

**Family Responsibilities Commission
Financial Statements**

For the Year Ended 30 June 2018

FINANCIALS FAMILY RESPONSIBILITIES COMMISSION



Family Responsibilities Commission
Cairns Commonwealth Centre
Level 3, 107 Lake Street, Cairns
PO Box 5438
Cairns Qld 4870

Ph: 07 4081 8400
Fax: 07 4041 0974
www.frcq.org.au

3 September 2018

The Honourable Jackie Trad MP
Deputy Premier, Treasurer and
Minister for Aboriginal and Torres Strait Islander Partnerships
GPO Box 611
BRISBANE QLD 4001

Dear Minister Trad

I am pleased to present the Financial Statements for the Annual Report 2017-2018 for the Family Responsibilities Commission.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

The 2017-2018 Annual Report can be accessed at <https://www.frcq.org.au> after 30 October 2018.

Yours sincerely

David Glasgow, AM
Commissioner
Family Responsibilities Commission

FINANCIALS

FAMILY RESPONSIBILITIES COMMISSION

Financial Statements

For the year ended 30 June 2018

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The accompanying notes form part of these statements.

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Statement of Comprehensive Income

For the year ended 30 June 2018

	Notes	2018 \$000	2017 \$000
Income from continuing operations			
Grants and other contributions	2	3,948	4,056
Other revenue		43	63
Total income from continuing operations		3,991	4,119
Expenses from continuing operations			
Employee expenses	3	2,716	2,795
Supplies and services	4	959	954
Depreciation and amortisation	5	96	49
Other expenses	6	40	42
Total expenses from continuing operations		3,811	3,840
Operating result from continuing operations		180	279
Total other comprehensive income		-	-
Total comprehensive income		180	279

The accompanying notes form part of these statements.

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FAMILY RESPONSIBILITIES COMMISSION

Statement of Financial Position

As at 30 June 2018

	Notes	2018 \$000	2017 \$000
Current assets			
Cash and cash equivalents	7	1,861	1,635
Receivables		9	14
Other current assets		30	48
Total current assets		<u>1,900</u>	<u>1,697</u>
Non-current assets			
Plant and equipment	8	8	17
Intangible assets	9	-	43
Total non-current assets		<u>8</u>	<u>60</u>
Total assets		<u>1,908</u>	<u>1,757</u>
Current liabilities			
Payables	10	142	160
Accrued employee benefits	11	154	165
Total current liabilities		<u>296</u>	<u>325</u>
Total liabilities		<u>296</u>	<u>325</u>
Net assets		<u>1,612</u>	<u>1,432</u>
Equity			
Accumulated surplus		1,612	1,432
Total equity		<u>1,612</u>	<u>1,432</u>

The accompanying notes form part of these statements.

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FAMILY RESPONSIBILITIES COMMISSION

Statement of Changes in Equity

For the year ended 30 June 2018

	Accumulated Surplus \$000
Balance as at 1 July 2016	1,153
Operating result from continuing operations	279
Total other comprehensive income	-
Total comprehensive income	<u>279</u>
Balance as at 30 June 2017	<u>1,432</u>
Balance as at 1 July 2017	1,432
Operating result from continuing operations	180
Total other comprehensive income	-
Total Comprehensive Income	<u>180</u>
Balance as at 30 June 2018	<u>1,612</u>

The accompanying notes form part of these statements.

FINANCIALS

FAMILY RESPONSIBILITIES COMMISSION

Statement of Cash Flows

For the year ended 30 June 2018

	Notes	2018 \$000	2017 \$000
Cash flows from operating activities			
<i>Inflows:</i>			
Grants and other contributions		3,948	4,156
Interest receipts		37	18
Other receipts		7	46
GST input tax credits from ATO		106	96
<i>Outflows:</i>			
Payments to suppliers and employees		(3,827)	(3,920)
GST remitted to ATO		(1)	(2)
Net cash from operating activities	12	<u>270</u>	<u>394</u>
Cash flows from investing activities			
Acquisition of plant and equipment		-	(24)
Acquisition of intangible assets		(44)	(10)
Net cash used in investing activities		<u>(44)</u>	<u>(34)</u>
Net increase in cash held		226	360
Cash at beginning of financial year		1,635	1,275
Cash at end of financial year	7	<u>1,861</u>	<u>1,635</u>

The accompanying notes form part of these statements.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1 – Basis of financial statement preparation

(a) General information and statement of compliance

The Commission is an independent statutory body established under the *Family Responsibilities Commission Act 2008*. The Commission does not have any controlled entities.

The head office and principal place of business of the Commission is:
Level 3, Commonwealth Building, 107 Lake Street
CAIRNS QLD 4870

(b) Authorisation of financial statements for issue

The financial statements are authorised for issue by the Commissioner and Finance Manager at the date of signing of the management certificate.

(c) Compliance with prescribed requirements

The Commission is a Statutory Body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982* and these financial statements have been prepared in accordance with section 43 of the *Financial and Performance Management Standard 2009*.

The Commission is a not-for-profit entity and these financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations applicable to not-for-profit entities.

The financial statements are prepared on an accrual basis (with the exception of the statement of cash flows which is prepared on a cash basis).

(d) Underlying measurement basis

The financial statements are prepared using the historical cost convention.

(e) 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 \$499 or less, to zero, unless disclosure of the full amount is specifically required.

Current / Non-current classification – 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 Commission 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.

(f) Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1 – Basis of financial statement preparation (continued)

(f) Accounting estimates and judgements (continued)

Accruals for employee benefits is an area where some estimates and judgements are applied, further details are included in note 11. Management is not aware of any further assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(g) Taxation

The Commission is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Australian Government taxation with the exception of fringe benefits tax (FBT) and goods and services tax (GST). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

(h) Insurance

The Commission's risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Commission pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(i) Economic dependency and going concern

The Commission is a not-for-profit entity and is reliant on government funding in order to continue its operations. Similar funding, compared to the current year, has been secured for 2018-19 from the Queensland Government in an agreement letter from the Department of Aboriginal and Torres Strait Island Partnerships dated 25 February 2016. The Australian Government has indicated that funding will be provided for period 1 July 2018 to 31 December 2018, equivalent to half of the amount provided in 2017-18. The Commission has commenced planning to reduce its operations in 2018-19 in line with the reduced funding amount.

During the 2017-18 financial year, the Commission's strategic partners in Welfare Reform, the Queensland Government, Australian Government and Cape York Institute, undertook community consultations which will inform State and Australian Government decisions on the future of Welfare Reform and the Commission. The results of these consultations are unknown at the time of preparing these statements.

Funding for 2019-20 and later years is unknown at the date of preparing these statements. However, should no further funding be received for 2019-20, the Commission has sufficient cash reserves to meet all of the costs that would be associated with closure of the Commission.

The statutory appointments of the Commissioner, Deputy Commissioner and Local Commissioners remain current through to 31 December 2018.

After consideration of all of the above factors, management have assessed that, while uncertainty exists in relation to Commission's ability to continue all operations in their current form beyond 1 January 2019, should government funding beyond that time be significantly reduced or curtailed, it is appropriate to prepare the financial statements on a going concern basis, which contemplates continuity of significant portion of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1 – Basis of financial statement preparation (continued)

(i) Economic dependency and going concern (continued)

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

(j) New and revised accounting standards

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these financial statements. The following new standards may have an impact on the Commission's financial statements, although any such impact has not yet been fully assessed:

- AASB 9 *Financial Instruments* becomes mandatory for annual periods beginning on or after 1 January 2018 (with early adoption permitted) and includes revised guidance on the classification and measurement of financial instruments, a new revised credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.
- AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-profit Entities* become mandatory for annual periods beginning on or after 1 January 2019. AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 sets out Australian requirements and provides guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*. Together, they establish a comprehensive framework for determining whether, how much and when revenue is recognised. Details of the Commission's revenue is shown in Note 2.
- AASB 16 *Leases* becomes mandatory for annual periods beginning on or after 1 January 2019 (with early adoption permitted) and in essence requires a lessee to:
 - recognise all lease assets and liabilities (including those currently classed as operating leases) on the statement of financial position, initially measured at the present value of unavoidable lease payments;
 - recognise amortisation of lease assets and interest on lease liabilities as expenses over the lease term; and
 - separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (which entities can choose to present within operating or financing activities consistent with presentation of any other interest paid) in the statement of cash flows.

Details of the Commission's leases that will be impacted are set out in Note 13.

The Commission does not plan to adopt these standards early.

No voluntary changes in accounting policies occurred during the 2017-18 financial year.

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FAMILY RESPONSIBILITIES COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2018

Note 2 – Grants and other contributions

	2018	2017
	\$000	\$000
Queensland Government grants	1,522	1,630
Doomadgee funding - Queensland Government	626	626
Australian Government grants	1,800	1,800
Total	3,948	4,056

Accounting policy

Grants and contributions which are non-reciprocal in nature are recognised as revenue in the year in which the Commission obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. Where this is the case, an equal amount is recognised as revenue and as an expense.

Note 3 – Employee expenses

	2018	2017
	\$000	\$000
Employee benefits		
Wages and salaries	2,038	2,136
Recreation leave expense	176	188
Employer superannuation contributions	254	259
Long service leave levy	39	41
Other employee benefits	6	-
Employee related expenses		
Workers' compensation premium	11	11
Payroll tax and fringe benefits tax	126	137
Other employee related expenses	66	23
Total	2,716	2,795

Disclosure – Employee numbers

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

	2018	2017
Number of employees:	15	17

Notes to the Financial Statements

For the year ended 30 June 2018

Note 3 – Employee expenses (continued)

Accounting policies

Employer superannuation contributions and long service leave levies are regarded as employee benefits

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Other long-term employee benefits – long service leave

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

No provision for long service leave is recognised in the Commission's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Superannuation – Local Commissioners

Obligations for contributions to defined contribution (accumulation) plans are recognised as a personnel expense in the periods during which services are rendered by employees. Contributions to a defined contribution (accumulation) plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Superannuation – all other employees

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

No liability is therefore recognised for accruing superannuation benefits in the Commission's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

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FAMILY RESPONSIBILITIES COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2018

Note 4 – Supplies and services

	2018	2017
	\$000	\$000
Communications	17	20
Internet and IT	176	183
Materials and running costs	280	259
Motor vehicle costs	58	56
Operating lease rentals	208	207
Staff travel	220	229
Total	959	954

Accounting policy – leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The liability is recognised at the same amount. There were no finance leases during the year.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Operating leases are entered into as a means of acquiring access to office and staff accommodation, storage facilities and motor vehicles. Lease terms vary ranging from 1 to 2 years. On conclusion of the lease terms, the agreements provide for a right of renewal at which time the lease terms are renegotiated.

Lease payments are generally fixed but some agreements include annual escalation clauses for predetermined percentages or the Consumer Price Index (CPI) changes upon which future year rentals are determined.

Note 5 – Depreciation and amortisation

		2018	2017
	Notes	\$000	\$000
Depreciation	8	9	7
Amortisation	9	87	42
Total		96	49

Notes to the Financial Statements

For the year ended 30 June 2018

Note 5 – Depreciation and amortisation (continued)

Accounting policies

Depreciation

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost of each asset progressively over its estimated useful life to the Commission. The estimation of the useful lives of assets is based on historical experience with similar assets.

Where the estimated useful life of the asset is greater than the estimated remaining funded life of the Commission, the lesser of the two has been deemed the useful life.

Amortisation

Intangible assets are amortised on the same basis as plant and equipment.

For each class of asset the following rates are used:

Plant and equipment	20 - 35%
Software	33.33% - 50%

Note 6 – Other expenses

	2018	2017
	\$000	\$000
Queensland Audit Office – external audit fees ⁽¹⁾	28	30
Insurance premiums - QGIF	12	12
Total	40	42

⁽¹⁾ Total audit fees due to the Queensland Audit Office relating to the 2017-18 financial year are estimated to be \$28,000 (2016-17: \$29,990). There are no non-audit services included in this amount.

Note 7 – Cash and cash equivalents

	2018	2017
	\$000	\$000
Imprest accounts	1	1
Cash at bank	1,860	1,634
Total	1,861	1,635

Interest earned on cash held with the Commonwealth Bank was between 0.70% to 1.6% in 2017-18 (between 0.07% to 2.00% in 2016-17).

Accounting policy

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less.

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FAMILY RESPONSIBILITIES COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2018

Note 8 – Plant and equipment

	2018	2017
	\$000	\$000
Gross	24	24
Less: Accumulated depreciation	(16)	(7)
	<hr/>	<hr/>
Carrying amount at 30 June	8	17
<i>Represented by movements in carrying amount:</i>		
Carrying amount at 1 July	17	-
Acquisitions	-	24
Depreciation	(9)	(7)
	<hr/>	<hr/>
Carrying amount at 30 June	8	17
	<hr/>	<hr/>

Accounting policy

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the fair value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Items of plant and equipment with a cost equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition in the following classes.

Plant and equipment - computer and other technology equipment \$5,000

Items with a lesser value are expensed in the year of acquisition.

Assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset.

Plant and equipment is measured at depreciated cost in accordance with the non-current asset policies. The carrying amounts for plant and equipment approximate their fair value.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 9 – Intangible assets

	CRM ⁽¹⁾ Software Upgrade at cost		CRM Service Provider Portal at cost		Software: Work in Progress		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Gross	83	83	64	-	-	20	147	103
Less: Accumulated amortisation	(83)	(60)	(64)	-	-	-	(147)	(60)
Carrying amount at 30 June	-	23	-	-	-	20	-	43
<i>Represented by movements in carrying amount:</i>								
Carrying amount at 1 July	23	65	-	-	20	-	43	65
Acquisitions	-	-	-	-	44	20	44	20
Transfers	-	-	64	-	(64)	-	-	-
Amortisation	(23)	(42)	(64)	-	-	-	(87)	(42)
Carrying amount at 30 June	-	23	-	-	-	20	-	43

⁽¹⁾ Customer relationship management software

Accounting policy

Actual cost is used for the initial recording of all intangible asset acquisitions. Cost is determined as the fair value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Intangible assets with a cost equal to or in excess of the following threshold are recognised for financial reporting purposes in the year of acquisition.

Intangibles – Software purchased \$10,000

Items with a lesser value are expensed in the year of acquisition.

Assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset.

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FAMILY RESPONSIBILITIES COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2018

Note 10 – Payables

	2018	2017
	\$000	\$000
Payables		
Trade creditors	70	74
Sundry creditors	6	-
Accruals	66	86
	<hr/>	<hr/>
Total	142	160
	<hr/>	<hr/>

Accounting policy

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

Note 11 – Accrued employee benefits

	2018	2017
	\$000	\$000
Salary and wage related	15	10
Recreation leave	139	155
	<hr/>	<hr/>
Total	154	165
	<hr/>	<hr/>

Accounting policies

Short-term employee benefits – wages, salaries, recreation leave and sick leave

Wages, salaries and recreation leave due but unpaid at reporting date are recognised in current liabilities at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are recognised at their present value, calculated using yields on Fixed Rate Australian Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken in 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.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 12 – Reconciliation of operating result to net cash from operating activities

	2018	2017
	\$000	\$000
Operating surplus	180	279
Non-cash items included in operating result:		
Depreciation	9	7
Amortisation	87	42
	276	328
Changes in assets and liabilities:		
Decrease/(increase) in receivables	5	96
(Increase) in other current assets	18	(10)
Increase/(decrease) in payables	(16)	(4)
Increase/(decrease) in accrued employee benefits	(13)	(16)
	270	394
Net cash from operating activities	270	394

Note 13 – Commitments

	2018	2017
	\$000	\$000
Non-cancellable operating leases		
Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:		
Not later than one year	176	129
Later than one year and not later than five years	97	-
	273	129
Total	273	129

Operating leases are entered into as a means of acquiring access to office and staff accommodation, storage facilities and motor vehicles for the Commission. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

Operating leases entered into for motor vehicles are considered cancellable operating leases as per Queensland Treasury guidance and are therefore not included in the above commitments.

Three of the leases for office accommodation have renewable options which are exercisable at market prices. No purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

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FAMILY RESPONSIBILITIES COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2018

Note 13 – Commitments (continued)

	2018	2017
	\$000	\$000
Capital expenditure		
Commitments for capital expenditure at reporting date are inclusive of anticipated GST and are payable as follows:		
<i>Intangibles - Software Work in Progress</i>		
Not later than 1 year	-	39

Note 14 – Contingencies

There are no significant matters known to the Commission as at 30 June 2018 which would give rise to the recognition of a contingent asset or liability.

Note 15 – Events occurring after balance date

There were no significant events occurring after balance date.

Note 16 – Financial instruments

Accounting policy

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

Financial instruments are classified under Accounting Standard AASB 139 as follows:

	Notes	2018	2017
		\$000	\$000
Financial assets			
Cash and cash equivalents	7	1,861	1,635
Receivables and other current assets (excl prepayments)		11	18
Total		<u>1,872</u>	<u>1,653</u>
Financial liabilities			
Payables	10	144	160
Total		<u>144</u>	<u>160</u>

Notes to the Financial Statements

For the year ended 30 June 2018

Note 17 – Key management personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Commission during 2017-18 and 2016-17.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date initially appointed to position
Commissioner	The Commissioner is responsible for ensuring the efficient and quick discharge of the Commission's business, ensuring the Local Commissioners and the staff of the registry receive regular and appropriate training, preparing the annual report, making the Commission guidelines and carrying out the activities the Commissioner reasonably considers necessary to achieve the objects, as per the <i>Family Responsibilities Commission Act 2008</i> .	Commissioner, Governor in Council under the <i>Family Responsibilities Commission Act 2008</i>	25-April-2008

Remuneration

The Commissioner's remuneration is set by the Governor in Council as provided for under the *Family Responsibilities Commission Act 2008*.

There was an increase of 2.0% in remuneration for the Commissioner in the 2017-18 year (effective from 1 July 2017). There was a 4.8% increase in remuneration for the Commissioner in the 2016-17 year (effective from 1 January 2017).

Remuneration packages for key management personnel comprise the following components:

- Short term employee benefits which include:
 - Base - consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the statement of comprehensive income.
 - Non-monetary benefits.
- Long term employee benefits include long service leave accrued.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 17 – Key management personnel (continued)

Position: Commissioner

Financial year	Short term employee expenses		Long term employee expenses	Post employment expenses	Termination benefits	Total expenses
	Monetary expenses	Non-monetary benefits	\$000	\$000	\$000	\$000
	\$000	\$000				
2017-18	383	-	8	45	-	436
2016-17	368	-	8	42	-	418

Performance payments

No performance payments are available or made to any key management personnel.

Note 18 – Related party transactions

The Commission did not transact with any people or entities related to its key management personnel during the year.

Note 19 – Going concern

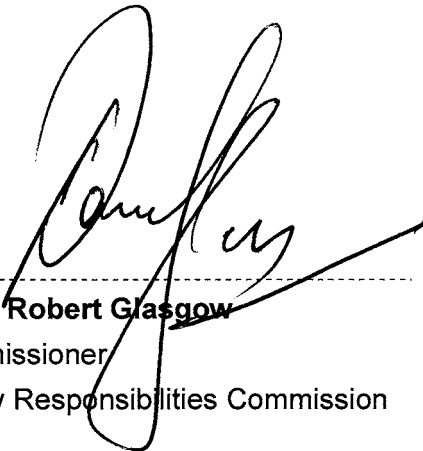
Funding for the Commission has been secured to 30 June 2019, albeit at reduced levels compared to the current financial year, that will enable the Commission to operate to that date. No further funding has been secured for beyond that date.

Management have assessed that the Commission has sufficient current funds in addition to the funding committed by the Queensland Government and the indication of further funding from the Australian Government to meet all of the costs of operations to 30 June 2019 and the costs that would be associated with the closure of the Commission should that occur. Management have therefore assessed that, while some uncertainty exists in relation to the Commission's ability to continue as a going concern beyond 30 June 2019, it is appropriate to prepare financial statements on a going concern basis.

Management Certificate of the Family Responsibilities Commission

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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Family Responsibilities Commission for the financial year ended 30 June 2018 and of the financial position of the Commission at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



David Robert Glasgow
Commissioner
Family Responsibilities Commission



Tracey Paterson CA
Finance Manager
Family Responsibilities Commission

Date: 23 August, 2018

Date: 23 August, 2018

INDEPENDENT AUDITOR'S REPORT

To the Commissioner of Family Responsibilities Commission

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Family Responsibilities Commission.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2018, 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 2009 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2018, 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 of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards – Reduced Disclosure Requirements. 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 of Queensland Auditing Standards*.

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

Material Uncertainty Related to Going Concern

I draw attention to Note 1(i) and Note 19 to the financial report, which indicates that funding for the Commission beyond 30 June 2019 and later years is uncertain. These circumstances, along with other matters as set forth in Note 1(i) and Note 19, indicate that a material uncertainty exists that may cast significant doubt on the Commission's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Responsibilities of the entity for the financial report

The Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Commissioner determines is

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- 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 Commissioner 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.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

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



Melissa Fletcher
as delegate of the Auditor-General



Queensland Audit Office
Brisbane