

**Office of the Inspector-General of Emergency Management  
Financial Statements  
For the year ended 30 June 2020**

**Office of the Inspector-General of Emergency Management**  
**Financial statements**  
**For the year ended 30 June 2020**

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**Office of the Inspector-General of Emergency Management**  
**Statement of comprehensive income**  
**For the year ended 30 June 2020**

	Notes	2020 \$'000	2019 \$'000
<b>Income from continuing operations</b>			
Appropriation revenue	3	4,346	4,369
Services received below fair value	4	521	498
<b>Total revenue</b>		<b>4,867</b>	<b>4,867</b>
<b>Expenses from continuing operations</b>			
Employee expenses	5	3,061	2,951
Supplies and services	7	1,012	1,259
Grants and subsidies		-	10
Depreciation	10	1	1
Other expenses	8	534	643
<b>Total expenses from continuing operations</b>		<b>4,608</b>	<b>4,864</b>
<b>Operating result for the year</b>		<b>259</b>	<b>3</b>

*The accompanying notes form part of these statements.*

**Office of the Inspector-General of Emergency Management**  
**Statement of financial position**  
**As at 30 June 2020**

	Notes	2020 \$'000	2019 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash		1,580	1,528
Receivables	9	40	64
Prepayments		17	47
<b>Total current assets</b>		<b>1,637</b>	<b>1,639</b>
<b>Non-current assets</b>			
Plant and equipment	10	5	6
<b>Total non-current assets</b>		<b>5</b>	<b>6</b>
<b>Total assets</b>		<b>1,642</b>	<b>1,645</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	11	31	235
Accrued employee benefits	12	111	113
Other current liabilities		76	132
<b>Total current liabilities</b>		<b>218</b>	<b>480</b>
<b>Total liabilities</b>		<b>218</b>	<b>480</b>
<b>Net assets</b>		<b>1,424</b>	<b>1,165</b>
<b>Equity</b>			
Contributed equity		669	669
Accumulated surplus		755	496
<b>Total equity</b>		<b>1,424</b>	<b>1,165</b>

*The accompanying notes form part of these statements.*

**Office of the Inspector-General of Emergency Management**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contributed equity</b>		
Opening balance	669	669
Closing balance	<b>669</b>	<b>669</b>
<b>Accumulated surplus/(deficit)</b>		
Opening balance	496	493
Operating result	259	3
Closing balance	<b>755</b>	<b>496</b>
<b>Total equity</b>	<b>1,424</b>	<b>1,165</b>

**Office of the Inspector-General of Emergency Management**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
<i>Inflows:</i>		
Service appropriation receipts	4,290	4,341
User charges and fees	(17)	13
GST input tax credits from ATO	132	119
GST collected from customers	1	1
<i>Outflows:</i>		
Employee expenses	(3,048)	(2,969)
Supplies and services	(1,187)	(1,227)
Grants and subsidies	-	(10)
GST paid to suppliers	(106)	(132)
GST remitted to ATO	(1)	(1)
Other	(13)	(145)
<b>Net cash provided by/(used in) operating activities</b>	<b>52</b>	<b>(9)</b>
Net increase/(decrease) in cash	52	(9)
Cash at beginning of financial year	1,528	1,537
<b>Cash at end of financial year</b>	<b>1,580</b>	<b>1,528</b>

**Reconciliation of operating result to net cash from operating activities**

Operating result	259	3
<b>Non-cash items included in operating result:</b>		
Depreciation expense	1	1
<b>Change in assets and liabilities:</b>		
Increase/(decrease) in accrued employee benefits	(2)	(7)
(Increase)/decrease in annual leave reimbursement receivable	20	(11)
(Increase)/decrease in GST input tax credits receivable	26	(13)
(Increase)/decrease in long service leave reimbursement receivable	(5)	-
(Increase)/decrease in prepayments	30	(47)
Increase/(decrease) in trade creditors	(204)	79
(Increase)/decrease in trade receivables	(17)	13
Increase/(decrease) in other current liabilities	(56)	(28)
<b>Net cash from operating activities</b>	<b>52</b>	<b>(9)</b>

**Accounting Policy - Cash**

Cash assets include cash on hand and all cash and cheques receipted but not banked as at 30 June.

On 16 March 2015, an overdraft facility with QTC was approved with a limit of \$250,000. This facility remained fully undrawn as at 30 June 2020 and is available for use in the next reporting period.

**1 Basis of financial statement preparation**

**(a) General information**

The Office of the Inspector-General of Emergency Management ('the office') is a Queensland Government public service office established under the *Disaster Management Act 2003*.

The office is a not-for-profit entity and has no controlled entities.

**(b) Statement of compliance**

The office has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Financial Reporting Requirements for the year beginning 1 July 2019 and other authoritative pronouncements.

**(c) Taxation**

The office 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).

**(d) Basis of measurement**

The historical cost convention is used unless fair value is stated as the measurement basis.

**(e) Accounting estimates and judgements**

The preparation of financial statements necessarily requires the determination and use of certain 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.

Estimates and assumptions that have a potential significant effect on the financial statements are outlined in Note 4 Services received at below fair value.

**(f) Other presentation matters**

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

Comparative information has been restated where necessary to be consistent with disclosures in the current year reporting period. Where such restatements have occurred, they are not material to the financial statements.

**1 Basis of financial statement preparation (continued)**

**(g) Future impact of accounting standards not yet effective**

All Australian accounting standards and interpretations with future effective dates are either not applicable to the office or have no material impact.

**(h) Accounting Standards applied for the first time**

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

These standards first applied to the office from 1 July 2019.

The impact of these standards on the financial statements has been assessed as not applicable, as it relates to any unspent grant revenue received at the end of a reporting period. This is due to the office not expecting to receive grants revenue. The impact of the standard will be further assessed if it becomes applicable in the future.

AASB 16 - Leases

This standard first applied to the office from 1 July 2019.

Under this standard, lessees are required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all non-cancellable leases with a term of more than 12 months, unless the asset is of low value.

The office currently has one lease only, from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO). The office has been advised by Queensland Treasury and DHPW that, effective 1 July 2019, amendments to the framework agreements that govern QGAO as per above arrangement is exempt from lease accounting under *AASB 16 Leases*. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation assets used within these arrangements. Costs for these services continue to be expensed as supplies and services expense when incurred due to the office not being impacted by this standard.

**2 Objectives and principal activities of the office**

The office was formally established as a public service office on 1 July 2014 under amendments to the *Disaster Management Act 2003*. The office provides assurance and advice that enables confidence in Queensland's emergency management arrangements.

The office contributes to the Queensland Government's objectives for the community to keep communities safe and be a responsive government. The office does this by reviewing and assessing the effectiveness of Queensland's disaster management arrangements, recommending improvements, and identifying opportunities for cooperative partnerships to support improved community outcomes.

Funding for the office's services comes predominantly from parliamentary appropriations.



**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

### 3 Appropriation revenue

**Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in Statement of comprehensive income**

	2020 \$'000	2019 \$'000
Original budgeted appropriation revenue	4,260	4,209
Supplementary amounts:		
Unforeseen expenditure	30	-
<b>Total appropriation receipts (cash)</b>	<b>4,290</b>	<b>4,209</b>
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	132	160
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(76)	(132)
<b>Net appropriation revenue</b>	<b>4,346</b>	<b>4,237</b>
Plus: Deferred appropriation payable to Consolidated Fund (expense)	-	132
<b>Appropriation revenue recognised in Statement of comprehensive income</b>	<b>4,346</b>	<b>4,369</b>
Variance between original budgeted and actual appropriation revenue	<b>86</b>	<b>160</b>

**Accounting Policy - Appropriation revenue for services**

Appropriations provided under the *Appropriation Act 2019* are recognised as revenue when received or receivable. Where approved, appropriation revenue is recorded as a receivable if the approved amounts are not received at the end of the reporting period.

### 4 Services received below fair value

Services received below fair value	521	498
<b>Total</b>	<b>521</b>	<b>498</b>

For 2019-20, services received below fair value were provided to the office by the Public Safety Business Agency (PSBA). The value of these services was calculated based on a cost attribution model developed by the PSBA to attribute the actual costs of services provided by that organisation at nil cost to the office. Services provided by PSBA to the office at nil cost include assets and lease management services, human resource services, financial services and information and communication technology services. The cost of services provided at below fair value materially represents the fair value of the goods and services received by the office.

**Accounting Policy - Services received/provided free of charge, below fair value or for nominal value**

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as a revenue and an expense in the Statement of comprehensive income.

### 5 Employee expenses

**Employee benefits**

Wages and salaries*	2,407	2,276
Employer superannuation contributions	294	294
Long service leave levy	45	48
Annual leave levy	242	230
Other employee benefits	16	18

**Employee related expenses**

Workers' compensation premium	13	13
Training expenses	8	72
Other employee related expenses	35	-
<b>Total</b>	<b>3,061</b>	<b>2,951</b>

\* Wages and salaries includes \$20,756 of \$1,250 one-off, pro-rata payments for 17 full-time equivalent employees (announced by the state government in September 2019).

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis, reflecting Minimum Obligatory Human Resource Information (MOHRI), is:

<b>Full-Time equivalent employees (number)</b>	<b>22</b>	<b>21</b>
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**Accounting Policy - Employee expenses**

*Wages, salaries and sick leave*

Wages and salaries due but unpaid at reporting date are recognised in the Statement of financial position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months of the reporting date, the liabilities are recognised at their undiscounted values.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

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**5 Employee expenses (continued)**

**Accounting Policy - Employee expenses (continued)**

*Annual leave and long service leave*

The office is a member of the Queensland Government's Annual Leave and Long Service Leave Central Schemes. A levy is payable to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

*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 rebates 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 office at the specified rate following completion of the employee's service each pay period. The office's obligations are limited to those contributions paid.

*Workers' compensation premium*

The office pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package.

**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

**6 Key Management Personnel disclosures**

**(a) Details of key management personnel (KMP)**

The office's responsible Minister is identified as part of the office's KMP, consistent with additional guidance included in the revised version of *AASB 124 Related Party Disclosures*. The office's responsible Minister is the Minister for Fire and Emergency Services.

The other non-Ministerial KMP personnel are those positions that had authority and responsibility for planning, directing and controlling the activities of the office during 2019-20. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Inspector-General of Emergency Management (Chief Executive Officer)	The Inspector-General of Emergency Management is responsible for leading and managing the office to provide assurance and advice to enable confidence in Queensland's disaster and emergency management arrangements.
Director, Governance and Reporting	The Director, Governance and Reporting provides informed, proactive strategic advice to the IGEM and to the Minister regarding performance, reporting, governance, policy and practice in relation to disaster management and the operation of the office.
Director, Research and Engagement	The Director, Research and Engagement provides informed and high-level advice to the IGEM and to the Minister regarding media, communication, strategic partnerships, research and engagement in relation to disaster management.
Executive Director, Assurance and Evaluation	The Executive Director, Assurance and Evaluation is responsible for leading, directing and managing the development, implementation and delivery of key assurance and evaluation frameworks, projects and activities which are valued by stakeholders and enable improved performance, monitoring and reporting in disaster management.

**(b) Remuneration policies**

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The office 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 the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are 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.

Remuneration expenses for KMP comprise the following components:

- Short term employee expenses including:
  - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was a key management person; and
  - non-monetary benefits - may include provision of a motor vehicle and fringe benefits tax applicable to 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.
- No KMP remuneration packages provide for performance or bonus payments.

**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

**6 Key Management Personnel disclosures (continued)**

**(c) Remuneration expenses**

**1 July 2019 – 30 June 2020**

Position	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
Inspector-General of Emergency Management (Chief Executive Officer) Separated 1 November 2019	13	1	-	12	-	26
Inspector-General of Emergency Management (Chief Executive Officer) Acting (17 July 2019 - 5 February 2020). Appointed 6 February 2020	252	3	6	24	-	285
Executive Director, Assurance and Evaluation Acting	190	-	4	20	-	214
Director, Governance and Reporting	142	-	3	18	-	163
Director, Research and Engagement Acting (17 June - 2 August 2019)	12	-	-	2	-	14
Director, Research and Engagement Acting (5 August - 27 September 2019)	7	-	-	1	-	8
Director, Research and Engagement Appointed 30 September 2019	113	-	2	13	-	128

**1 July 2018 – 30 June 2019**

Position	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
Inspector-General of Emergency Management (Chief Executive Officer)	281	-	5	32	-	318
Inspector-General of Emergency Management (Chief Executive Officer) Acting (24 November - 31 December 2018)	25	-	-	2	-	27
*Director, Performance, Reporting and Policy Analysis (July-December 2018) *Director, Governance and Reporting (January - June 2019)	163	-	3	18	-	184
*Director, Interoperability and Innovation (July-December 2018) *Executive Director, Assurance and Evaluation (January - June 2019)	166	-	3	17	-	186
*Director, Community and Stakeholder Engagement (July - December 2018) *Director, Research and Engagement (January - June 2019)	167	-	3	18	-	188
*Director, Standards Best Practice and Evaluation (July - December 2018)	73	-	1	8	-	82

\*IGEM's management structure changed as at 1 January 2019.

**(d) Related party transactions with people/entities related to KMP**

There were no material related party transactions associated with the office's KMP during 2019-20 (2018-19: nil).

**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>7 Supplies and services</b>		
Communication expenses	20	25
Computer expenses	85	67
Consultancies and contractors	70	344
Lease rentals	334	331
Property expenses	65	61
Shared service provider expenses	120	162
Travel	78	100
Analytical & data collection services	92	-
Conference workshop costs	19	51
Minor plant and equipment purchases	58	1
Other	71	117
<b>Total</b>	<b>1,012</b>	<b>1,259</b>

**8 Other expenses**

Deferred appropriation payable to Consolidated Fund	-	132
External Audit fees *	8	9
Insurance premiums - QGIF	5	4
Services provided below fair value **	521	498
<b>Total</b>	<b>534</b>	<b>643</b>

\* Total audit fees to the Queensland Audit Office relating to the 2019-20 financial statements are estimated to be \$14,500 (2018-19: \$14,000). The balance of the fees for the 2019-20 audit is expected to be incurred and paid in 2020-21.

\*\* An equal amount is recognised as revenue and an expense for services received below fair value (refer Note 4).

**Accounting Policy - Services received/provided free of charge, below fair value or for nominal value**

Contributions of services are recognised only if the services would have been purchased if they had 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.

**Accounting Policy - Insurance**

The majority of the office's property and other insurable risks are insured through the Queensland Government Insurance Fund (QGIF) with premiums being paid on a risk assessment basis.

For litigation purposes, under the QGIF policy, the agency would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants.

**9 Receivables**

**Current**

Trade debtors	18	1
	<b>18</b>	<b>1</b>
GST receivable	9	35
	<b>9</b>	<b>35</b>
Annual leave reimbursements	8	28
Long service leave reimbursements	5	-
	<b>13</b>	<b>28</b>
<b>Total</b>	<b>40</b>	<b>64</b>

**Accounting Policy - Receivables**

Trade debtors are recognised at the amounts due at the time of sale or service delivery - the agreed purchase/contract price. The office's standard settlement terms is 30 days from the invoice date.

**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

**10 Plant and equipment**

***Plant & Equipment***

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Gross value	8	8
Less: Accumulated depreciation	(3)	(2)
Closing Balance	<u>5</u>	<u>6</u>

**Reconciliation**

Opening balance	6	7
Depreciation	(1)	(1)
Closing Balance	<u>5</u>	<u>6</u>

**Accounting Policy - Plant and equipment asset thresholds**

Items of plant and equipment with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items purchased or acquired for a lesser value are expensed in the year of acquisition.

**Accounting Policy - Depreciation of plant and equipment**

Plant and equipment is depreciated at a rate of 20% on a straight-line basis.

**11 Payables**

Trade creditors	27	231
Tax liabilities	4	4
<b>Total</b>	<u><b>31</b></u>	<u><b>235</b></u>

**Accounting Policy - Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount - agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms. From 25 March 2020, all payment terms were set to immediate for the remainder of the 2019-20 financial year.

**12 Accrued employee benefits**

Annual leave levy payable	87	52
Long service leave levy payable	17	13
Salaries and wages outstanding	7	48
<b>Total</b>	<u><b>111</b></u>	<u><b>113</b></u>

**Accounting Policy - Accrued employee benefits**

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability 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*.

**13 Related party transactions with other Queensland Government-controlled entities**

The office's primary sources of funding from Government to deliver services are from appropriation revenue and equity injections, both of which are provided in cash via Queensland Treasury.

The office has received below fair value services from the Public Safety Business Agency as disclosed in Notes 4 and 8.

The office has made payments to the Department of Housing and Public Works for lease expenditure and Queensland Shared Services for shared service provider expenses. Refer to Note 7.

**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

<b>14 Financial instruments</b>		<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>(a) Categorisation of financial instruments</b>			
The office has the following categories of financial assets and financial liabilities:			
<b>Financial assets</b>	<b>Note</b>		
Cash		1,580	1,528
Financial assets measured at amortised cost:			
Receivables	9	40	64
<b>Total</b>		<b>1,620</b>	<b>1,592</b>
<b>Financial liabilities</b>			
Financial liabilities measured at amortised cost:			
Payables	11	31	235
<b>Total</b>		<b>31</b>	<b>235</b>

**(b) Financial risk management**

The office's activities expose it to a minor degree of financial risk.

Financial risk management is implemented through the Public Safety Business Agency pursuant to Government and office policies. These policies seek to minimise potential adverse effects on the financial performance of the office and ensures the office has sufficient funds available to meet employee and supplier obligations as they fall due.

**Accounting Policy - Financial instruments**

*Recognition*

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

**15 Events occurring after balance date**

There were no events occurring after balance date that management considers would have a material impact on the information disclosed in these financial statements.

**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

**16 Budgetary reporting**

Statement of comprehensive income	Variance Note	Original budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
<b>Income from continuing operations</b>				
Appropriation revenue		4,260	4,346	86
Services received below fair value	16(a)	746	521	(225)
<b>Total revenue</b>		<b>5,006</b>	<b>4,867</b>	<b>(139)</b>
<b>Expenses from continuing operations</b>				
Employee expenses		3,014	3,061	47
Supplies and services	16(b)	1,224	1,012	(212)
Depreciation		-	1	1
Other expenses	16(a)	768	534	(234)
<b>Total expenses from continuing operations</b>		<b>5,006</b>	<b>4,608</b>	<b>(397)</b>
<b>Operating results for the year</b>		<b>-</b>	<b>259</b>	<b>259</b>

**Explanation of major variances**

16(a) The reduction in services received below fair value and other expenses is due to a review completed in 2018-19 of the cost model currently utilised by PSBA in assessing cost allocations per operational unit. The review outcomes resulted in re-aligned cost allocations for services provided to the office.

16(b) Supplies and Services were below budget due to reduced expenditure as a consequence of the COVID-19 pandemic, including reduced travel related expenditure due to travel restrictions, as well as tight fiscal monitoring of expenses by IGEM to avoid incurring non-critical expenditure.



**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
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**16 Budgetary reporting (continued)**

Statement of financial position	Variance Note	Original budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash	16(c)	1,377	1,580	203
Receivables		54	40	(14)
Prepayments		-	17	17
<b>Total current assets</b>		<b>1,431</b>	<b>1,637</b>	<b>206</b>
<b>Non-current assets</b>				
Plant and equipment		7	5	(2)
<b>Total non-current assets</b>		<b>7</b>	<b>5</b>	<b>(2)</b>
<b>Total assets</b>		<b>1,438</b>	<b>1,642</b>	<b>204</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables	16(d)	156	31	(125)
Accrued employee benefits		120	111	(9)
Other current liabilities		-	76	76
<b>Total current liabilities</b>		<b>276</b>	<b>218</b>	<b>(58)</b>
<b>Total liabilities</b>		<b>276</b>	<b>218</b>	<b>(58)</b>
<b>Net assets</b>		<b>1,162</b>	<b>1,424</b>	<b>262</b>
<b>Total equity</b>		<b>1,162</b>	<b>1,424</b>	<b>262</b>

**Explanation of major variances**

16(c) Cash variance relates to the underspend achieved by IGEM for 2019-20.

16(d) Payables variance relates to decreased expenditure associated with COVID-19 impacts, and the timely payment of invoices during 2019-20 in support of Government policy to expedite vendor payments.

**Office of the Inspector-General of Emergency Management**  
**Notes to the financial statements**  
**For the year ended 30 June 2020**

**16 Budgetary reporting (continued)**

Statement of cash flows	Variance Note	Original budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000
<b>Cash flows from operating activities</b>				
<i>Inflows:</i>				
Services appropriation receipts		4,260	4,290	30
User charges and fees		4	(17)	(21)
GST input tax credits from ATO		-	132	132
GST collected from customers		-	1	1
<i>Outflows:</i>				
Employee expenses		(3,014)	(3,048)	(34)
Supplies and services		(1,224)	(1,187)	37
GST paid to suppliers		-	(106)	(106)
GST remitted to ATO		-	(1)	(1)
Other		(26)	(13)	13
<b>Net cash provided by/(used in) operating activities</b>		<b>-</b>	<b>52</b>	<b>52</b>
Net increase/(decrease) in cash		-	52	52
Cash at beginning of financial year		1,377	1,528	151
<b>Cash at end of financial year</b>		<b>1,377</b>	<b>1,580</b>	<b>203</b>

Nil material variances.

**Office of the Inspector-General of Emergency Management**  
**Management Certificate for the year ended 30 June 2020**

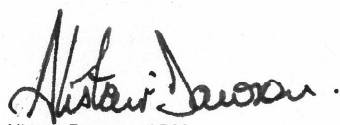
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**Management Certificate**

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

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

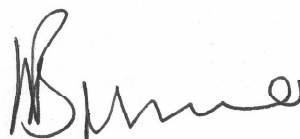
*The Inspector-General Emergency Management, as the Accountable Officer, acknowledges responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.*



Alistair Dawson APM

Accountable Officer  
Inspector-General of Emergency Management

Date 27 / 8 / 2020



Wayne Brummer  
B.Bus (Acctg), Grad Cert Prof Acctg  
MIPA, GAICD  
Chief Finance Officer

Date 27 / 8 / 2020

## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Office of the Inspector-General of Emergency Management

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the Office of the Inspector-General of Emergency Management

In my opinion, the financial report:

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

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

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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 department 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.

#### Responsibilities of the department for 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 department'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 department.
- Conclude on the appropriateness of the department'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 department'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 department 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 Accountable Officer 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 30 June 2020:

- 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.

##### **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 department's transactions and account balances to enable the preparation of a true and fair financial report.



John Welsh  
as delegate of the Auditor-General

28 August 2020

Queensland Audit Office  
Brisbane