
Financial information

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About the financial statements

The financial statements highlight our financial performance and overall position as at 30 June 2022.

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 our finance area, reviewed by our Chief Executive Officer and ARMC and then audited by the QAO.

Statement of Comprehensive Income

The Statement of Comprehensive Income measures an 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 2022, our expenses exceeded revenue by \$0.551 million, resulting in an operating deficit.

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 2022, our equity was valued at \$23.580 million, decreasing by \$0.551 million due to the operating deficit for 2021–22.

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. Our 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 2022, our non-current assets of \$7.211 million included the book value of leasehold improvements, motor vehicles, computer and other technical equipment, software (intangibles), and work in progress.

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. Our 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. Our 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 notes 10 and 11) 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 2022.

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 2021–22 financial year, we received \$65.816 million in cash and paid out \$60.963 million in cash to manage our operating activities. In addition, \$1.750 million in cash was invested in capital acquisitions. Our cash balance at 30 June 2022 was \$18.895 million compared with \$15.564 million at 30 June 2021. The increase in cash of \$3.331 million is mainly due to the current year operating deficit containing a non-cash write-off expense for the ICMS project, depreciation and amortisation expenses less than capital invested and the increase in payables due to the timing of creditor payments when compared with 30 June 2021.

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.

CRIME AND CORRUPTION COMMISSION
Financial Statements
for the year ended 30 June 2022

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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 statements.

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>.

CRIME AND CORRUPTION COMMISSION
Statement of Comprehensive Income
for the year ended 30 June 2022

OPERATING RESULT	Notes	2022 Actual \$'000	2022 Original Budget \$'000	Budget Variance* \$'000	2021 Actual \$'000
Income from Continuing Operations					
Grants and other contributions	2	65,142	63,878	1,264	64,672
Interest		139	150	(11)	145
Other revenue		75	104	(29)	297
Total Revenue		65,356	64,132	1,224	65,114
Gains on disposal of property, plant and equipment		123	25	98	25
Total Income from Continuing Operations		65,479	64,157	1,322	65,139
Expenses from Continuing Operations					
Employee expenses	3	45,613	44,597	1,016	44,217
Supplies and services	5	14,343	14,939	(596)	15,190
Depreciation and amortisation	8,10,11	2,406	3,313	(907)	2,410
Finance costs		8	12	(4)	12
Other expenses	6	1,385	1,296	89	1,309
Impairment losses	8,9	2,275	-	2,275	-
Total Expenses from Continuing Operations		66,030	64,157	1,873	63,138
Operating Result from Continuing Operations		(551)	-	(551)	2,001
Total Comprehensive Income		(551)	-	(551)	2,001

* An explanation of major variances is included at Note 20.

The accompanying notes form part of these statements.

CRIME AND CORRUPTION COMMISSION
Statement of Financial Position
as at 30 June 2022

	Notes	2022 Actual \$'000	2022 Original Budget \$'000	Budget Variance* \$'000	2021 Actual \$'000
Current Assets					
Cash and cash equivalents	7	18,895	12,055	6,840	15,564
Receivables		987	800	187	879
Other assets		1,146	1,253	(107)	1,426
Total Current Assets		21,028	14,108	6,920	17,869
Non-Current Assets					
Intangible assets	8,9	890	2,794	(1,904)	3,477
Property, plant and equipment	10	5,963	7,898	(1,935)	6,422
Right-of-use assets	11	309	310	(1)	618
Other assets		49	126	(77)	95
Total Non-Current Assets		7,211	11,128	(3,917)	10,612
Total Assets		28,239	25,236	3,003	28,481
Current Liabilities					
Payables	12	2,798	1,181	1,617	2,189
Lease liabilities	11	330	302	28	316
Accrued employee benefits	13	1,300	1,362	(62)	1,293
Other		12	3	9	-
Total Current Liabilities		4,440	2,848	1,592	3,798
Non-Current Liabilities					
Lease liabilities	11	-	28	(28)	330
Provisions	14	219	227	(8)	222
Other		-	1	(1)	-
Total Non-Current Liabilities		219	256	(37)	552
Total Liabilities		4,659	3,104	1,555	4,350
Net Assets		23,580	22,132	1,448	24,131
Equity					
Contributed equity		16,168	16,168	-	16,168
Accumulated surplus		7,412	5,964	1,448	7,963
Total Equity		23,580	22,132	1,448	24,131

* An explanation of major variances is included at Note 20.

The accompanying notes form part of these statements.

CRIME AND CORRUPTION COMMISSION
Statement of Changes in Equity
for the year ended 30 June 2022

	Accumulated Surplus \$'000	Contributed Equity \$'000	TOTAL \$'000
Balance as at 1 July 2020	5,962	15,828	21,790
Operating result from continuing operations	2,001	-	2,001
<i>Transactions with Owners as Owners:</i>			
☐ Non appropriated equity injection ¹	-	340	340
Balance as at 30 June 2021	7,963	16,168	24,131

	Accumulated Surplus \$'000	Contributed Equity \$'000	TOTAL \$'000
Balance as at 1 July 2021	7,963	16,168	24,131
Operating result from continuing operations	(551)	-	(551)
Balance as at 30 June 2022	7,412	16,168	23,580

¹ The CCC received a non-appropriated equity injection in 2020-21 to fund capital programs.

The accompanying notes form part of these statements.

CRIME AND CORRUPTION COMMISSION
Statements of Cash Flows
for the year ended 30 June 2022

	Notes	2022 Actual \$'000	2022 Original Budget \$'000	Budget Variance* \$'000	2021 Actual \$'000
Cash flows from operating activities					
Inflows					
Grants and other contributions	2	63,897	62,769	1,128	63,563
Interest receipts		134	150	(16)	146
GST input tax credits from ATO		1,637	1,166	471	1,799
GST collected from customers		78	-	78	83
Other		70	104	(34)	352
Outflows					
Employee expenses		(45,082)	(44,597)	(485)	(43,313)
Supplies and services		(10,717)	(10,850)	133	(10,721)
Property rental		(3,356)	(4,029)	673	(4,168)
GST paid to suppliers		(1,594)	(1,143)	(451)	(1,703)
GST remitted to ATO		(75)	(28)	(47)	(85)
Other		(139)	(137)	(2)	(161)
Net cash provided by/(used in) operating activities	15	4,853	3,405	1,448	5,792
Cash flows from investing activities					
Inflows					
Sales of property, plant and equipment		544	149	395	480
Outflows					
Payments for Intangibles	8	-	(525)	525	(957)
Payments for property, plant and equipment	10	(1,750)	(1,741)	(9)	(1,163)
Net cash provided by/(used in) investing activities		(1,206)	(2,117)	911	(1,640)
Cash flows from financing activities					
Inflows					
Equity injection		-	-	-	340
Outflow					
Finance lease payments	11	(316)	(316)	-	(313)
Net cash provided by/(used in) financing activities		(316)	(316)	-	27
Net increase (decrease) in cash and cash equivalents		3,331	972	2,359	4,179
Cash and cash equivalents at beginning of period		15,564	11,083	4,481	11,385
Cash and cash equivalents at end of period	7	18,895	12,055	6,840	15,564

* An explanation of major variances is included at Note 20.

The accompanying notes form part of these statements.

CRIME AND CORRUPTION COMMISSION
Notes to and forming part of the Financial Statements 2021–22

Objectives of the Crime and Corruption Commission

- Note 1** Summary of Significant Accounting Policies
- Note 2** Grants and Other Contributions
- Note 3** Employee Expenses
- Note 4** The Commission, Senior Executive Personnel, Remuneration Expenses and Related Party Transactions
- Note 5** Supplies and Services
- Note 6** Other Expenses
- Note 7** Cash and Cash Equivalents
- Note 8** Intangible Assets
- Note 9** Impairment Losses
- Note 10** Property, Plant and Equipment
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- Note 12** Payables
- Note 13** Accrued Employee Benefits
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- Note 15** Reconciliation of Operating Result to Net Cash Provided by Operating Activities
- Note 16** Commitments for Expenditure
- Note 17** Contingencies
- Note 18** Financial Instruments
- Note 19** Trust Transactions and Balances
- Note 20** Explanation of Major Variances

Management Certificate for the year ended 30 June 2022

Objectives of the Crime and Corruption Commission (CCC)

The Crime and Corruption Commission (CCC) is an independent statutory body set up to combat and reduce the incidence of major crime and corruption in the public sector in Queensland. We investigate crime and corruption, have oversight of the public sector including police, and protect witnesses.

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 39 of the *Financial and Performance Management Standard 2019*
- Australian Accounting Standards and Interpretations applicable to not-for-profit entities
- Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021

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.

There are no new accounting policies applied or changes in accounting policy in the year of 2021-22.

(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.

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. Any receivable impairment allowance reflects expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast recoverability. Where there is no reasonable expectation of recovering an amount owed the debt is written-off by directly reducing the receivable against the loss allowance.

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.

(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 and associated depreciation and amortisation expenses 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:

- Intangible Assets (Note 8)
- Property, Plant and Equipment (Note 10)
- Right-of-use Assets and Lease Liabilities (Note 11)
- Provisions (Note 14)
- Commitments for Expenditure (Note 16)
- Contingencies (Note 17)

(h) 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.

(i) 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. No other impacts are deemed to be material to the financial statements, therefore no additional disclosure on COVID-19 is required.

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.

	2022 \$'000	2021 \$'000
Grants		
Queensland Government grant ¹	63,897	63,563
Other Contributions – Services Received Below Fair Value (Note 6)		
Archival storage services from Department of Communities, Housing and Digital Economy	135	128
Employee costs for police secondments from Queensland Police Service (QPS) ²	1,110	981
	<u>1,245</u>	<u>1,109</u>
Total	<u>65,142</u>	<u>64,672</u>

¹ 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.

² As at 30 June 2022, 8 police FTEs were seconded to the CCC from the QPS and paid for by the QPS (2021: 8 police FTEs seconded).

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. Refer to Note 13 for balances.

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. Refer to Note 13 for balances.

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. Refer to Note 13 for balances.

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 2021–22

Note 3: Employee Expenses (cont'd)

	2022	2021
	\$'000	\$'000
Employee Benefits		
Wages and salaries	35,296	34,134
Annual leave levy/expense	2,549	2,387
Long service leave levy/expense	911	855
Employer superannuation contributions	4,580	4,456
Other employee benefits	87	121
Employee Related Expenses		
Workers' compensation premium	303	301
Payroll tax	1,527	1,480
Other employee related expenses	360	483
Total	45,613	44,217

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

	2022	2021
Number of employees ¹	311	325

¹ As at 30 June 2022 it includes 74 (2021: 73) police FTE positions seconded from the QPS and paid for by the CCC.

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, Minister for Women and Minister for the Prevention of Domestic and Family Violence. 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 of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of 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 2021-22 and 2020-21. Further information about these positions can be found in the body of the Annual Report under the section relating to Governance and people.

(d) Remuneration Expenses

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 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.

Acting Chairperson Remuneration

The remuneration paid to the acting Chairperson is determined by the Governor-in-Council. When acting as the Chairperson, the appointees will continue to receive their substantive superannuable salary, plus will receive the pro-rata difference between their substantive superannuable salary and the salary paid to the Chairperson which is equivalent to the salary paid to a Supreme Court Judge.

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

(d) Remuneration Expenses (cont'd)

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 2021-22 year, in accordance with government policy, the remuneration for the CEO and senior executive personnel increased by 2.5% on 1 September 2021 and a further 2.5% on 1 March 2022. There were no increases in salary in financial year 2020-21 for the CEO and Senior Executive Personnel.

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 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.

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	2022 \$'000	2021 \$'000
Deborah Holliday	Ordinary Commissioner	Acting 11 November 2016 to 10 February 2017 10 March 2017 to 15 October 2021	14	48
Anne Tiernan	Ordinary Commissioner	Acting 11 November 2016 to 10 February 2017 10 March 2017 to 24 July 2020	-	5
Sydney Williams	Deputy Chairperson	1 November 2014 to current	46	47
Marshall Irwin	Ordinary Commissioner	1 March 2016 to 30 April 2021	-	38
Helen Darch	Ordinary Commissioner	14 May 2021 to current	46	6
Bruce Barbour*	Ordinary Commissioner	14 May 2021 to 28 January 2022	27	6
Total			133	150

*Appointed as CCC acting Chairperson on the 28 January 2022. Refer to acting Chairperson remuneration.

CRIME AND CORRUPTION COMMISSION
Notes to and forming part of the Financial Statements 2021–22

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

(d) Remuneration Expenses (cont'd)
1 July 2021 – 30 June 2022

Position	Contract classification and appointment authority	Monetary Expenses \$'000	Long-Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Total Expenses \$'000
Chairperson – 1 September 2015 to 28 January 2022	<i>Crime and Corruption Act 2001</i>	309	7	-	316
Acting Chairperson – 28 January 2022 to 1 July 2022 ¹	<i>Crime and Corruption Act 2001</i>	200	5	21	226
Chief Executive Officer – 24 August 2018 to current	CEO, <i>Crime and Corruption Act 2001</i>	316	8	39	363
Senior Executive Officer, Corruption – 3 October 2017 to 11 February 2022 ²	SES4, <i>Crime and Corruption Act 2001</i>	163	3	15	181
Acting Senior Executive Officer, Corruption – 10 February 2022 to 30 June 2022	SES4, <i>Crime and Corruption Act 2001</i>	97	3	9	109
Senior Executive Officer, Crime – 3 July 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	259	6	29	294
General Manager, Corporate Services – 1 April 2019 to current	SES3, <i>Crime and Corruption Act 2001</i>	216	5	23	244
General Manager, Operations Support – 12 April 2022 to current	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	43	1	7	51
General Manager, Operations Support – 5 May 2020 to 8 April 2022 ³	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	60	2	9	71
Acting General Manager, Operations Support – 5 July 2021 to 2 January 2022	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	111	3	16	130
Total Remuneration		1,774	43	168	1,985

¹ Acting Chairperson has been appointed to the role of Chairperson for three years starting 2 July 2022.

² Remuneration expenses include costs in relation to acting arrangements established during the year.

³ Commenced secondment with Queensland Racing Integrity Commission from 5 July 2021 to 2 January 2022. The General Manager, Operations Support role was backfilled during this period.

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2021–22

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

(d) Remuneration Expenses (cont'd)

1 July 2020 – 30 June 2021

Position	Contract classification and appointment authority	Monetary Expenses \$'000	Long-Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Total Expenses \$'000
Chairperson – 1 September 2015 to current	<i>Crime and Corruption Act 2001</i>	495	12	-	507
Chief Executive Officer – 24 August 2018 to current	CEO, <i>Crime and Corruption Act 2001</i>	302	7	38	347
Senior Executive Officer, Corruption – 3 October 2017 to current	SES4, <i>Crime and Corruption Act 2001</i>	239	6	28	273
Senior Executive Officer, Crime – 3 July 2017 to current*	SES4, <i>Crime and Corruption Act 2001</i>	248	6	28	282
General Manager, Corporate Services – 1 April 2019 to current	SES3, <i>Crime and Corruption Act 2001</i>	207	5	23	235
General Manager, Operations Support – 5 May 2020 to current	Chief Superintendent, <i>Crime and Corruption Act 2001</i>	189	4	31	224
General Manager, Strategy Innovation and Insights – 1 April 2019 to 4 September 2020	SES3, <i>Crime and Corruption Act 2001</i>	42	1	3	46
Total Remuneration		1,722	41	151	1,914

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

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 2021 to 30 June 2022. 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 by way of either revenue (Note 2) or 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 Note 3)
- WorkCover Queensland – obligations for employee compensation insurance (Note 3)
- Department of Energy and Public works – motor vehicles lease, property rentals and building maintenance (Note 5)
- Department of Communities, Housing and Digital Economy – archival storage services (Note 5 and Note 2)
- 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 2021–22

Note 5: Supplies and Services

	2022	2021
	\$'000	\$'000
Property rentals ¹	3,356	4,168
Telecommunications and access costs	2,497	2,207
Information technology (IT) hardware and software maintenance	1,780	1,767
Consultants and contractors	1,675	2,587
Legal costs	1,043	417
Operational expenses	576	481
Motor vehicle running costs	517	462
Other	501	478
Security	452	435
Furniture and equipment (non-asset)	415	517
Building and equipment maintenance	414	442
Corporate service providers	339	350
Travel	329	275
Software purchases	235	368
Electricity	214	236
Total	14,343	15,190

¹ Property rentals include lease expenses for Green Square accommodation, which is exempted from AASB 16 *Lease* as it is a non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework. The Department of Energy and Public Works has substantive substitution rights over the assets used.

Note 6: Other Expenses

	2022	2021
	\$'000	\$'000
External audit fees ¹	65	65
Insurance Premiums ²	33	30
Services received below fair value (see Note 2)	1,245	1,109
Losses – On disposal of property, plant and equipment	3	39
Losses – General	-	30
Sundry expenses	39	36
Total	1,385	1,309

¹ Estimate of fees payable to Queensland Audit Office relating to the 2021-22 financial statements is \$64,500 (2021 fee: \$64,500).

² 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.

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.

	2022	2021
	\$’000	\$’000
Imprest accounts	8	8
Cash at bank	1,452	221
Term deposits	17,435	15,335
Total	18,895	15,564

Note 8: Intangible Assets

Accounting Policy:

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

Measurement – There is no active market for any of the CCC’s intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and impairment losses (if any).

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

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

Amortisation Expense – All intangible assets of the CCC have finite useful lives and are amortised on a straight-line basis over their estimated useful life. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible’s useful life. The residual value of all the CCC’s intangible assets is zero. Each class of intangible asset has the following useful lives:

Intangible Assets:

Software purchased – existing records management system	14 years
Software internally generated	5 years

CRIME AND CORRUPTION COMMISSION
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Note 8: Intangible Assets (cont'd)

	2022	2021
	\$'000	\$'000
Software purchased		
At cost	693	693
Less: Accumulated amortisation	(677)	(642)
	<u>16</u>	<u>51</u>
Software internally generated ¹		
At cost	1,370	1,370
Less: Accumulated amortisation	(496)	(219)
	<u>874</u>	<u>1,151</u>
Work in Progress ²		
At cost	-	2,275
Total	<u>890</u>	<u>3,477</u>

¹ The CCC's software internally generated comprises of various computer applications under the Digital Workplace Program (DWP) as well as the data warehousing infrastructure.

² The Integrated Case Management System (ICMS) project was impaired in financial year 2021-22. Refer to note 9 Impairment Losses

Intangibles Reconciliation

	Software Purchased		Software Internally Generated		Software Work in Progress		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	51	73	1,151	-	2,275	2,853	3,477	2,926
Acquisitions	-	-	-	412	-	545	-	957
Disposals	-	-	-	-	-	(126)	-	(126)
Impairment	-	-	-	-	(2,275)	-	(2,275)	-
Transfers between classes	-	17	-	958	-	(997)	-	(22)
Amortisation ¹	(35)	(39)	(277)	(219)	-	-	(312)	(258)
Carrying amount at 30 June	16	51	874	1,151	-	2,275	890	3,477

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

Note 9: Impairment Losses

Accounting Policy:

Property, plant and equipment – Impairment of non-current physical 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 physical asset was impaired.

Intangible assets – All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the CCC determines the asset’s recoverable amount. Any amount by which the asset’s carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment event (Intangible asset):

In September 2018, the CCC commenced the build of an Integrated Case Management System (ICMS). During 2020 work had been completed with a number of Project Change Requests issued by the vendor. However, in late 2020 several security vulnerabilities were then detected within components of the ICMS.

During further assessment of the ICMS product in August 2021, it was identified that the software required significant reconfiguration to address the security vulnerabilities. This resulted in the project being abandoned in September 2021.

Consequently, an impairment loss of \$2.275 million was recognised in the statement of comprehensive income equal to the development costs incurred previously and recorded as work-in-progress. There was no recoverable amount for any intangible assets at 30 June 2022 as no assets were completed in the 2021-22 financial year.

Impairment Losses

	2022	2021
	\$'000	\$'000
Intangibles	2,275	-
Total	2,275	-

Note 10: Property, Plant and Equipment

Accounting Policy:

Recognition – All property, plant and equipment are initially recognised and subsequently measured at cost. Cost comprises purchase price plus additional expenditure incurred to maintain the asset in the condition necessary to be used as intended.

Items of Property, Plant and Equipment (PPE) are recognised in the Statement of Financial Position where their initial acquisition costs equal or exceed \$5,000. Items with a lesser value are expensed in the year of acquisition.

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 Expense – Property, Plant and Equipment is depreciated on a straight-line basis to allocate the net cost of each asset, less any estimated residual value, progressively over its estimated useful life to the CCC. 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.

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	3–16 years
Leasehold Improvements	6–18 years

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

CRIME AND CORRUPTION COMMISSION
Notes to and forming part of the Financial Statements 2021–22

Note 10: Property, Plant and Equipment (cont'd)

	2022	2021
	\$'000	\$'000
Motor vehicles:		
At cost	1,986	1,827
Less: Accumulated depreciation	(445)	(501)
	<hr/> 1,541	<hr/> 1,326
Computer equipment:		
At cost	3,168	3,741
Less: Accumulated depreciation	(2,407)	(2,476)
	<hr/> 761	<hr/> 1,265
General and technical equipment:		
At cost	2,427	2,252
Less: Accumulated depreciation	(1,609)	(1,465)
	<hr/> 818	<hr/> 787
Leasehold improvements:		
At cost	15,175	15,179
Less: Accumulated depreciation	(12,814)	(12,206)
	<hr/> 2,361	<hr/> 2,973
Work in Progress		
At cost	482	71
Total	<hr/> 5,963 <hr/>	<hr/> 6,422 <hr/>

CRIME AND CORRUPTION COMMISSION
Notes to and forming part of the Financial Statements 2021-22

Note 10: 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Carrying amount at 1 July	1,326	1,289	1,265	1,622	787	1,000	2,973	3,546	71	-	6,422	7,457
Disposals ¹	(420)	(391)	-	-	(1)	-	-	-	-	-	(421)	(391)
Transfers between classes	-	-	-	-	71	22	-	-	(71)	-	-	22
Restoration cost adjustment	-	-	-	-	-	-	(4)	13	-	-	(4)	13
Depreciation ²	(345)	(343)	(560)	(616)	(272)	(281)	(608)	(602)	-	-	(1,785)	(1,842)
Carrying amount at 30 June	1,541	1,326	761	1,265	818	787	2,361	2,973	482	71	5,963	6,422

¹ 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.

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

CRIME AND CORRUPTION COMMISSION
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Note 11: Right-of-use Assets 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

	2022 \$'000	2021 \$'000
Opening balance 1 July	618	927
Less: Accumulated depreciation	(309)	(309)
Total	309	618

Lease Liability

	2022 \$'000	2021 \$'000
Current		
Finance lease liability ¹	330	316
Total	330	316
Non-Current		
Finance lease liability ¹	-	330
Total	-	330

¹ The CCC entered into a three-year office accommodation lease on 1 April 2017 to 30 Jun 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.

Maturity analysis

The following table shows the undiscounted value for CCC lease liabilities

	Payable in							
	< 1 year		1–5 years		> 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liability	332	323	-	332	-	-	332	655

CRIME AND CORRUPTION COMMISSION
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Note 12: 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. While these are generally settled on 30-day terms, due to COVID-19 the CCC is currently paying its suppliers on zero-day payments terms (see Note 1(i)).

	2022	2021
	\$'000	\$'000
Contractual Payables		
Creditors	1,246	1,990
Queensland Police Service ¹	1,407	(2)
	2,653	1,988
Statutory Payables		
Payroll Tax	115	163
Superannuation	-	-
Fringe Benefits Tax	30	38
	145	201
Total	2,798	2,189

¹ Reimbursement of staff salaries and related on-costs for police seconded to the CCC. The CCC received a credit note in June 2021 for police overtime adjustment.

Note 13: Accrued Employee Benefits*

	2022	2021
	\$'000	\$'000
Wages outstanding	77	408
Annual leave levy payable	723	724
Long service leave levy payable	180	161
Employee entitlement ¹	320	-
Total	1,300	1,293

* Refer Note 3 for employee expenses accounting policy

¹ Employee entitlements are payments due to a group of current and former casual employees that are employed under the Queensland Public Service Officers and Other Employees Award – State 2015 and State Government Entities Certified Agreement 2019 that have been identified to have not received their full entitlements at the reporting date. These employees had been paid under their agreement, but an inadvertent award interpretation issue meant they did not receive their full entitlements under the award. The CCC will pay any entitlements owed in full, with interest.

Note 14: 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 a leased premises at the completion of the lease. 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.

	2022 \$'000	2021 \$'000
Restoration costs	219	222
Total	219	222

	2022 \$'000	2021 \$'000
Movements in provisions		
Restoration Costs		
Balance at 1 July	222	208
Provision adjustment	(4)	13
Provision utilised through payments / derecognition	-	-
Finance Costs	1	1
Balance at 30 June	219	222

CRIME AND CORRUPTION COMMISSION

Notes to and forming part of the Financial Statements 2021–22

Note 15: Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2022 \$'000	2021 \$'000
Operating result from continuing operations	(551)	2,001
Depreciation and amortisation expense	2,406	2,410
Losses on disposal of property, plant and equipment	3	39
Gains on disposal of property, plant and equipment	(123)	(25)
Impairment losses	2,275	-
Finance costs	8	12
Change in asset and liabilities:		
(Increase)/decrease in other receivables	(5)	55
(Increase)/decrease in GST input tax receivable	46	96
(Increase)/decrease in long service leave reimbursement receivable	(46)	17
(Increase)/decrease in annual leave reimbursement receivable	(102)	(253)
(Increase)/decrease in interest receivable	(5)	1
(Increase)/decrease in prepayments	326	301
Increase/(decrease) in accounts payable	609	1,082
Increase/(decrease) in accrued employee benefits	7	41
Increase/(decrease) in GST payable	(4)	4
Increase/(decrease) in unearned revenue	12	(3)
Increase/(decrease) in provisions	(3)	14
Net Cash Provided by operating activities	4,853	5,792

Note 16: 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:

	Property Rentals ¹		Vehicle Leases		Capital Expenditure		Other Expenditure		Total Commitments	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Not later than one year	3,560	3,453	93	63	63	896	2,414	2,159	6,130	6,571
Later than one year and not later than five years	11,445	14,886	101	53	-	-	463	1,024	12,009	15,963
Later than five years	-	-	-	-	-	-	-	-	-	-
Total	15,005	18,339	194	116	63	896	2,877	3,183	18,139	22,534

¹ 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
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Note 17: 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 2022, 24 cases (2021: 29 cases) were ongoing before various courts, naming the CCC as either an applicant or respondent:

	2022	2021
	Number of	Number of
	Cases	Cases
Court of Appeal/High Court	1	3
Supreme Court	2	7
District Court	1	0
Magistrates Court	1	1
Queensland Civil and Administrative Tribunal (QCAT)	19	18
Total	24	29

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 18: 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

Note 18: Financial Instruments (cont'd)

(a) Categorisation of Financial Instruments

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

	Note	2022 \$'000	2021 \$'000
Financial assets			
Cash and cash equivalents	7	18,895	15,564
Contractual receivables		768	610
Total		19,663	16,174
Financial liabilities			
Contractual payables	12	2,653	1,988
Lease liabilities	11	330	646
Total		2,983	2,634

(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	2022 \$'000	2021 \$'000
Financial Assets				
Contractual receivables			768	610
Total			768	610

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.

Note 18: 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.

	Note	Payable in						Total	
		< 1 year		1–5 years		> 5 years			
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000		
Financial liabilities									
Contractual Payables	12	2,653	1,988	-	-	-	-	2,653	1,988
Lease liabilities	11	330	316	-	330	-	-	330	646
Total		2,983	2,304	-	330	-	-	2,983	2,634

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 19: 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 2022, the CCC held \$420,560 (2021: \$423,290) in a trust bank account as a result of operational activities.

CRIME AND CORRUPTION COMMISSION
Notes to and forming part of the Financial Statements 2021–22

Note 20: Explanation of Major Variances

Note 20A: Explanation of Major Variances – Statement of Comprehensive Income

<i>Grants and other contributions:</i>	The increase of \$1.264 million is due to the impact of the whole of government wages policy adjustments which took effect from 1 September 2021.
<i>Employee expenses:</i>	The increase of \$1.016 million is due to the impact of the whole of government wages policy adjustments for both Civilian and Police staff less savings from vacant positions.
<i>Depreciation and amortisation:</i>	The decrease of \$0.907 million is due to the ICMS Impairment Loss (see Note 9) as the original budget assumed asset commissioning in 2021 and other timing differences in the purchase and/or commissioning of property, plant and equipment.
<i>Impairment losses</i>	The increase of \$2.275 million is due to the ICMS Impairment Loss (see Note 9) as the original budget did not anticipate the asset write-off
<i>Operating results from continuing operations:</i>	The CCC has approval to operate up to a \$2 million deficit in 2021-22 utilising the \$2.001 million surplus from 2020-21. The deficit of \$0.551 million is a result of \$2.275 million write off for the ICMS project offset by lower expenses when compared to the revised budgets.

Note 20B: Explanation of Major Variances – Statement of Financial Position

<i>Cash and cash equivalents:</i>	The increase of \$6.840 million in cash is mainly due to a lower capital and operating spend in the year plus the surplus of \$2.001 million from the prior year.
<i>Intangible assets:</i>	The decrease of \$1.904 million is due to termination of the ICMS project and associated amortisation expenses that were not required.
<i>Property, plant and equipment:</i>	The decrease of \$1.935 million is due to annual depreciation expenses and replacement of property, plant and equipment deferred to future years.
<i>Payables:</i>	The increase of \$1.617 million is due to timing of invoices being received for reimbursement of staff salaries and related on-costs for police seconded to the CCC.
<i>Accumulated surplus</i>	The increase of \$1.448 million is due to the 2020-21 surplus of \$2.001 million and deficit in 2021-22 of \$0.551 million not being known at the time of budgeting for 2021-22 including the \$2.275 million write off for the ICMS project.

Note 20: Explanation of Major Variances (cont'd)

Note 20C: Explanation of Major Variances – Statement of Cash Flows

Grants and other contributions: The increase of \$1.128 million is due to the impact of the whole of government wages policy adjustments which took effect from 1 September 2021.

Property rental: The decrease of \$0.673 million is due to favourable terms negotiated for the extension of the office lease agreement.

Payment for intangibles: The decrease of \$0.525 million is due to termination of the ICMS project and associated payments that were no longer required.

CRIME AND CORRUPTION COMMISSION
Management Certificate for the year ended 30 June 2022

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements in relation to the establishment and keeping of accounts and for establishing and maintaining the statutory body's resource management systems 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 2022 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.



Bruce Barbour
Chairperson
Crime and Corruption Commission

Date: 22 August 2022



Jen O'Farrell
Chief Executive Officer
Crime and Corruption Commission

Date: 22 August 2022



Paul Bracegirdle
Chief Finance Officer
Crime and Corruption Commission

Date: 22 August 2022

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 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summary 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 2022:

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

Prescribed requirements scope

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



David Adams
as delegate of the Auditor-General

23 August 2022

Queensland Audit Office
Brisbane