

Appendix C: Audited financial statements

**Office of the
Queensland Ombudsman**

**Financial Statements
for the period ended 30 June 2021**

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Office of the Queensland Ombudsman
Statement of Comprehensive Income
 for the period ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Appropriation revenue	B1-1	8,397	8,628
User charges and fees	B1-2	321	417
Services received below fair value	B1-3	108	108
Other revenue		4	1
Total Income		8,830	9,154
Expenses			
Employee expenses	B2-1	6,822	7,163
Supplies and services	B2-2	1,694	1,686
Depreciation and amortisation	B2-3	180	171
Other expenses	B2-4	134	134
Total expenses		8,830	9,154
Operating result for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-

The accompanying notes form part of these financial statements.

Office of the Queensland Ombudsman
Statement of Financial Position

as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	C1	2,029	1,894
Receivables	C2	166	84
Prepayments		97	119
Total current assets		2,292	2,097
Non-current assets			
Property, plant and equipment	C3	129	231
Intangible assets	C4	17	50
Total non-current assets		146	281
Total assets		2,438	2,378
Current liabilities			
Payables	C5	698	549
Accrued employee benefits	C6	225	314
Total current liabilities		923	863
Total liabilities		923	863
Net assets		1,515	1,515
Equity			
Contributed equity		880	880
Accumulated surplus		635	635
Total equity		1,515	1,515

The accompanying notes form part of these financial statements.

Office of the Queensland Ombudsman
Statement of Changes in Equity

for the period ended 30 June 2021

	Accumulated surplus	Contributed equity	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2019	635	880	1,515
Operating result	-	-	-
Balance as at 30 June 2020	<u>635</u>	<u>880</u>	<u>1,515</u>
Operating result	-	-	-
Balance as at 30 June 2021	<u>635</u>	<u>880</u>	<u>1,515</u>

The accompanying notes form part of these financial statements.

Office of the Queensland Ombudsman
Statement of Cash Flows
for the period ended 30 June 2021

Note	2021	2020
	\$'000	\$'000
Cash flows from operating activities		
<i>Inflows:</i>		
Service appropriation receipts	8,574	9,005
User charges and fees	301	413
GST input tax credits from Australian Tax Office	194	191
GST collected from customers	34	36
Other	4	1
<i>Outflows:</i>		
Employee expenses	(6,984)	(7,085)
Supplies and services	(1,693)	(1,793)
GST paid to suppliers	(193)	(181)
GST remitted to Australian Taxation Office	(31)	(45)
Other	(26)	(26)
Net cash provided by operating activities	180	516
CF-1		
Cash flows from investing activities		
<i>Outflows:</i>		
Payments for plant and equipment and intangibles	(45)	-
Net cash (used in) investing activities	(45)	-
Net increase in cash and cash equivalents	135	516
Cash and cash equivalents - opening balance	1,894	1,378
Cash and cash equivalents - closing balance	2,029	1,894
C1		

The accompanying notes form part of these financial statements.

Notes to the Statement of Cash Flows

CF-1 Reconciliation of operating result to net cash provided by operating activities

	2021 \$'000	2020 \$'000
Operating (deficit)/surplus	-	-
<i>Non-cash items included in the operating result:</i>		
Depreciation and amortisation expense	180	171
<i>Change in assets and liabilities</i>		
(Increase)/decrease in receivables	(82)	128
(Increase)/decrease in prepayments	22	(70)
Increase/(decrease) in accounts payables	149	286
Increase/(decrease) in accrued employee benefits	(89)	1
Net cash provided by operating activities	180	516

Section 1 About the Office and this Financial Report

A1 Basis of Financial Statement Presentation

A1-1 General Information

The Queensland Ombudsman is an independent officer of the Parliament appointed by the Governor-in-Council. The Ombudsman's dual role is to investigate administrative actions of agencies and improve the quality of decision-making and administrative practice in agencies. The Ombudsman also has oversight responsibilities for public interest disclosures. The scope and powers of the Ombudsman are incorporated in the *Ombudsman Act 2001*.

For financial reporting purposes, the Office of the Queensland Ombudsman is a department in terms of the *Financial Accountability Act 2009* and is subsequently consolidated into the Financial Statements of the State of Queensland.

The head office and principal place of business is:

Level 18, 53 Albert Street
Brisbane QLD 4000

A1-2 Compliance with Prescribed Requirements

The Office of the Queensland Ombudsman has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2020.

The Office is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

A1-3 Presentation Details

Currency and Rounding

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

Comparatives

Comparative information reflects the audited 2019-20 audited financial statements.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Office 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.

A1-4 Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Queensland Ombudsman, Director, Corporate Services Unit and Chief Financial Officer at the date of signing the Management Certificate.

A1-5 Basis of Measurement

Historical cost is used as the measurement basis, unless otherwise stated. This means that assets are recorded at their initial cost and are not subsequently revalued and liabilities are valued at the amount initially received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

A1-6 The Reporting Entity

The financial statements include all income, expenses, assets, liabilities and equity of the Office of the Queensland Ombudsman. The Office does not control any entities.

A2 Objectives of the Office

The vision of the Office of the Queensland Ombudsman is "Fair and accountable public administration in Queensland". The responsibilities of the Office include:

- providing people with independent and effective review of the administrative actions and decisions of agencies
- helping agencies improve their decision-making and administrative practice
- monitoring and reviewing the management of public interest disclosures (PIDs) and providing education and advice about PIDs.

The Office is funded for the departmental services it delivers principally by parliamentary appropriations. It also provides training on a fee for service basis.

Section 2 Notes About Our Financial Performance

B1 Revenue

B1-1 Appropriation Revenue

Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in operating result	2021 \$'000	2020 \$'000
Budgeted appropriation revenue for services	8,574	8,935
Supplementary amounts:		
Unforeseen expenditure - enterprise bargaining	-	70
Total appropriation received (cash)	8,574	9,005
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	377	-
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(554)	(377)
Appropriation revenue recognised in statement of comprehensive income	8,397	8,628

In 2021 deferred appropriation payable predominantly resulted from unused appropriation from savings in employment costs.

In 2020 deferred appropriation payable predominantly resulted from deferrals of \$257,000 of expenditure on supplies and services and \$120,000 unused appropriation from savings in employment costs.

Accounting policy - Appropriation revenue

Appropriations received from the State Government are recognised as revenue when received.

B1-2 User Charges and Fees

Accounting policy - User charges and fees

Revenue from training courses conducted by the Office is recognised when the training course has been delivered, which is the sole performance obligation. Revenue received for training yet to be delivered at balance date is recognised as unearned revenue.

B1-3 Services Received Below Fair Value

Accounting policy - Services received below fair 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. The Office recognises the free of charge archival services it receives from Queensland State Archives for the storage of permanent records.

B2 Expenses

B2-1 Employee Expenses

	2021	2020
	\$'000	\$'000
Employee Benefits		
Wages and salaries	5,247	5,605
Annual leave levy/expense	524	563
Long service leave levy/expense	133	123
Employer superannuation contributions	706	736
Other employee benefits	53	23
Employee related expenses		
Workers' compensation premium	29	30
Other employee related expenses	130	83
Total	6,822	7,163
	2021	2020
	No.	No.
Full-time equivalent employees*	54	58

* FTE data as at 30 June 2021 (based upon the fortnight ending 2 July 2021).

Accounting policy - Wages and salaries

Salaries and wages due but unpaid at reporting date are recognised in the statement of financial position at the current salary rates. As the Office expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting policy - Sick leave

Prior history indicates that, on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Accounting policy - Annual leave

Under the Queensland Government's Annual Leave Central Scheme, a levy is made on the Office to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

Accounting policy - Long service leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the Office 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.

Accounting policy - 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. Contributions are expensed in the period in which they are paid or payable.

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. The Office's obligations are limited to those contributions paid.

Key management personnel and remuneration disclosures are detailed in Note F1.

B2-2 Supplies and Services

	2021	2020
	\$'000	\$'000
Accommodation	819	788
Computer support	201	235
Consultants and contractors	202	116
Payments to employment agencies	122	147
Telephones/communication	69	76
Office equipment	61	82
Office maintenance	55	48
Legal costs	52	9
Travel including education and engagement	19	71
General supplies and services	94	114
Total	1,694	1,686

Accounting policy – Supplies and services

Expenses are recognised in the Statement of Comprehensive Income in the period in which the Office receives the goods or services.

Accounting policy – Office accommodation

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Energy and Public Works, who has substantive substitution rights over the assets used within these schemes.

Payments are expensed as incurred and categorised within the office accommodation line item.

B2-3 Depreciation and Amortisation

	2021	2020
	\$'000	\$'000
Depreciation	147	138
Amortisation	33	33
Total	180	171

Refer to note C3-4 and note C4-3 for accounting policies relating to depreciation and amortisation respectively.

B2-4 Other Expenses

	2021	2020
	\$'000	\$'000
External audit fees	20	20
Sundry expenses	6	6
Storage services received free of charge from Queensland State Archives	108	108
Total	134	134

Disclosures relating to other expenses

Audit fees

Total external audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial year are \$20,000 (2020: \$20,000). There are no non-audit services included in this amount.

Storage services received free of charge from Queensland State Archives

The corresponding income recognised for the archival storage services provided by State Archives is shown in the statement of comprehensive income.

Section 3 Notes About Our Financial Position

C1 Cash and Cash Equivalents

Accounting policy - Cash and cash equivalents

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.

Office bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

C2 Receivables

	2021 \$'000	2020 \$'000
Trade debtors	22	7
GST receivable	22	23
GST payable	(4)	-
	18	23
Annual leave reimbursements	108	43
Long service leave reimbursements	18	11
	126	54
Total	166	84

Accounting policy - Receivables

Receivables are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase/contract price). Annual leave and long service leave reimbursements are claimed and recognised on a quarterly basis.

Disclosure - Credit risk

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any allowance for impairment.

Accounting policy – Impairment of receivables

An allowance for impairment may be reported to reflect the occurrence of loss events. No loss allowance is recorded for receivables from Queensland state or local government agencies, or Australian Government agencies on the basis of materiality.

There were no bad debts written off during the financial year, nor any receivables impaired.

C3 Property, Plant and Equipment and Depreciation Expense

C3-1 Closing Balances and Reconciliation of Carrying Amount

	2021 \$'000	2020 \$'000
Plant and equipment		
At cost	951	943
Less: Accumulated depreciation	(822)	(712)
Carrying amount as at 30 June	129	231
<i>Represented by movements in carrying amounts:</i>		
Carrying amount at 1 July	231	369
Acquisitions	45	-
Depreciation	(147)	(138)
Carrying amount at 30 June	129	231

C3-2 Recognition and Acquisition

Accounting policy – Recognition

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

Items with a lesser value are expensed in the year of acquisition. Maintenance expenditure that merely restores original service potential is also expensed.

Accounting policy – Cost of Acquisition

All assets are initially recorded at their purchase price plus any costs incurred that are directly attributable to bringing the asset to the location and condition necessary for it to be able to operate as intended.

C3-3 Measurement using Historical Cost

Accounting policy

Plant and equipment (that is not classified as major plant and equipment) is measured at cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment at cost is not materially different from their fair value. Consequently, the Office does not categorise its assets and liabilities within the levels described by AASB 13 *Fair Value Measurement*.

C3-4 Depreciation Expense

Accounting policy - Depreciation

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost of each asset, less any estimated residual value, progressively over its estimated useful life to the Office.

Key Judgement:

The depreciable amount of the office fit out costs is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the financial commitment, whichever is the shorter.

Key Estimate: For each class of depreciable asset the following depreciation rates are used:

Class	Useful Life
Plant and equipment:	
Computer and office equipment	3 - 5 years
Office fit out	6 years

Disclosure – Office Fit Out Depreciation

The Office fit out is being depreciated until the end of the accommodation financial commitment which expires in February 2022.

C3-5 Impairment

Accounting policy

All non-current physical assets are assessed for indicators of impairment on an annual basis, with any impairment loss recognised immediately in the statement of comprehensive income.

No impairment losses were recorded during the year.

C4 Intangibles and Amortisation Expense

C4-1 Closing Balances and Reconciliation of Carrying Amount

	2021 \$'000	2020 \$'000
Software purchased		
At cost	637	637
Less: Accumulated amortisation	(620)	(587)
Carrying amount at 30 June	17	50
<i>Represented by movements in carrying amount:</i>		
Carrying amount at 1 July	50	83
Amortisation	(33)	(33)
Carrying amount at 30 June	17	50

C4-2 Recognition and Measurement

Accounting policy

Intangible assets of the Office comprise purchased software including business systems.

Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred. There is no active market for any of the Office's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation.

C4-3 Amortisation expense

Accounting policy - Amortisation Expense

All intangible assets of the Office have finite useful lives and are amortised on a straight-line basis over their estimated useful lives to the Office.

Key estimate: For each class of intangible asset the following amortisation rates are used:

Intangible Asset	Useful Life
Software purchased	3 - 5 years

Other Disclosures

The Office has a complaints management system with an original cost of \$471,000, which has been fully amortised, but is still being used in the provision of services.

C4-4 Impairment

Accounting policy

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

No impairment losses were recorded during the year.

C5 Payables

	2021	2020
	\$'000	\$'000
Trade creditors	83	111
Unearned revenue	45	51
Deferred appropriation payable to Consolidated Revenue Fund	554	377
Other payables	16	10
Total	698	549

Accounting policy - Payables

Trade creditors are recognised upon receipt of the goods or services at the agreed purchase/contract price. Amounts owing are unsecured.

C6 Accrued Employee Benefits

	2021	2020
	\$'000	\$'000
Current		
Wages outstanding	27	143
Annual leave levy payable	165	139
Long service leave levy payable	33	32
Total	225	314

Accounting policy – Accrued employee benefits

No provision for annual leave or long service leave is recognised in the Office'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*.

Section 4

Notes About Risk and Other Accounting Uncertainties

D1 Financial Risk Disclosures

D1-1 Financial Instrument Categories

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. The Office has the following categories of financial assets and financial liabilities:

Category	Notes	2021 \$'000	2020 \$'000
Financial assets			
Cash and cash equivalents	C1	2,029	1,894
Receivables	C2	166	84
Total financial assets		2,195	1,978
Financial liabilities			
Payables	C5	698	549
Total financial liabilities		698	549

No financial assets and financial liabilities have been offset and presented net in the statement of financial position.

D1-2 Financial Risk Management

Risk Measurement and Management Strategies

Due to the nature of the Office's activities, exposure to credit risk, liquidity risk or market risk is considered immaterial. Financial risk management is implemented pursuant to Government and Office policy.

All payables are due within 12 months.

D2 Contingencies

Litigation in Progress

The Office was not engaged in any litigation at 30 June 2021.

Financial Guarantees

The Office was not committed to any guarantees or undertakings at 30 June 2021.

D3 Commitments

Accommodation

The Office has a financial commitment to the Department of Energy and Public Works for accommodation rental in respect of the Office's premises until February 2022. Amounts committed as at the reporting date are as follows:

	2021	2020
	\$'000	\$'000
Not later than one year	508	821
Later than one year and not later than five years	-	508
Total	508	1,329

D4 Events Occurring after the Reporting Date

The Office is unaware of any material events occurring after the reporting date which would affect these financial statements.

D5 Future Impact of Accounting Standards Not Yet Effective

The Office is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. The Office applies standards and interpretations in accordance with their respective effective dates.

At the date of authorisation of the financial report, there are no expected impacts of new or amended Australian Accounting Standards issued but with future effective dates.

Section 5 Notes On Our Performance Compared to Budget

E1 Budgetary Reporting Disclosures

This section contains explanations of major variances between the Office's actual 2020-21 financial results and the original budget presented to Parliament.

E2 Budget to Actual Comparison – Statement of Comprehensive Income

Statement of Comprehensive Income	Variance Notes	Original Budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Income				
Appropriation revenue	V1	8,951	8,397	(554)
User charges and fees	V2	481	321	(160)
Goods and services below fair value		-	108	108
Other revenue		35	4	(31)
Total income		9,467	8,830	(637)
Expenses				
Employee expenses	V3	7,704	6,822	882
Supplies and services	V4	1,518	1,694	(176)
Depreciation and amortisation		213	180	33
Other expenses		32	134	(102)
Total expenses		9,467	8,830	637
Operating result		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income		-	-	-

As the 2020-21 Service Delivery Statement does not include a budgeted balance sheet or budgeted statement of cash flows, no disclosure of budget to actual variances is required for those financial statements.

E2-1 Explanation of Major Variances – Statement of Comprehensive Income

- V1. The decrease in appropriation revenue reflects \$0.554 million in deferred appropriation repayable to Consolidated Revenue Fund in 2021-22.
- V2. The decrease in user charges and fees reflects the reduction in training courses due to the COVID-19 pandemic.
- V3. Employee expenses were lower due to unfilled vacancies during the COVID-19 pandemic.
- V4. The increase in supplies and services as compared to budget, includes additional computing equipment and software to support increased flexible working arrangements and payments for agency staff.

Section 6 Other Information

F1 Key Management Personnel (KMP) Disclosures

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Office during 2020-21 and 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
Ombudsman	Directs the overall efficient, effective and economical administration of the Office.
Deputy Ombudsman	Manages the Intake and Training Services Unit and the Investigation and Resolution Unit in meeting the Office's statutory functions efficiently and effectively.
Director, Corporate Services Unit	Manages the Corporate Services Unit which support the Office's statutory functions.

Remuneration Policies

Remuneration policy for the Office's key management personnel is set by the Governor-in-Council in accordance with the provisions of the *Ombudsman Act 2001*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts.

Remuneration expenses for key management personnel comprise the following components:

- short term employee expenses which include salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position
- long term employee benefits include amounts expensed in respect of long service leave earned
- post-employment benefits include amounts expensed in respect of employer superannuation obligations earned
- termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

KMP Remuneration Expense

The following disclosures focus on the expenses incurred by the Office that is attributable to key management positions during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

1 July 2020 - 30 June 2021

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Ombudsman (from 10/07/2020)	302	10	7	34	-	353
Ombudsman (to 09/07/2020)	10	-	2	2	9	23
Deputy Ombudsman	227	11	5	24	-	267
Director, Corporate Services Unit	134	-	3	18	-	155

1 July 2019 - 30 June 2020

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Ombudsman	317	-	8	39	-	364
Deputy Ombudsman	215	-	6	23	-	244
Director, Corporate Services Unit	124	-	3	16	-	143

Performance Payments

No KMP remuneration packages provide for performance or bonus payments.

F2 Related Party Transactions

Transactions with people or entities related to KMP

There were no material transactions with people or entities related to KMP.

Transactions with other Queensland Government agencies

The Office's primary ongoing sources of funding are appropriation revenue and equity injections, both of which are provided in cash via Queensland Treasury, and from the delivery of training courses to Government agencies on ordinary commercial terms.

The Office sources its accommodation requirements via commercial arrangements with the Department of Energy and Public Works (refer note B2-2 and D3) and receives free of charge archival storage services from Queensland State Archives (refer note B2-4). The Office receives corporate services support in relation to payroll and financial systems from the Queensland Parliamentary Services on a cost recovery basis.

F3 Taxation

The Office is exempt from Commonwealth taxation under the *Income Tax Assessment Act 1936* with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Office.

GST credits receivable from, and GST payable to, the Australian Taxation Office are recognised (refer note C2).

F4 Climate Risk Disclosure

The Office has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

F5 Impact of COVID-19

The Office's revenue from training courses was 33% less than budget. This follows suspension of most face-to-face training and a transition to online training delivery, in response to public safety concerns associated with the COVID-19 pandemic.

The Office continued to provide its complaints management services throughout the year.

Management Certificate

These general purpose financial statements have been prepared pursuant to section 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 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; 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 Queensland Ombudsman for the period ended 30 June 2021 and of the financial position of the Office at the end of that period; and

The Queensland Ombudsman, as the Accountable Officer of the Office of the Queensland Ombudsman, 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.



L. M. Robertson
Director,
Corporate Services Unit



A. J. Reilly
Queensland Ombudsman



G. E. Rawlings FCPA
Chief Financial Officer

10 August 2021

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Office of the Queensland Ombudsman

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Office of the Queensland Ombudsman.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2021, 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 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

I am independent of the 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 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

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

The Accountable Officer is also responsible for assessing the department'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 department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

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

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

Prescribed requirements scope

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



Paul Christensen
as delegate of the Auditor-General

12 August 2021

Queensland Audit Office
Brisbane

Your ref:
Our ref: Paul Christensen 3149 6097

SENSITIVE

12 August 2021

Mr A Reilly
Queensland Ombudsman
Ombudsman's Office
Level 18, 53 Albert Street
BRISBANE QLD 4000

Dear Mr Reilly

Final Management Report for the Office of the Queensland Ombudsman

We have completed our 2021 financial audit for the Office of the Queensland Ombudsman. I issued an unmodified audit opinion on your financial statements.

We presented our closing report to the Audit Committee on 10 August 2021. We have not identified significant issues that we wish to communicate to you since that date.

Report to parliament

Each year we report the results of all financial audits and significant issues to Parliament.

This year we intend to include the results of our audit of the Office of the Queensland Ombudsman in our report to parliament *State Entities 2021*. In this report we will comment on the results of our audit of your financial report, any significant internal control issues we identified, and the overall results of the sector, including major transactions and events.

We confirm that there are no significant matters for the Office of the Queensland Ombudsman to be included in a report to Parliament. If this changes we will update you as soon as possible.

Audit fee

The final audit fee for this year is \$20,000 exclusive of GST (2020: \$20,000). This fee is the same as estimated in our external audit plan.

We would like to thank you and your staff for their engagement in the audit this year and look forward to working with your team again next year.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6097 or Cedric Ting, Audit Manager on 3149 6056.

Yours sincerely



Paul Christensen
Senior Director