

# Financial information

---

About the Financial Statements	78
Financial Statements	80

# About the Financial Statements

## Introduction

The financial statements highlight the CCC's financial performance and overall position as at 30 June 2020.

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 ARMC and then audited by the QAO.

## Statement of Comprehensive Income

The Statement of Comprehensive Income measures the entity's financial performance over a specific period (usually 12 months). The Statement of Comprehensive Income 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 2020, the CCC's revenue exceeded expenditure by \$0.286M, 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 2020, the CCC's equity was valued at \$21.790M, increasing by \$3.365M from the previous year due to a \$2.592M equity injection from government to fund the development of a new CMS and the DWP, the \$0.286M operating surplus for the 2018–19 financial year and an equity adjustment as a result of the new leasing standard implemented on 1 July 2019 (See note 1(h) and 9).

## 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 that 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 2020, the CCC's non-current assets of \$11.435M included the book value of leasehold improvements, motor vehicles, computer and other technical equipment, software (intangibles), and work in progress including 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 for leave entitlements to be paid to the Annual Leave Central Scheme, provisions for expenditure incurred based on contractual obligations and expected to be settled within the next 12 months.

**Non-current liabilities** are those liabilities which an entity is not expected to pay within 12 months or which the entity has no legal requirement to settle 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 and deferred lease liabilities which have arisen due to recognising lease payments in accordance with the new leasing standard implemented on 1 July 2019 (See note 1(h) and 9) 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 2020.

## 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 2019–20 financial year, the CCC received \$66.192M in cash and paid out \$66.747M in cash to manage our operating activities. In addition, \$2.423M in cash was invested in capital acquisitions and financing received by way of an equity injection of \$2.592M. The CCC’s cash balance at 30 June 2020 was \$11.385M compared with \$12.059M at 30 June 2019. The decrease in cash of \$0.674M is mainly due to current year capital acquisitions and the lower liabilities when compared with 30 June 2019.

## 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.

# Financial Statements

## General information

These financial statements cover the Crime and Corruption 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 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](mailto:mailbox@ccc.qld.gov.au) or visit the CCC's website at [www.ccc.qld.gov.au](http://www.ccc.qld.gov.au)

Note: the Financial Statements are available as a separate file on the CCC website.

Contents	Page
Statement of Comprehensive Income	81
Statement of Financial Position	82
Statement of Changes in Equity	83
Statement of Cash Flows	85
Notes to and forming part of the Financial Statements	86
Management Certificate	111

**CRIME AND CORRUPTION COMMISSION**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2020**

OPERATING RESULT	Notes	2020 Actual \$'000	2020 Original Budget \$'000	*Budget Variance \$'000	2019 Actual \$'000
Income from Continuing Operations					
Grants and other contributions	2	65,077	66,367	(1,290)	58,655
Interest		253	460	(207)	485
Other revenue		197	104	93	101
Total Revenue		65,527	66,931	(1,404)	59,241
Gains on disposal of property, plant and equipment		18	70	(52)	90
Total Income from Continuing Operations		65,545	67,001	(1,456)	59,331
Expenses from Continuing Operations					
Employee expenses	3	45,785	45,466	319	42,191
Supplies and services	5	15,833	17,228	(1,395)	13,494
Depreciation and amortisation	8-9	2,224	2,916	(692)	2,086
Impairment losses		-	-	-	5
Finance costs		18	151	(133)	6
Other expenses	6	1,399	1,240	159	1,333
Total Expenses from Continuing Operations		65,259	67,001	(1,742)	59,115
Operating Result from Continuing Operations		286	0	286	216
Total Comprehensive Income		286	0	286	216

The accompanying notes form part of these statements.

\* An explanation of major variances is included at Note 18.

**CRIME AND CORRUPTION COMMISSION**  
**Statements of Financial Position**  
**as at 30 June 2020**

	Notes	2020 Actual \$'000	2020 Original Budget \$'000	*Budget Variance \$'000	2019 Actual \$'000
<b>Current Assets</b>					
Cash and cash equivalents	7	11,385	14,567	(3,182)	12,059
Receivables		791	698	93	1,009
Other assets		1,697	566	1,131	1,189
<b>Total Current Assets</b>		<b>13,873</b>	<b>15,831</b>	<b>(1,958)</b>	<b>14,257</b>
<b>Non-Current Assets</b>					
Intangible assets	8	2,926	3,586	(660)	1,282
Property, plant and equipment	8	7,457	8,463	(1,006)	8,613
Right-of-use assets	9	927	435	492	-
Other assets		125	72	53	38
<b>Total Non-Current Assets</b>		<b>11,435</b>	<b>12,556</b>	<b>(1,121)</b>	<b>9,933</b>
<b>Total Assets</b>		<b>25,308</b>	<b>28,387</b>	<b>(3,079)</b>	<b>24,190</b>
<b>Current Liabilities</b>					
Payables	10	1,107	5,018	3,911	3,396
Lease liabilities	9	302	-	(302)	24
Unearned revenue		3	13	10	13
Accrued employee benefits	11	1,252	1,080	(172)	1,613
<b>Total Current Liabilities</b>		<b>2,664</b>	<b>6,111</b>	<b>3,447</b>	<b>5,046</b>
<b>Non-Current Liabilities</b>					
Lease liabilities	9	646	323	(323)	463
Provisions	12	208	266	58	256
<b>Total Non-Current Liabilities</b>		<b>854</b>	<b>589</b>	<b>(265)</b>	<b>719</b>
<b>Total Liabilities</b>		<b>3,518</b>	<b>6,700</b>	<b>3,182</b>	<b>5,765</b>
<b>Net Assets</b>		<b>21,790</b>	<b>21,687</b>	<b>103</b>	<b>18,425</b>
<b>Equity</b>					
Contributed equity		15,828	16,167	(339)	13,236
Accumulated surplus		5,962	5,520	442	5,189
<b>Total Equity</b>		<b>21,790</b>	<b>21,687</b>	<b>103</b>	<b>18,425</b>

The accompanying notes form part of these statements.

\* An explanation of major variances is included at Note 18.

**CRIME AND CORRUPTION COMMISSION**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2020**

	<b>Accumulated Surplus \$'000</b>	<b>Contributed Equity \$'000</b>	<b>TOTAL \$'000</b>
<b>Balance as at 1 July 2018</b>	<b>4,973</b>	<b>12,921</b>	<b>17,894</b>
Operating result from continuing operations	216	-	<b>216</b>
<i>Transactions with Owners as Owners:</i>			
• Non appropriated equity injection <sup>1</sup>	-	315	<b>315</b>
<b>Balance as at 30 June 2019</b>	<b>5,189</b>	<b>13,236</b>	<b>18,425</b>

	<b>Accumulated Surplus \$'000</b>	<b>Contributed Equity \$'000</b>	<b>TOTAL \$'000</b>
<b>Balance as at 1 July 2019</b>	<b>5,189</b>	<b>13,236</b>	<b>18,425</b>
Operating result from continuing operations	286	-	<b>286</b>
Adjustment to accumulated surplus <sup>1</sup>	487	-	<b>487</b>
<i>Transactions with Owners as Owners:</i>			
• Non appropriated equity injection <sup>2</sup>	-	2,592	<b>2,592</b>
<b>Balance as at 30 June 2020</b>	<b>5,962</b>	<b>15,828</b>	<b>21,790</b>

<sup>1</sup> The implementation of AASB16 *Leases* involved an adjustment as at 1 July 2019. Details are contained in note 1(h).

<sup>2</sup> The CCC received a non-appropriated equity injection in 2018-19 and 2019-20 to fund the development of a new Integrated Case Management System (ICMS) and the Digital Workplace Program (DWP).

*The accompanying notes form part of these statements.*

**CRIME AND CORRUPTION COMMISSION**  
**Statements of Cash Flows**  
**for the year ended 30 June 2020**

	Notes	2020 Actual \$'000	2020 Original Budget \$'000	*Budget Variance \$'000	2019 Actual \$'000
<b>Cash flows from operating activities</b>					
<i><b>Inflows</b></i>					
Grants and other contributions		63,924	65,311	(1,387)	56,842
Interest receipts		265	460	(195)	494
GST input tax credits from ATO		1,883	1,166	717	1,761
GST collected from customers		46	-	46	47
Other		74	104	(30)	154
<i><b>Outflows</b></i>					
Employee expenses		(47,225)	(45,416)	(1,809)	(44,607)
Supplies and services		(13,277)	(13,070)	(207)	(10,972)
Property rental		(4,062)	(4,049)	(13)	(4,221)
GST paid to suppliers		(1,953)	(1,142)	(811)	(1,695)
GST remitted to ATO		(41)	(29)	(12)	(51)
Other		(189)	(448)	259	(146)
<b>Net cash provided by/(used in) operating activities</b>	13	<b>(555)</b>	<b>2,887</b>	<b>(3,442)</b>	<b>(2,394)</b>
<b>Cash flows from investing activities</b>					
<i><b>Inflows</b></i>					
Sales of property, plant and equipment		323	194	129	273
<i><b>Outflows</b></i>					
Payments for Intangibles		(1,676)	(2,104)	428	(1,028)
Payments for property, plant and equipment		(1,070)	(2,185)	1,115	(1,825)
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,423)</b>	<b>(4,095)</b>	<b>1,672</b>	<b>(2,580)</b>
<b>Cash flows from financing activities</b>					
<i><b>Inflows</b></i>					
Equity injection		2,592	2,932	(340)	315
<i><b>Outflow</b></i>					
Finance lease payments		(288)	(156)	(132)	-
<b>Net cash provided by/(used in) financing activities</b>		<b>2,304</b>	<b>2,776</b>	<b>(472)</b>	<b>315</b>
Net increase (decrease) in cash and cash equivalents		(674)	1,568	(2,242)	(4,659)
Cash and cash equivalents at beginning of period		12,059	12,999	(940)	16,718
<b>Cash and cash equivalents at end of period</b>	7	<b>11,385</b>	<b>14,567</b>	<b>(3,182)</b>	<b>12,059</b>

The accompanying notes form part of these statements.

\* An explanation of major variances is included at Note 18.



**CRIME AND CORRUPTION COMMISSION**  
**Notes to and forming part of the Financial Statements 2019-20**

**Objectives of the Crime and Corruption Commission**

<b>Note 1</b>	Summary of Significant Accounting Policies
<b>Note 2</b>	Grants and Other Contributions
<b>Note 3</b>	Employee Expenses
<b>Note 4</b>	The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions
<b>Note 5</b>	Supplies and Services
<b>Note 6</b>	Other Expenses
<b>Note 7</b>	Cash and Cash Equivalents
<b>Note 8</b>	Property, plant and equipment and Intangible Assets
<b>Note 9</b>	Right-of-use assets and Lease liabilities
<b>Note 10</b>	Payables
<b>Note 11</b>	Accrued Employee Benefits
<b>Note 12</b>	Provisions
<b>Note 13</b>	Reconciliation of Operating Result to Net Cash Provided by Operating Activities
<b>Note 14</b>	Commitments for Expenditure
<b>Note 15</b>	Contingencies
<b>Note 16</b>	Financial Instruments
<b>Note 17</b>	Trust Transactions and Balances
<b>Note 18</b>	Explanation of Major Variances

**CRIME AND CORRUPTION COMMISSION****Notes to and forming part of the Financial Statements 2019-20****Objectives of the Crime and Corruption Commission (CCC)**

---

The CCC is a not-for-profit entity that focuses on those matters that are of highest threat to the Queensland community with the aim of helping make our communities safer and ensuring that they are supported by fair and ethical public institutions. The CCC's key objectives are to combat major crime and reduce corruption in the Queensland public sector.

**Note 1: Summary of Significant Accounting Policies**

**Significant accounting policies are in the notes to which they relate, except as follows:**

**(a) Statement of Compliance**

These financial statements are general purpose financial statements which have been prepared on an accrual basis, except for the Statement of Cash Flows which is prepared on a cash basis. They are prepared in accordance with:

- Section 43 of the *Financial and Performance Management Standard 2019*
- Applicable Australian Accounting Standards and Interpretations
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019

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.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 1(h).

**(b) The Reporting Entity**

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

**(c) Other Presentation Matters*****Currency and rounding***

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

***Comparatives***

Comparative information has not been restated.

***Current/Non-Current Classification***

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

Assets are classified as "current" where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as "current" when they are due to be settled within 12 months after the reporting date, or the CCC does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

**(d) Authorisation of Financial Statements for Issue**

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

**CRIME AND CORRUPTION COMMISSION****Notes to and forming part of the Financial Statements 2019-20****Note 1: Summary of Significant Accounting Policies (cont'd)****(e) Taxation**

The CCC 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).

**(f) Receivables**

Receivables are measured at amortised cost which approximates their fair value and represent amounts owed to the CCC 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. From 1 July 2018, the CCC has adopted a simplified approach to quantify the level of impaired receivables.

**(g) 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 period. 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 11)
- Provisions (Note 12)
- Commitments for Expenditure (Note 14)
- Contingencies (Note 15)

**(h) First Year Application of New Accounting Standards or Change in Accounting Policy**

Three new accounting standards were applied for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

The effect of adopting these new standards is detailed below. No other accounting standards or interpretations that apply to the CCC for the first time in 2019-20 have any material impact on the financial statements.

***Accounting standards early adopted***

No Australian Accounting Standards have been early adopted for 2019-20

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

Adoption of these new standards have no material impact on the CCC financial statements.

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

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

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

## AASB 16 Leases

This standard was first applied to the CCC financial statements in 2019-20. It supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The CCC measures all right-of-use assets at cost subsequent to initial recognition.

When measuring the lease liability, the CCC uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the CCC's leases. To determine the incremental borrowing rate, the CCC uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

The Department of Housing and Public Works (DHPW) provides the CCC with access to office accommodation at Green Square, and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DHPW has substantive substitution rights over the assets. The related service expenses are included in Note 5.

The following table summarises the adjustments to asset and liability balances at 1 July 2019 in relation to former operating leases:

- Statement of financial position impact on 1 July 2019
  - \$1.236m increase in lease liabilities
  - \$1.236m increase in right-of-use assets
  - \$0.487m increase in opening accumulated surplus
  - \$0.487m decrease in deferred lease and lease incentive liabilities
- Statement of comprehensive income impact in financial year 2019-20, as compared to 2018-19
  - \$0.309m increase in depreciation expense
  - \$0.016m increase in interest expense
  - \$0.304m decrease in supplies and services expense
  - This results in a net increase of \$0.021m in total expenses
- There were no changes to the Statement of Cash Flows. The total cash outflow for leases was \$0.304m in 2019-20.

Refer to Note 9 for further information on Right-of-use assets and lease liabilities.

## (i) Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial statements, there are no new or amended accounting standards with future effective dates that are applicable and have a material impact on the CCC.

## (j) Impact of Corona Virus (COVID-19) Pandemic

In response to COVID-19 impacts on businesses in the community, the CCC is paying its suppliers on zero day payment terms. The CCC also accelerated the remote working capability project to enable all staff to work remotely including the purchase of new information technology hardware and software. No other impacts are deemed to be material to the financial statements, therefore no additional disclosure on COVID-19 is required.

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 2: Grants and Other Contributions

**Accounting Policy:**

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

**Other Contributions – Services Received Below Fair Value** – The CCC 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.

	2020 \$'000	2019 \$'000
<b>Grants</b>		
Queensland Government grant <sup>1</sup>	63,924	57,542
<b>Other Contributions – Services Received Below Fair Value</b>		
Archival storage services from Department of Housing and Public Works (DPW)	127	143
Employee costs for police secondments from Queensland Police Service (QPS) <sup>2</sup>	1,026	970
	1,153	1,113
<b>Total</b>	<b>65,077</b>	<b>58,655</b>

<sup>1</sup> The CCC is funded by parliamentary appropriations for the provision of its outputs. These appropriations are received by the Department of Justice and Attorney-General (DJAG) and forwarded to the CCC on a quarterly basis in the form of a grant.

<sup>2</sup> As at 30 June 2020, 9 police FTEs were seconded to the CCC from the QPS and paid for by the QPS (2019: 8 police FTEs seconded).

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 3: Employee Expenses

**Accounting Policy:**

**Wages, Salaries and Sick Leave** – Salaries and wages due but unpaid at reporting date are recognised as a liability in the Statement of Financial Position. As the CCC expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts. Also refer to Note 11.

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** – The CCC became a member of the Queensland Government's Annual Leave Central Scheme (ALCS) starting 1 July 2018. Under this scheme, a levy is made on the CCC to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. Also refer to Note 11.

**Long Service Leave** – Under the Queensland Government's Long Service Leave Central Scheme, a levy is applied on the CCC 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. Also refer to Note 11.

No provision for long service leave is recognised in the CCC'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** – Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

**Defined Contribution Plans** - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement (EBA) or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

**Defined Benefit Plan** - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the CCC at the specified rate following completion of the employee's service each pay period. The CCC's obligations are limited to those contributions paid.

**CRIME AND CORRUPTION COMMISSION****Notes to and forming part of the Financial Statements 2019-20****Note 3: Employee Expenses (cont'd)**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Employee Benefits</b>		
Wages and salaries <sup>1</sup>	35,363	32,497
Annual leave levy/expense	2,421	2,243
Long service leave levy/expense	889	711
Employer superannuation contributions	4,554	4,219
Other employee benefits	153	130
<b>Employee Related Expenses</b>		
Workers' compensation premium	299	294
Payroll tax	1,568	1,365
Other employee related expenses	538	732
<b>Total</b>	<b>45,785</b>	<b>42,191</b>

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

	<b>2020</b>	<b>2019</b>
Number of employees <sup>2</sup>	338	340

<sup>1</sup> Wages and salaries includes \$313,563 of \$1,250 one-off, pro-rata payments for 251 full-time equivalent employees paid in March 2020.

<sup>2</sup> As at 30 June 2020 it includes 75 (2019: 79) police FTE positions seconded from the QPS and paid for by the CCC.

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

**Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions****(a) The Commission**

The Commission is the governing body and comprises a full time Commissioner who is the Chairperson, one (1) part-time Commissioner who is the Deputy Chairperson, and three (3) part-time Ordinary Commissioners. The Commission is responsible for providing strategic leadership and direction for the performance of the CCC's functions. The Chairperson has specific responsibilities relating to the proper performance of the CCC's functions.

**(b) Chief Executive Officer (CEO)**

The CEO is responsible for the efficient, effective and economic administration of the CCC. The CCC's financial functions are also delegated to the CEO. The CEO reports to the Commission.

**(c) Key Management Personnel**

The CCC's responsible Minister is identified as part of the CCC's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Attorney-General and Minister for Justice. Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Member's Remuneration Handbook. The CCC does not bear any cost of remuneration to Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

The details for non-ministerial KMP reflect those CCC positions that had authority and responsibility for planning, directing and controlling activities of the CCC during 2019-20 and 2018-19. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

**(d) Remuneration Expenses*****Part-time Ordinary 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.

Name of Commissioner	Position	Date of term commencement	2020 \$'000	2019 \$'000
*Deborah Holliday	Ordinary Commissioner	Acting 11 November 2016 to 10 February 2017 10 March 2017 to current	47	67
Anne Tiernan	Ordinary Commissioner	Acting 11 November 2016 to 10 February 2017 10 March 2017 to current	46	46
Sydney Williams	Deputy Chairperson	1 November 2014 to current	46	46
*Marshall Irwin	Ordinary Commissioner	1 March 2016 to current	73	46
<b>Total</b>			<b>212</b>	<b>205</b>

\*Remuneration expenses include costs in relation to acting arrangements established during the year.



**CRIME AND CORRUPTION COMMISSION****Notes to and forming part of the Financial Statements 2019-20****Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)****(d) Remuneration Expenses (cont'd)*****Chairperson Remuneration***

The remuneration paid to the Chairperson is determined by the Governor-in-Council and is equivalent to the superannuable salary of a Supreme Court judge, other than the Chief Justice or the President of the Court of Appeal, as provided for under the *Judicial Remuneration Act 2007*. The Chairperson's remuneration increased from \$458,840 to \$468,020 starting 1 July 2019.

The Chairperson's conditions of employment includes a jurisprudential allowance, an expense of office allowance, vehicle allowance, leave equivalent to the public service and a pension in accordance with the provisions of the *Crime and Corruption Act 2001*. The Chairperson 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 CCC'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 2019-20 year, in accordance with government policy, the remuneration for the CEO and senior executive personnel did not increase.

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 senior executive 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
- The CEO and senior executive personnel contracts do not provide for performance bonuses.

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

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

**Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)****(d) Remuneration Expenses (cont'd)****1 July 2019 – 30 June 2020**

Position	Contract classification and appointment authority	Monetary Expenses \$'000	Long-Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
Chairperson – 1 September 2015 to current	<i>Crime and Corruption Act 2001</i>	526	12	–	–	538
Chief Executive Officer – 24 August 2018 to current	CEO, <i>Crime and Corruption Act 2001</i>	304	7	35	–	346
Senior Executive Officer, Corruption – 3 October 2017 to current*	SES4, <i>Crime and Corruption Act 2001</i>	252	6	28	–	286
Senior Executive Officer, Crime – 3 July 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	239	6	27	–	272
General Manager, Corporate Services (previously Acting Executive Director, Corporate Services) – 1 April 2019 to current	SES3, <i>Crime and Corruption Act 2001</i>	207	5	22	–	234
General Manager, Operations Support <sup>1</sup> – 22 January 2018 to 16 March 2020	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	141	3	23	–	167
Acting General Manager, Operations Support – 16 March 2020 to 4 May 2020	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	26	1	4	–	31
General Manager, Operations Support – 5 May 2020 to current	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	28	1	5	–	34
General Manager, Strategy Innovation and Insights (previously Acting Executive Director, Strategy Innovation and Insights) – 1 April 2019 to current	SES3, <i>Crime and Corruption Act 2001</i>	207	5	23	–	235
<b>Total Remuneration</b>		<b>1,930</b>	<b>46</b>	<b>167</b>	<b>–</b>	<b>2,143</b>

<sup>1</sup> The General Manager, Operations Support received a non-monetary motor vehicle benefit of \$5,133 during the period.

\* Remuneration expenses include costs in relation to acting arrangements established during the year.

**CRIME AND CORRUPTION COMMISSION**  
**Notes to and forming part of the Financial Statements 2019-20**

**Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)**

**(d) Remuneration Expenses (cont'd)**

**1 July 2018 – 30 June 2019**

Position	Contract classification and appointment authority	Monetary Expenses \$'000	Long-Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
Chairperson <sup>1</sup> – 1 September 2015 to current	<i>Crime and Corruption Act 2001</i>	494	10	–	–	504
Chief Executive Officer – 1 January 2016 to 23 July 2018	CEO, <i>Crime and Corruption Act 2001</i>	4	–	2	–	6
Chief Executive Officer <sup>2</sup> – 24 August 2018 to current	CEO, <i>Crime and Corruption Act 2001</i>	311	6	28	–	345
Senior Executive Officer, Corruption (previously Executive Director) – 3 October 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	230	5	26	–	261
Senior Executive Officer, Crime (previously Executive Director) – 3 July 2017 to current*	SES4, <i>Crime and Corruption Act 2001</i>	253	5	28	–	286
Executive Director, Corporate Services (previously Executive Director, Strategic and Corporate Services) – 5 November 2018 to 31 March 2019 <sup>3</sup>	SES3, <i>Crime and Corruption Act 2001</i>	87	2	10	–	99
Acting Executive Director, Strategic and Corporate Services – 24 August 2018 to 2 November 2018	SES3, <i>Crime and Corruption Act 2001</i>	42	1	4	–	47
Executive Director, Operations Support <sup>4</sup> – 22 January 2018 to current	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	176	3	31	–	210
Acting Executive Director, Strategy Innovation and Insights – 1 April 2019 to current <sup>3</sup>	SES3, <i>Crime and Corruption Act 2001</i>	50	1	6	–	57
Director, Financial Investigations – 18 March 2013 to 17 August 2018	SES2, <i>Crime and Corruption Act 2001</i>	29		2	–	31
Acting Director, Financial Investigations – 13 August 2018 to 31 May 2019	SES2, <i>Crime and Corruption Act 2001</i>	163	3	16	–	182
Director, Legal Services – 26 April 2012 to current*	SES2, <i>Crime and Corruption Act 2001</i>	168	3	19	–	190
Director, Research and Policy – 17 February 2012 to current*	SES2, <i>Crime and Corruption Act 2001</i>	193	4	20	–	217
Director, Intelligence – 23 November 2012 to current	SO, <i>Crime and Corruption Act 2001</i>	128	3	16	–	147
<b>Total Remuneration</b>		<b>2,328</b>	<b>46</b>	<b>208</b>	<b>–</b>	<b>2,582</b>

<sup>1</sup> The Chairperson received a non-monetary motor vehicle benefit of \$20,540 during the period.

<sup>2</sup> Remuneration expenses include costs in relation to acting in the Chief Executive Officer role from 1 July to 23 August 2018.

<sup>3</sup> The Executive Director, Corporate Services started acting in the Executive Director, Strategy Innovation and Insights role from 1 April 2019.

<sup>4</sup> The Executive Director, Operations Support received a non-monetary motor vehicle benefit of \$7,539 during the period.

\* Remuneration expenses include costs in relation to acting arrangements established during the year.

## CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2019-20

**Note 4: The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions (cont'd)****(e) Related Party Transactions*****Transactions with people/entities related to KMP***

The CCC obtained related party declarations for each member of the Commission and key executive management personnel for the period 1 July 2019 to 30 June 2020. No related party transactions have been identified as per AASB 124 *Related Party Disclosures* from the declarations completed and searches performed.

***Transactions with other Queensland Government-controlled entities***

The CCC's primary ongoing sources of funding are from the Department of Justice and Attorney-General and are provided in cash for its revenue (Note 2) and equity injections (see Statement of Changes in Equity). The CCC has material transactions with other Queensland Government-controlled entities consistent with normal day-to-day business operations provided under standard terms and conditions, including the payment of worker's compensation and insurance premiums:

- Queensland Treasury Corporation – term deposit investments (Note 7)
- Queensland Police Service – employee secondments (Note 2 and 3)
- WorkCover Queensland – obligations for employee compensation insurance (Note 3)
- Department of Housing and Public works – property tenancy and maintenance, archival storage and fleet vehicle services (Note 2, 5 and 6)
- Corporate Administration Agency - financial and payroll systems and processing services under the 'Shared Services Provider' model (Note 5)
- Queensland Government Insurance Fund – general liability insurance including public and products liability (Note 6)
- Queensland Audit Office – financial statement audit services (Note 6)

**CRIME AND CORRUPTION COMMISSION**  
**Notes to and forming part of the Financial Statements 2019-20**

**Note 5: Supplies and Services**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Property rentals	4,062	4,220
Information technology (IT) hardware and software maintenance <sup>1</sup>	1,947	986
Software purchases <sup>1</sup>	498	153
Consultants and contractors <sup>1</sup>	3,584	2,271
Corporate service providers	310	371
Electricity	266	286
Furniture and equipment (non-asset)	675	825
Telecommunications and access costs	1,370	1,238
Legal costs	384	477
Building and equipment maintenance	450	327
Motor vehicle running costs	462	475
Operational expenses	299	323
Security	459	436
Travel	440	557
Other	627	549
<b>Total</b>	<b>15,833</b>	<b>13,494</b>

<sup>1</sup> In response to COVID-19 impacts the Commission accelerated the DWP remote working capability project to enable all staff to work remotely (See Note 1).

**Note 6: Other Expenses**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
External audit fees <sup>1</sup>	65	63
Insurance Premiums <sup>2</sup>	32	27
Services received below fair value (see Note 2)	1,153	1,113
Losses – On disposal of property, plant and equipment	118	83
Special payments <sup>3</sup>	-	11
Sundry expenses	31	36
<b>Total</b>	<b>1,399</b>	<b>1,333</b>

<sup>1</sup> Estimate of fees payable to Queensland Audit Office relating to the 2019–20 financial statements is \$64,500 (2019 fee: \$63,000).

<sup>2</sup> The CCC'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.

<sup>3</sup> Special payments include ex gratia expenditure and other expenditure that the CCC is not contractually or legally obligated to make to other parties.

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 7: Cash and Cash Equivalents

**Accounting Policy:**

**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/or Queensland Treasury Corporation and represent liquid investments with short periods to maturity that are readily convertible to cash on hand at the CCC's option and that are subject to a low risk of changes in value.

	2020 \$'000	2019 \$'000
Imprest accounts	7	8
Cash at bank	1,661	1,570
Term deposits	9,717	10,481
<b>Total</b>	<b>11,385</b>	<b>12,059</b>

## Note 8: Property, plant and equipment and Intangible Assets

**Accounting Policy:**

**Recognition** – The CCC only recognises assets in the Statement of Financial Position where their initial acquisition costs exceed a set monetary threshold with assets below this value being expensed:

Plant and Equipment	\$5,000
Intangible Assets	\$100,000

Items comprising the CCC's technical library are expensed on acquisition.

**Cost of Acquisition** – 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. This includes direct costs associated with the design and implementation of software.

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 CCC. 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.

**Measurement** – The CCC uses the historical cost model to measure assets after they are recognised, which means that assets are carried at their acquisition cost less accumulated depreciation and any accumulated impairment losses. The carrying amounts for plant and equipment measured at cost approximate their fair value at reporting date.

**Depreciation and Amortisation Expense** – Property, plant and equipment and intangible assets have finite useful lives and are depreciated and amortised on a straight-line basis over the period of time of the expected benefit to the CCC.

Straight line depreciation and amortisation is used reflecting the expected even consumption of economic benefits on a progressive basis over the useful life of property, plant and equipment and intangible assets.

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 8: Property, plant and equipment and Intangible Assets (cont'd)

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.

Each class of depreciable and intangible assets is depreciated or amortised based on the following useful lives.

*Plant and Equipment:*

Motor Vehicles	2–5 years
Computer Equipment	3–8 years
General and Technical Equipment	3–15 years
Leasehold Improvements	6–18 years

*Intangible Assets:*

Software	7–12 years
----------	------------

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

**Impairment** – 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 physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the CCC determines the assets recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. An impairment loss is recognised immediately in the Statement of Comprehensive Income.

As part of the stocktake process, impairment was assessed over all CCC assets. The result of this review was that no asset was impaired.

## Note 8A: Intangible Assets

	2020 \$'000	2019 \$'000
Software <sup>1</sup>		
At cost	888	888
Less: Accumulated amortisation	(815)	(781)
	73	107
Work in Progress <sup>2</sup>		
At cost	2,853	1,175
<b>Total</b>	<b>2,926</b>	<b>1,282</b>

<sup>1</sup> The CCC's software comprises of an Electronic Document and Records Management System (EDRMS).

<sup>2</sup> A new Integrated Case Management System (ICMS) and various computer applications under the Digital Workplace Program (DWP) are also currently being developed.

## CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2019-20

**Note 8: Property, plant and equipment and Intangible Assets (cont'd)****Note 8A: Intangible Assets (cont'd)****Intangibles Reconciliation**

	Software Purchased		Software Work in Progress		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Carrying amount at 1 July	107	188	1,175	147	1,282	335
Acquisitions	-	-	1,678	1,028	1,678	1,028
Amortisation <sup>1</sup>	(34)	(81)	-	-	(34)	(81)
<b>Carrying amount at 30 June</b>	<b>73</b>	<b>107</b>	<b>2,853</b>	<b>1,175</b>	<b>2,926</b>	<b>1,282</b>

<sup>1</sup> Amortisation of intangibles is included in the line item "Depreciation and amortisation" in the Statement of Comprehensive income.

**Note 8B: Property, Plant and Equipment**

	2020 \$'000	2019 \$'000
Motor vehicles:		
At cost	1,753	1,705
Less: Accumulated depreciation	(464)	(432)
	1,289	1,273
Computer equipment:		
At cost	3,671	3,575
Less: Accumulated depreciation	(2,049)	(1,678)
	1,622	1,897
General and technical equipment:		
At cost	2,191	1,971
Less: Accumulated depreciation	(1,191)	(935)
	1,000	1,036
Leasehold improvements:		
At cost	15,149	15,242
Less: Accumulated depreciation	(11,603)	(11,107)
	3,546	4,135
Work in Progress:		
At cost	-	272
<b>Total</b>	<b>7,457</b>	<b>8,613</b>



## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 8: Property, plant and equipment and Intangible Assets (cont'd)

## Note 8B: Property, Plant and Equipment (cont'd)

## Property, Plant and Equipment Reconciliation

	Motor vehicles		Computer equipment		General and technical equipment		Leasehold improvements		Work in progress		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Carrying amount at 1 July	1,273	1,127	1,897	612	1,036	853	4,135	4,866	272	1,604	8,613	9,062
Acquisitions	683	730	155	645	178	450	84	-	-	-	1,100	1,825
Revaluation increments	-	-	-	-	-	-	-	-	-	-	-	-
Disposals <sup>1</sup>	(342)	(264)	-	(2)	(8)	(7)	(31)	-	-	-	(381)	(273)
Transfers between classes	-	-	151	1,332	121	-	-	-	(272)	(1,332)	-	-
Restoration cost adjustment	-	-	-	-	-	-	6	4	-	-	6	4
Depreciation <sup>2</sup>	(325)	(320)	(581)	(690)	(327)	(260)	(648)	(735)	-	-	(1,881)	(2,005)
<b>Carrying amount at 30 June</b>	<b>1,289</b>	<b>1,273</b>	<b>1,622</b>	<b>1,897</b>	<b>1,000</b>	<b>1,036</b>	<b>3,546</b>	<b>4,135</b>	<b>-</b>	<b>272</b>	<b>7,457</b>	<b>8,613</b>

<sup>1</sup> Any gain or loss on disposal is recognised at the date of disposal and is the difference between the consideration received and the carrying/book value of the asset at the time.

<sup>2</sup> Depreciation is included in the line item "Depreciation and amortisation" in the Statement of Comprehensive Income.

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 9: Right-of-use and lease liabilities

**Accounting Policy:**

A new accounting standard AASB 16 *Leases* came into effect in 2019-20, resulting in significant changes to the CCC's accounting for leases for which it is lessee.

The CCC has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets, where it is expected to cost less than \$10,000 when new.

When measuring the lease liability, the CCC uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the CCC's leases. To determine the incremental borrowing rate, the CCC uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

**Right-of-use assets**

	2020 \$'000	2019 \$'000
Recognition on 1 July 2019	1,236	-
Less: Depreciation	(309)	-
<b>Total</b>	<b>927</b>	<b>-</b>

**Lease Liability**

	2020 \$'000	2019 \$'000
<b>Current</b>		
Finance lease liability <sup>1</sup>	302	-
Lease incentive liability <sup>2</sup>	-	24
<b>Total</b>	<b>302</b>	<b>24</b>
<b>Non-Current</b>		
Finance lease liability <sup>1</sup>	646	-
Lease incentive liability <sup>2</sup>	-	463
<b>Total</b>	<b>646</b>	<b>463</b>

<sup>1</sup> The CCC entered into a three year office accommodation lease on 1 April 2017 to 30 June 2020. On 9 December 2019, a lease agreement for the same property was signed through to 30 June 2023. As at 1 July 2019, the CCC recognised \$1.236m lease liability and Right-of-Use (RoU) asset under AASB 16.

<sup>2</sup> As at 30 June 2019, the CCC had recognised \$462,860 in deferred lease liabilities and \$23,897 in lease incentive liabilities under AASB 117 paragraph 33. Under AASB 16 C8(b)(i), the CCC derecognised its deferred lease liability and lease incentive liability as at 1 July 2019.

**Maturity analysis**

The following table shows the undiscounted value for CCC lease liabilities

	Payable in			Total
	< 1 year \$'000	1–5 years \$'000	> 5 years \$'000	\$'000
<b>Lease liabilities</b>	<b>313</b>	<b>655</b>	<b>–</b>	<b>968</b>

**CRIME AND CORRUPTION COMMISSION**  
**Notes to and forming part of the Financial Statements 2019-20**

**Note 10: Payables**

**Accounting Policy:**

**Payables** – The CCC recognises creditors upon receipt of the goods or services and are measured 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.

	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
<b>Contractual Payables</b>		
Creditors <sup>1</sup>	886	2,236
Queensland Police Service <sup>2</sup>	(85)	898
	<b>801</b>	<b>3,134</b>
<b>Statutory Payables</b>		
Payroll Tax	187	169
Superannuation	84	58
Fringe Benefits Tax	35	35
	<b>306</b>	<b>262</b>
<b>Total</b>	<b>1,107</b>	<b>3,396</b>

<sup>1</sup> In response to COVID-19 impacts the Commission is paying its suppliers on zero day payment term. (See Note 1).

<sup>2</sup> Reimbursement of staff salaries and related on-costs for police seconded to the CCC. The CCC received a credit note in June 2020 for a QPS funded police position.

**Note 11: Accrued Employee Benefits**

	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
Wages outstanding	419	831
Annual leave levy payable	669	643
Long service leave levy payable	164	139
<b>Total</b>	<b>1,252</b>	<b>1,613</b>

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 12: Provisions

**Accounting Policy:**

**Recognition and Measurement** – Provisions are recorded when the CCC 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 CCC 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.

	2020 \$'000	2019 \$'000
Restoration costs	208	256
<b>Total</b>	<b>208</b>	<b>256</b>

**Movements in provisions****Restoration Costs**

	2020 \$'000	2019 \$'000
Balance at 1 July	256	246
Additional provision made	6	4
Provision utilised through payments / derecognition	(56)	-
Finance Costs	2	6
<b>Balance at 30 June</b>	<b>208</b>	<b>256</b>

**CRIME AND CORRUPTION COMMISSION**  
**Notes to and forming part of the Financial Statements 2019-20**

**Note 13: Reconciliation of Operating Result to Net Cash Provided by Operating Activities**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating result from continuing operations	286	216
Depreciation and amortisation expense	2,224	2,086
Impairment losses	-	5
Losses on disposal of property, plant and equipment	118	83
Gains on disposal of property, plant and equipment	(18)	(90)
Other Revenue	(88)	-
Finance costs	18	6
<b>Change in asset and liabilities:</b>		
(Increase)/decrease in other receivables	(23)	54
(Increase)/decrease in GST input tax receivable	(70)	66
(Increase)/decrease in long service leave reimbursement receivable	95	3
(Increase)/decrease in annual leave reimbursement receivable	199	(450)
(Increase)/decrease in interest receivable	12	9
(Increase)/decrease in prepayments	(595)	(591)
Increase/(decrease) in accounts payable	(2,289)	(1,473)
Increase/(decrease) in accrued employee benefits	(361)	(1,601)
Increase/(decrease) in GST payable	(5)	4
Increase/(decrease) in unearned revenue	(10)	(700)
Increase/(decrease) in provisions	(48)	-
Increase/(decrease) in lease liability	-	(21)
<b>Net Cash Provided by operating activities</b>	<b>(555)</b>	<b>(2,394)</b>

**Note 14: 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:

	<b>Property Rentals<sup>1</sup></b>		<b>Vehicle Leases</b>		<b>Capital Expenditure</b>		<b>Other Expenditure</b>		<b>Total Commitments</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	4,166	4,379	97	120	796	1,138	1,417	1,433	6,476	7,070
Later than one year and not later than five years	31,113	4,198	53	72	44	434	969	559	32,179	5,263
Later than five years	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>35,279</b>	<b>8,577</b>	<b>150</b>	<b>192</b>	<b>840</b>	<b>1,572</b>	<b>2,386</b>	<b>1,992</b>	<b>38,655</b>	<b>12,333</b>

<sup>1</sup> Property rentals for office accommodation are non-cancellable and 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.

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 15: Contingencies

**Accounting Policy:**

**Recognition** – 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.

**Litigation in progress**

As at 30 June 2020, 20 cases (2019: 22 cases) were ongoing before various courts, naming the CCC as either an applicant or respondent:

	2020 Number of Cases	2019 Number of Cases
Court of Appeal/High Court	2	3
Supreme Court	1	5
Queensland Civil and Administrative Tribunal (QCAT)	17	14
<b>Total</b>	<b>20</b>	<b>22</b>

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

## Note 16: Financial Instruments

**Accounting Policy:****Recognition –**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the CCC becomes party to the contractual provisions of the financial instrument.

**Classification and Measurement** – Financial instruments are classified and measured as follows:

*Financial Assets:*

- Cash and cash equivalents – held at fair value through profit and loss
- Contractual Receivables – held at amortised cost

*Financial Liabilities:*

- Contractual Payables – held at amortised cost
- Lease Liabilities – held at amortised cost

**CRIME AND CORRUPTION COMMISSION**  
**Notes to and forming part of the Financial Statements 2019-20**

**Note 16: Financial Instruments (cont'd)**

**(a) Categorisation of Financial Instruments**

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

	Note	2020 \$'000	2019 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	7	11,385	12,059
Contractual receivables		430	713
<b>Total</b>		<b>11,815</b>	<b>12,772</b>
<b>Financial liabilities</b>			
Contractual payables	10	801	3,134
Lease liabilities	9	948	487
<b>Total</b>		<b>1,749</b>	<b>3,621</b>

**(b) Financial Risk Management**

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

**Credit Risk Exposure**

Credit risk exposure refers to the situation where the CCC may incur financial loss as a result of another party to a financial instrument failing to discharge its obligation. The CCC 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 CCC 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 CCC's maximum exposure to credit risk based on contractual amounts net of any allowances:

Category:	Maximum Exposure to Credit Risk	Note	2020 \$'000	2019 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents		7	11,378	12,051
Contractual receivables			430	713
<b>Total</b>			<b>11,808</b>	<b>12,764</b>

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

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

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 16: Financial Instruments (cont'd)

## (b) Financial Risk Management (cont'd)

**Liquidity Risk**

Liquidity risk refers to the situation where the CCC may encounter difficulty in meeting obligations associated with these financial liabilities that are settled by delivering cash or another financial asset.

The CCC manages liquidity risk by ensuring the CCC 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. The following table sets out the liquidity risk of financial liabilities held by the CCC.

		Payable in							
		Note	< 1 year		1–5 years		> 5 years		Total
			2020	2019	2020	2019	2020	2019	
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>									
Contractual Payables	10		801	3,134	-	-	-	-	801 3,134
Lease liabilities	9		948	487	-	-	-	-	948 487
<b>Total</b>			<b>1,749</b>	<b>3,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,749 3,621</b>

**Market Risk**

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The CCC does not trade in foreign currency. It manages price risk and interest rate risk through its liquidity management strategy and by ensuring that expenditure is within funding levels.

Exposure to interest rate risk is limited to cash assets bearing variable interest rates. The CCC minimises risk by investing in secure short-term investments, mainly fixed term deposits, in accordance with Part 6 of the *Statutory Bodies Financial Arrangements Act 1982*.

## (c) Fair Value

The fair value of receivables and payables is the transaction cost or the face value. The CCC 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 17: Trust Transactions and Balances

**Operational Activities**

The CCC undertakes certain trustee transactions on behalf of individuals as a result of operational activities. As the CCC 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.

At 30 June 2020, the CCC held \$103,344.40 (2019: \$75,679.40) in a trust bank account as a result of operational activities.



**CRIME AND CORRUPTION COMMISSION****Notes to and forming part of the Financial Statements 2019-20****Note 18: Explanation of Major Variances****Note 18A: Explanation of Major Variances – Statement of Comprehensive Income**

<i>Grants and other contributions:</i>	The decrease is mainly due to the return of approved funding from timing adjustments for specialist staff recruitment and deferral of operating costs for the ICMS and DWP.
<i>Interest:</i>	The decrease is due to decreased cash than originally budgeted and lower than budgeted interest rates as a result of market conditions.
<i>Employee expenses:</i>	The increase is mainly due to government funding for one-off payments of \$1,250 for employees (See note 3).
<i>Supplies and services:</i>	The decrease is mainly due to timing adjustments in relation to the new commissioning of the ICMS and DWP partially offset by higher levels of expenditure in repairs and maintenance and other supplies and services.
<i>Depreciation and amortisation:</i>	The decrease is due to timing differences in the purchase and/or commissioning of intangible assets and property, plant and equipment
<i>Finance costs:</i>	The decrease is due to lower than budgeted costs for the implementation of the new leasing standard (See note 9)
<i>Other expenses:</i>	The increase is mainly due to the loss on disposal of some property, plant and equipment (Refer to note 6).

**Note 18B: Explanation of Major Variances – Statement of Financial Position**

<i>Cash and cash equivalents:</i>	The decrease in cash assets is mainly due to an increased capital spend during 2019-20 and a larger decrease in current liabilities than originally budgeted.
<i>Other assets:</i>	The increase is due to higher than budgeted prepaid expenses and receivables for employee leave cost recoveries.
<i>Intangible assets:</i>	The decrease in intangibles is primarily due to extending the timeframe for implementation of the new ICMS and DWP.
<i>Property, plant and equipment:</i>	The decrease in property plant and equipment is primarily due to reprioritisation of information technology infrastructure replacement.
<i>Accrued employee benefits:</i>	The increase is mainly due to the annual leave levy payable owing at 30 June 2020 being higher than what was originally budgeted
<i>Lease liabilities:</i>	The increase is due to a lower than budgeted estimate for the liabilities for the implementation of the new leasing standard (See note 9)
<i>Total equity:</i>	The increase is mainly due to the current year surplus.

## CRIME AND CORRUPTION COMMISSION

## Notes to and forming part of the Financial Statements 2019-20

## Note 18: Explanation of Major Variances (cont'd)

## Note 18C: Explanation of Major Variances – Statement of Cash Flows

<i>Grants and other contributions:</i>	The decrease is mainly due to the return of approved funding from project savings and deferral operating costs for the ICMS and DWP.
<i>Interest:</i>	The decrease is due to decreased cash than originally budgeted and lower than budgeted interest rates as a result of market conditions.
<i>Employee expenses:</i>	The increase is mainly due to government funding for one-off payments of \$1,250 for employees (See note 3) and payment of leave entitlements to be recovered from the ALCS.
<i>Supplies and services:</i>	The decrease is mainly due to timing adjustments in relation to the new commissioning of the information security platform and integrated case management system partially offset by higher levels of expenditure in repairs and maintenance and other supplies and services.
<i>Payments for intangibles</i>	The decrease is due to extending the timeframe for implementation of the new integrated case management system.
<i>Payment for property, plant and equipment:</i>	The decrease is due to reprioritisation of information technology infrastructure replacement.
<i>Equity injections:</i>	The decrease is due to extending the timeframe for implementation of the new ICMS and DWP.

**CRIME AND CORRUPTION COMMISSION****Management Certificate for the year ended 30 June 2020**

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Crime and Corruption Commission for the financial year ended 30 June 2020 and of the financial position of the Commission at the end of that year; and

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



Alan MacSporran QC  
Chairperson  
Crime and Corruption Commission

Date: 21 August 2020



Jen O'Farrell  
Chief Executive Officer  
Crime and Corruption Commission

Date: 21 August 2020



Paul Bracegirdle  
Chief Finance Officer  
Crime and Corruption Commission

Date: 21 August 2020



## INDEPENDENT AUDITOR'S REPORT

To the Chairperson of the Crime and Corruption Commission

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the Crime and Corruption Commission.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

#### Responsibilities of the entity for the financial report

The Commission is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Commission determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Commission is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



## Report on other legal and regulatory requirements

### Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

### Prescribed requirements scope

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

A handwritten signature in black ink, appearing to read 'J Welsh'.

24 August 2020

John Welsh  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane