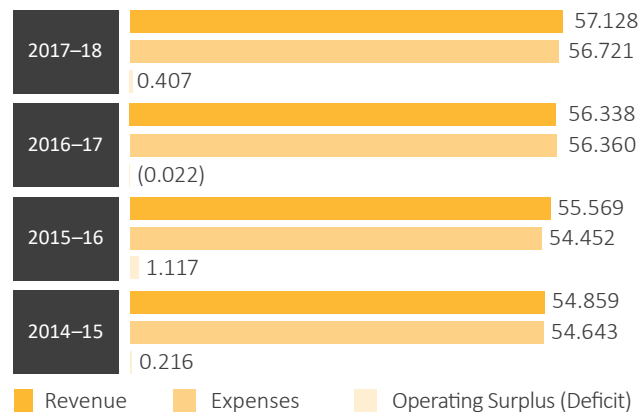


Figure 13. What we spend our money on

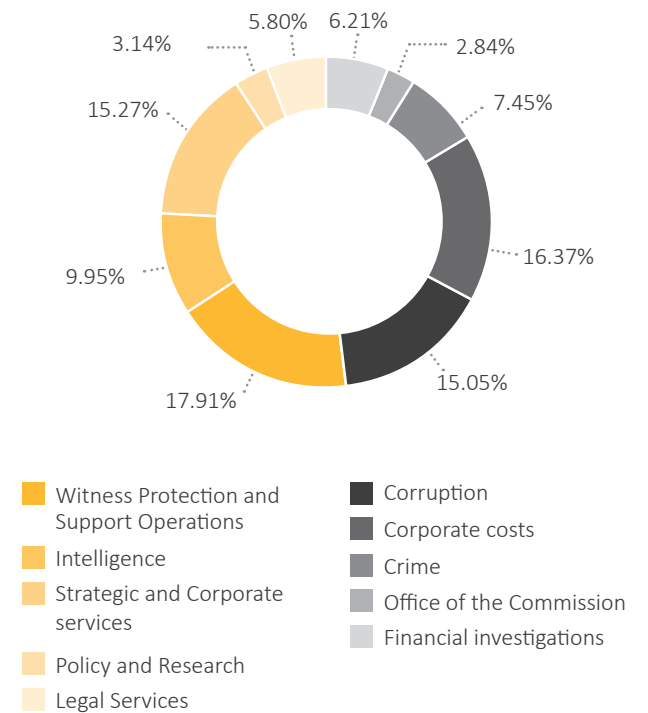
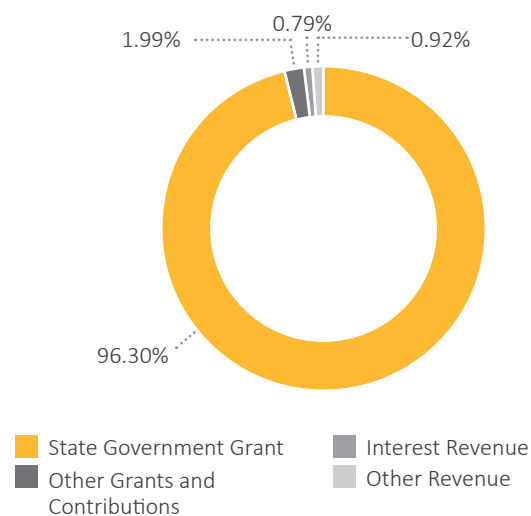


Figure 14. Revenue

The State Government grant forms 96.30% of total revenue. 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. The CCC also receives non-cash contributions for services from the Queensland Police Service (QPS) in relation to provision of police operational support and from the Department of Public Works (DPW) in relation to archival services.

In accordance with government policy, the CCC recognises these services both as 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.

Total revenue for 2017–18 was \$57.128M, increasing by 1.40% or \$0.790M from the 2016–17 financial year. The increase in revenue is primarily due to an equity to output swap of \$1.339M in relation to the development of the new ICMS partially offset by a \$0.407M reprioritisation adjustment to Treasury resulting from the 2017–18 Mid-Year Fiscal and Economic Review (MYFER) process.

Expenditure

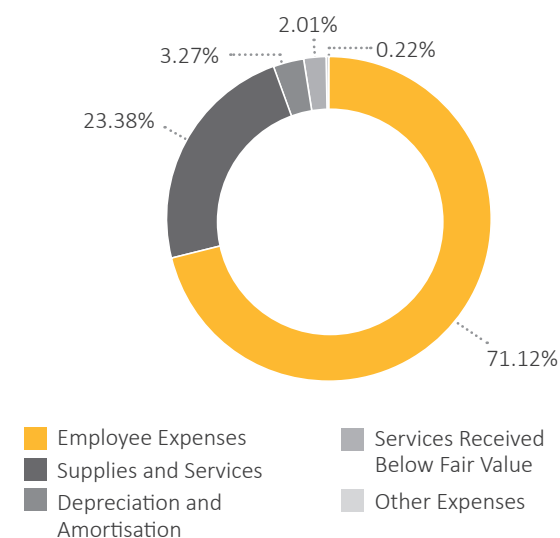
Total expenditure for 2017–18 was \$56.721M, an increase of 0.64% or \$0.361M from the 2016–17 financial year.

Employee expenses are the CCC's most significant category of expenditure comprising 71.12% of total expenditure or \$40.342M in 2017–18. Employee expenditure increased by 0.37% or \$0.150M over the previous year.

Supplies and services expenditure comprised 23.38% of total expenditure for 2017–18. The CCC spent \$13.264M for supplies and services expenditure in 2017–18, compared to \$12.782M in 2016–17. This is an increase of 3.77% or \$0.482M from the previous year, and is mainly due to higher IT contractor spend as a result of the increased level of IT projects currently in progress across the CCC.

Payments for office accommodation are the highest category of supplies and services expenditure at \$4.265M or 32.15% of total supplies and services expenditure.

Consultants and contractors for various services are the second highest category of expenditure at \$2.273M or

Figure 15. Expenditure

17.14%, followed by telecommunications and access costs at \$1.349M or 10.17%. Corporate service provider expenditure has increased significantly in 2017–18 from previous years due to the outsourcing of the CCC's payroll. Expenditure on low value furniture and equipment has returned to normal levels in 2017–18 following the fitout of a new offsite premises in 2016–17. 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 \$3.601M on capital acquisitions during the 2017–18 financial year compared to \$1.046M in 2016–17, mainly as part of the ongoing asset replacement and maintenance program in accordance with the CCC's Asset Strategic Plan. A full breakdown of capital acquisitions can be found in Note 10 of the Financial Statements under the intangible assets and property, plant and equipment reconciliations.

Assets

As at 30 June 2018, CCC total assets were valued at \$27.445M compared to \$23.805M in 2016–17, an increase of \$3.640M from the previous year. The increase is primarily due to current year capital acquisitions and a higher level of cash assets held at year end.

Liabilities

As at 30 June 2018, the CCC's liabilities were valued at \$9.551M compared to \$7.018M in the previous year. This is an increase of \$2.533M or 36.38% and relates mainly to large ICT capital spend close to balance date.

Net Equity

Equity increased by \$1.107M or 6.59% and is due to a \$0.700M equity injection from Government to fund the development of a new ICMS and the \$0.407M operating surplus for the 2017–18 financial year.

Financial risk management

The CCC operates 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
- A Budget Management Committee that 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
- Ensuring on-going training and development of finance staff.

Purchasing and Expense Management

The CCC manages its procurement processes in accordance with the *Queensland Procurement Policy 2018*. 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, on-going 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 2018, 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 2018.

The financial statements consist of five parts:

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

The financial statements are prepared by the CCC's finance area, are reviewed by the Chief Executive Officer and the Audit and Risk Management Committee and then audited by the Queensland Audit Office.

Statement of Comprehensive Income

The Statement of Comprehensive Income (SOCl) measures the entity's financial performance over a specific period (usually 12 months). The SOCl 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. The SOCl also includes other comprehensive income which comprises items of income and expenses that are not recognised in the profit and loss.

For the year ended 30 June 2018, the CCC's revenue exceeded expenditure by \$0.407M, 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 2018, the CCC's equity was valued at \$17.894M, increasing by \$1.107M from the previous year due to a \$0.700M equity injection from Government to fund the development of a new ICMS and the \$0.407M operating surplus for the 2017–18 financial year.

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 pre-paid 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 2018, the CCC's non-current assets of \$9.469M included the book value of leasehold improvements, motor vehicles, computer and other technical equipment, 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 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.

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 2018.

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.

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.

Statement of Cash Flows

This statement shows the actual movements of cash during the financial year. During the 2017–18 financial year, the CCC received \$57.204M in cash and paid out \$52.820M in cash to manage its operating activities. In addition, \$3.319M in cash was invested in capital acquisitions.

The CCC's cash balance at 30 June 2018 was \$16.718M compared with \$14.953M at 30 June 2017. The increase in cash of \$1.765M is mainly due to a smaller capital program in 2017–18 than was originally anticipated.

Notes to and forming part of the Financial Statements

The notes to the financial statements provide a more detailed breakup of line items presented in the financial statements. They also disclose other matters such as the CCC's accounting policies, budget reporting disclosures including 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.

General information

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

For financial reporting purposes, the CCC is a statutory body in 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 CCC is:

Level 2, North Tower Green Square
515 St Pauls Terrace
FORTITUDE VALLEY QLD 4006

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

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

Contents

69		Statement of Comprehensive Income
70		Statement of Financial Position
72		Statement of Changes in Equity
73		Statement of Cash Flows
77		Notes to and forming part of the Financial Statements
105		Management Certificate
106		Independent Auditor's Report