

**Family Responsibilities Commission
Financial Statements**

For the Year Ended 30 June 2019

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

20 August 2019

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 2018-2019 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 2018-2019 Annual Report can be accessed at <https://www.frcq.org.au> after 30 October 2019.

Yours sincerely

David Glasgow, AM
Commissioner
Family Responsibilities Commission

Financial Statements

For the year ended 30 June 2019

Contents

Statement of Comprehensive Income	85
Statement of Financial Position.....	86
Statement of Changes in Equity.....	87
Statement of Cash Flows	88
Note 1 – Basis of financial statement preparation.....	89
Note 2 – Grants and other contributions	93
Note 3 – Employee expenses.....	93
Note 4 – Supplies and services	95
Note 5 – Depreciation and amortisation.....	95
Note 6 – Other expenses.....	96
Note 7 – Cash and cash equivalents	96
Note 8 – Plant and equipment	97
Note 9 – Payables	98
Note 10 – Accrued employee benefits	98
Note 11 – Reconciliation of operating result to net cash from operating activities	99
Note 12 – Commitments.....	99
Note 13 – Contingencies	100
Note 14 – Events occurring after balance date	100
Note 15 – Financial instruments	100
Note 16 – Key management personnel	101
Note 17 – Related party transactions	102
Note 18 – Going concern.....	102
Management Certificate.....	103
Independent Auditor's Report	104

FINANCIALS

FAMILY RESPONSIBILITIES COMMISSION

Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	2019 \$000	2018 \$000
Income from continuing operations			
Grants and other contributions	2	3,270	3,948
Other revenue		64	43
Total income from continuing operations		<u>3,334</u>	<u>3,991</u>
Expenses from continuing operations			
Employee expenses	3	2,586	2,716
Supplies and services	4	877	959
Depreciation and amortisation	5	14	96
Other expenses	6	40	40
Total expenses from continuing operations		<u>3,517</u>	<u>3,811</u>
Operating result from continuing operations		(183)	180
Total other comprehensive income		-	-
Total comprehensive income		<u>(183)</u>	<u>180</u>

FINANCIALS

FAMILY RESPONSIBILITIES COMMISSION

Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$000	2018 \$000
Current assets			
Cash and cash equivalents	7	1,695	1,861
Receivables		31	9
Other current assets		21	30
Total current assets		<u>1,747</u>	<u>1,900</u>
Non-current assets			
Plant and equipment	8	16	8
Total non-current assets		<u>16</u>	<u>8</u>
Total assets		<u>1,763</u>	<u>1,908</u>
Current liabilities			
Payables	9	143	142
Accrued employee benefits	10	191	154
Total current liabilities		<u>334</u>	<u>296</u>
Total liabilities		<u>334</u>	<u>296</u>
Net assets		<u>1,429</u>	<u>1,612</u>
Equity			
Accumulated surplus		1,429	1,612
Total equity		<u>1,429</u>	<u>1,612</u>

The accompanying notes form part of these statements.

FINANCIALS

FAMILY RESPONSIBILITIES COMMISSION

Statement of Changes in Equity

For the year ended 30 June 2019

	Accumulated Surplus \$000
Balance as at 1 July 2017	1,432
Operating result from continuing operations	180
Total other comprehensive income	-
Total comprehensive income	180
Balance as at 30 June 2018	1,612
Balance as at 1 July 2018	1,612
Operating result from continuing operations	(183)
Total other comprehensive income	-
Total Comprehensive Income	(183)
Balance as at 30 June 2019	1,429

The accompanying notes form part of these statements.

FINANCIALS

FAMILY RESPONSIBILITIES COMMISSION

Statement of Cash Flows

For the year ended 30 June 2019

	Notes	2019 \$000	2018 \$000
Cash flows from operating activities			
<i>Inflows:</i>			
Grants and other contributions		3,270	3,948
Interest receipts		42	37
Other receipts		6	7
GST input tax credits from ATO		82	106
<i>Outflows:</i>			
Payments to suppliers and employees		(3,543)	(3,827)
GST remitted to ATO		(1)	(1)
Net cash from operating activities	11	<u>(144)</u>	<u>270</u>
Cash flows from investing activities			
Acquisition of plant and equipment		(22)	-
Acquisition of intangible assets		-	(44)
Net cash used in investing activities		<u>(22)</u>	<u>(44)</u>
Net increase in cash held		(166)	226
Cash at beginning of financial year		1,861	1,635
Cash at end of financial year	7	<u>1,695</u>	<u>1,861</u>

The accompanying notes form part of these statements.

Notes to the Financial Statements

For the year ended 30 June 2019

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 2019

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 10. 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 2019-20 from the Queensland Government. The Australian Government has indicated its willingness to continue its support of the Commission and is currently in negotiations with the Queensland Government. Subject to agreement between the parties, the Australian Government will provide an amount similar to that provided in prior years.

The Commission's strategic partners in Welfare Reform, the Queensland Government, Australian Government and Cape York Institute, continue their discussions on the future of Welfare Reform and the Commission. The results of these discussions are unknown at the time of preparing these statements. There is however no current stated intention to cease operations of the Commission.

Funding for 2020-21 and later years is unknown at the date of preparing these statements. Should no further funding be received for 2020-21, the Commission has protection under the *Crown Proceedings Act 1980* for any debts owing.

The statutory appointment of the Commissioner remains current through to 1 September 2019. Currently no new appointment has been made for this position although we have been advised that a process has commenced to fill this position in the short term beyond this date. The statutory appointment of the Deputy Commissioner ended on 31 December 2018 and no appointment for a deputy for 2019-20 is anticipated. The statutory appointments of the Local Commissioners remain current through to 31 October 2019. The Queensland Government has indicated that the appointments for the Local Commissioners will be renewed for an additional term to be advised.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 1 – Basis of financial statement preparation (continued)

(i) Economic dependency and going concern (continued)

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 July 2020, 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 a significant portion of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

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

Changes in significant accounting policies

In the current year, the Commission adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

AASB 9 was applied for the first time in 2018-19. This standard introduces new categories for the classification of financial assets and new impairment rules that focuses on expected credit losses rather than incurred losses. The new standard has not impacted on the classification of the Commission's financial assets (cash and receivables), which continue to be measured at amortised cost.

Comparative figures for 2018-19 have not been restated for AASB 9.

Accounting Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2018 and have not been applied in preparing these financial statements. The following new standards are not expected to have an impact on the Commission's financial statements, with each standard being assessed as follows:

- 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.

The Commission's grant funding arrangements are currently on a year by year basis with no amounts received in advance for future years. The Commission therefore expects to continue to recognise revenue upfront in 2019-20 and beyond assuming no change to the current funding arrangements.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 1 – Basis of financial statement preparation (continued)

(j) New and revised accounting standards continued

- 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 12.

The Commission has conducted a review of the impact of adoption of AASB16 having regard to the application guidance issued by Queensland Treasury. This review has determined that all current leases held by the Commission fall within either the short term lease exemption or the substantive substitution exemption set out in this guidance. Accordingly, the Commission will expense these costs as supplies and services when incurred in 2019-20 and beyond and therefore there will be no impact to the Statement of Financial Position upon adoption of this standard.

The Commission does not plan to adopt these standards early.

No accounting pronouncements were early adopted in the 2018-19 financial year.

No voluntary changes in accounting policies occurred during the 2018-19 financial year.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 2 – Grants and other contributions

	2019	2018
	\$000	\$000
Queensland Government grants	1,744	1,522
Doomadgee funding - Queensland Government	626	626
Australian Government grants	900	1,800
Total	3,270	3,948

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

	2019	2018
	\$000	\$000
Employee benefits		
Wages and salaries	1,984	2,038
Recreation leave expense	173	176
Employer superannuation contributions	234	254
Long service leave levy	31	39
Other employee benefits	6	6
Employee related expenses		
Workers' compensation premium	10	11
Payroll tax and fringe benefits tax	125	126
Other employee related expenses	23	66
Total	2,586	2,716

Disclosure – Employee numbers

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

	2019	2018
Number of employees:	13	15

Notes to the Financial Statements

For the year ended 30 June 2019

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*.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 4 – Supplies and services

	2019	2018
	\$000	\$000
Communications	13	17
Internet and IT	202	176
Materials and running costs	209	280
Motor vehicle costs	50	58
Operating lease rentals	207	208
Staff travel	196	220
	<hr/>	<hr/>
Total	877	959
	<hr/>	<hr/>

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. Current lease terms at year end range from 1 month to 1 year. On conclusion of the lease terms, the lease terms are renegotiated on an as needs basis having regard to the going concern uncertainty referred to in Notes 1(i) and 18.

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

		2019	2018
	Notes	\$000	\$000
Depreciation	8	14	9
Amortisation		-	87
		<hr/>	<hr/>
Total		14	96
		<hr/>	<hr/>

Notes to the Financial Statements

For the year ended 30 June 2019

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

	2019	2018
	\$000	\$000
Queensland Audit Office – external audit fees ⁽¹⁾	29	28
Insurance premiums - QGIF	11	12
Total	40	40

⁽¹⁾ Total audit fees due to the Queensland Audit Office relating to the 2018-19 financial year are estimated to be \$28,800 (2017-18: \$28,000). There are no non-audit services included in this amount.

Note 7 – Cash and cash equivalents

	2019	2018
	\$000	\$000
Imprest accounts	-	1
Cash at bank	1,695	1,860
Total	1,695	1,861

Interest earned on cash held with the Commonwealth Bank was between 0.50% to 2.0% in 2018-19 (between 0.70% to 1.60% in 2017-18).

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.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 8 – Plant and equipment

	2019	2018
	\$000	\$000
Gross	46	24
Less: Accumulated depreciation	(30)	(16)
	16	8
<i>Represented by movements in carrying amount:</i>		
Carrying amount at 1 July	8	17
Acquisitions	22	-
Depreciation	(14)	(9)
	16	8
Carrying amount at 30 June	16	8

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 2019

Note 9 – Payables

	2019	2018
	\$000	\$000
Payables		
Trade creditors	70	70
Sundry creditors	3	6
Accruals	70	66
	<hr/>	<hr/>
Total	143	142
	<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 10 – Accrued employee benefits

	2019	2018
	\$000	\$000
Salary and wage related	11	15
Recreation leave	180	139
	<hr/>	<hr/>
Total	191	154
	<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 2019

Note 11 – Reconciliation of operating result to net cash from operating activities

	2019	2018
	\$000	\$000
Operating surplus	(183)	180
Non-cash items included in operating result:		
Depreciation	14	9
Amortisation	-	87
	(169)	276
Changes in assets and liabilities:		
Decrease/(increase) in receivables	(22)	5
(Increase) in other current assets	9	18
Increase/(decrease) in payables	1	(16)
Increase/(decrease) in accrued employee benefits	37	(13)
	(144)	270

Note 12 – Commitments

	2019	2018
	\$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	119	176
Later than one year and not later than five years	-	97
	119	273

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.

No purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

Capital Expenditure

There are no significant matters known to the Commission as at 30 June 2019 which would give rise to the recognition of a contingent asset or liability.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 13 – Contingencies

There are no significant matters known to the Commission as at 30 June 2019 which would give rise to the recognition of a contingent asset or liability.

Note 14 – Events occurring after balance date

There were no significant events occurring after balance date.

Note 15 – 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 9 as follows:

	Notes	2019 \$000	2018 \$000
Financial assets			
Cash and cash equivalents	7	1,695	1,861
Receivables and other current assets at amortised cost (excluding prepayments)		33	11
Total		1,728	1,872
Financial liabilities			
Payables	9	143	142
Total		143	142

Notes to the Financial Statements

For the year ended 30 June 2019

Note 16 – 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 2018-19 and 2017-18.

Position	Responsibilities	Current incumbent	
		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 Current appointment term expires on 1 September 2019

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 2018-19 year (effective from 1 July 2018). There was a 2.0% increase in remuneration for the Commissioner in the 2017-18 year (effective from 1 July 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 2019

Note 16 – 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				
2018-19	376	-	8	33	-	417
2017-18	383	-	8	45	-	436

Performance payments

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

Note 17 – Related party transactions

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

Note 18 – Going concern

Funding for the Commission has been secured to 30 June 2020, 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.

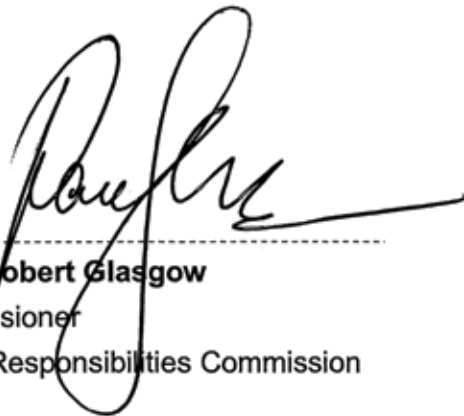
Management have assessed that the Commission has sufficient current funds in addition to the funding committed by the Queensland Government and the indication of further funding from the Australian Government to meet all of the costs of operations to 30 June 2020 and the costs that would be associated 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 2020, 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 financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Family Responsibilities Commission for the financial year ended 30 June 2019 and of the financial position of the Commission at the end of that year.

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* 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.



David Robert Glasgow
Commissioner
Family Responsibilities Commission

Date: 8 August, 2019



Tracey Leigh Paterson CA
Executive Officer (Finance)
Family Responsibilities Commission

Date: 8 August, 2019

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 2019, 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 2019, 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. 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 18 of the financial report, which indicates that funding for the Commission beyond 30 June 2020 and later years is uncertain. These circumstances, along with other matters as set forth in Note 1(i) and Note 18, 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 2019:

- 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

15 August 2019
Queensland Audit Office
Brisbane