

OUR FINANCIAL PERFORMANCE

Managing our budget

We ended the year in a secure financial position with adequate reserves to fulfil our responsibilities in 2019-20. Our grant appropriation for 2019-20 included a reprioritisation contribution of \$96,000. We were provided with additional grant funding following the September 2019 announcement of an additional \$1,250 one-off taxable, pro-rata payment as part of the Public Sector Wages Policy.

Expenses

Most of our funding appropriation was spent on employee-related expenses such as salaries, superannuation entitlement, long-service leave and payroll tax. Our financial statements show this year, we spent \$5.855 million or 76.49 percent of our total expenses on employee related items.

Our day-to-day running expenses cost \$1.776 million. Significant operating items related to our corporate service charges (\$311k, office accommodation (\$336k, computer related costs such as software licencing (\$258k, and contractors and consultants (\$630k.

Our overall expenditure (\$7.657 million is a 15 percent increase in expenditure on the previous reporting period (\$6.608 million. This increase in expenditure is due to:

- a \$535k underspend in expenses in 2018-2019
- an approved deficit in 2019-20 for ICT transition project expenditure to access cash reserves
- additional employee expenses, including an extra pay fortnight, and backpay, following the ratification of our new Certified Agreement
- one-off pro-rata payments (up to \$1,250 per employee) as per the State Wage Case decision announced in September 2019

- expected additional supplies and services costs relating to transitioning our ICT systems and services in December 2019.

Consultants and contractors

In 2019-20 we spent \$630,284 on contractors and consultants. The expenditure was planned and predominantly related to:

- implementing the recommendations from our ICT review and upgrade of our ICT systems and software
- transitioning our ICT systems from Queensland Parliamentary Services (QPS) to Datacom
- investigating options to improve enterprise information management security and record-keeping practices
- updating our e-learning management tool to reflect contemporary technical requirements
- engaging a specialist trainer to deliver training about managing high conflict behaviour to our staff, and RTI and Privacy practitioners
- hiring staff via recruitment agencies to assist with short-term activities.

Assets

At 30 June 2020, assets totalled \$2.283 million which comprised:

- cash at bank \$2.125 million
- plant and equipment \$0.010 million
- receivables and other current assets \$0.148 million.

Liabilities

As at 30 June 2020, our liabilities totalled \$0.335 million which included:

- \$0.184 million in payables
- \$0.151 million in accrued employee benefits.

The financial statements that follow provide an overview of our financial activities during 2019-20. The Queensland Audit Office reviewed these statements, our supporting documentation and our systems and processes. We received an unqualified audit report.

Financial outlook

Figure 22. Five-year comparison of revenue versus expenses (\$'000)

	2015-16	2016-17	2017-18	2018-19	2019-20
Appropriation	6 300	6 372	6 429	7 130	7 249
Other revenue	83	64	57	59	42
Employee expenses	5 125	5 215	5 467	5 426	5 855
Supplies and services	1 374	1 415	1 431	1 158	1 776
Depreciation and amortisation	112	109	49	4	4
Other expenses	19	21	23	20	22
Surplus (Deficit)	(247)	(324)	(484)	581	(366)

Financials (Audit Office)

A more detailed view of our financial performance is provided in the Office of the Information Commissioner Queensland Financial Statements for the financial year ended 30 June 2020.

The audited financial statements are available at page 38.

Accountable and transparent

In line with the Queensland Government's commitment to improve financial management in the public sector, we continued to review our internal accounting practices as well as the quality of information we provided to Queensland Treasury.

We worked with our corporate service provider to streamline our reporting processes and continued to improve the accuracy of our reporting.

We continued to provide information to the Queensland Audit Office as requested and discussed ways to improve our financial management practices.

This year, we continued to update our Finance Management Practice Manual to reflect changes in business processes, accounting and reporting requirements.

Office of the Information Commissioner Financial Statements

for the year ended 30 June 2020

**Office of the Information Commissioner
Financial Statements
for the year ended 30 June 2020**

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Office of the Information Commissioner
Statement of Comprehensive Income
for the year ended 30 June 2020

		2020	2020	Budget	2019
	Notes	Actual	Original	Variance *	Actual
		\$000	Budget	\$000	\$000
Income from Continuing Operations					
Grants from Queensland Government through Department of Justice and Attorney General	3.	7,249	7,222	27	7,130
Interest		42	12	30	59
Total Income from Continuing Operations		7,291	7,234	57	7,189
Expenses from Continuing Operations					
Employee expenses	4.	5,855	5,747	108	5,426
Supplies and services	7.	1,776	1,463	313	1,158
Depreciation		4	4	0	4
Other expenses	8.	22	20	2	20
Total Expenses from Continuing Operations		7,657	7,234	423	6,608
Operating Result from Continuing Operations		(366)	-	(366)	581
Total Comprehensive Income		(366)	-	(366)	581

The accompanying notes form part of these financial statements.

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

Office of the Information Commissioner
Statement of Financial Position
as at 30 June 2020

		2020	2020	Budget	2019
	Notes	Actual	Original	Variance *	Actual
		\$000	Budget	\$000	\$000
Current Assets					
Cash and cash equivalents	9.	2,125	2,080	45	2,525
Receivables		77	100	(23)	120
Prepayments		71	1	70	4
Total Current Assets		2,273	2,181	92	2,649
Non-Current Assets					
Plant and equipment		10	10	(0)	14
Total Non-Current Assets		10	10	(0)	14
Total Assets		2,283	2,191	92	2,663
Current Liabilities					
Payables	10.	184	233	(49)	121
Accrued employee benefits	11.	151	223	(72)	227
Total Current Liabilities		335	456	(121)	348
Non-Current Liabilities					
Accrued Rent Payable	14.	-	110	(110)	109
Total Non-Current Liabilities		-	110	(110)	109
Total Liabilities		335	566	(231)	457
Net Assets		1,948	1,625	323	2,205
Equity					
Accumulated surplus		1,948	1,625	323	2,205
Total Equity		1,948	1,625	323	2,205

The accompanying notes form part of these financial statements.

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

Office of the Information Commissioner
Statement of Changes in Equity
for the year ended 30 June 2020

	Accumulated Surplus \$000
Balance as at 1 July 2018	1,624
Operating result from continuing operations	581
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Balance as at 30 June 2019	2,205
Net effect of changes in accounting policies	109
	<hr/>
Balance as at 1 July 2019	2,314
Operating result from continuing operations	(366)
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Balance as at 30 June 2020	1,948
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The accompanying notes form part of these financial statements.

Office of the Information Commissioner

Statement of Cash Flows

for the year ended 30 June 2020

		2020	2020		2019
	Notes	Actual	Original Budget	Budget Variance *	Actual
		\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Inflows:</i>					
Grants and other contributions		7,249	7,222	27	7,130
GST collected from customers		1	-	1	2
GST input tax credits from ATO		177	-	177	134
Interest		42	12	30	59
<i>Outflows:</i>					
Employee expenses		(5,872)	(5,747)	(125)	(5,449)
Supplies and services		(1,781)	(1,463)	(318)	(1,269)
GST paid to suppliers		(193)	-	(193)	(132)
GST remitted to ATO		(1)	-	(1)	(2)
Other		(22)	(20)	(2)	(20)
Net cash provided by / (used in) operating activities		(399)	4	(403)	453
Net increase/(decrease) in cash and cash equivalents		(399)	4	(403)	453
Cash and cash equivalents - opening balance		2,525	2,076	449	2,072
Cash and cash equivalents - closing balance	9.	2,125	2,080	46	2,525

The accompanying notes form part of these financial statements.

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

Office of the Information Commissioner

Notes to the Statement of Cash Flows

for the year ended 30 June 2020

Reconciliation of operating result to net cash provided by operating activities

	2020	2019
	\$000	\$000
Operating Surplus/(deficit)	(366)	581
Non-cash items:		
Depreciation expense	4	4
Changes in assets and liabilities:		
(Increase)/decrease in GST receivable	(15)	2
(Increase)/decrease in other receivables	59	(22)
(Increase)/decrease in other current assets	(67)	(3)
Decrease/(increase) in payables	63	(108)
Decrease in accrued employee benefits	(76)	(1)
Net cash provided by / (used in) operating activities	(399)	453

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

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Office of the Information Commissioner

Notes to the Financial Statements

for the year ended 30 June 2020

1. Basis of Financial Statement Preparation

1.1 General Information

The Office of the Information Commissioner (the Office) was established under the repealed *Freedom of Information Act 1992* and continues under the *Right to Information Act 2009*.

The budget for the Office must be approved by the Attorney-General and Minister for Justice, as Minister responsible for the *Right to Information Act 2009*.

The head office and principal place of business of the Office is Level 7, 133 Mary Street, BRISBANE QLD 4000.

For information in relation to the Office's financial statements, please email administration@oic.qld.gov.au or visit the Office internet site www.oic.qld.gov.au.

1.2 Compliance with Prescribed Requirements

The Office has prepared these financial statements in compliance with section 39 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 2019.

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 Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 16.

1.3 Presentation

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 2018-19 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.

1.4 Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Information Commissioner and the Director, Engagement and Corporate Services at the date of signing the Management Certificate.

1.5 Basis of Measurement

Historical cost is used as the measurement basis in this financial report unless specified otherwise.

Office of the Information Commissioner

Notes to the Financial Statements

for the year ended 30 June 2020

1. Basis of Financial Statement Preparation (cont'd)

1.5 Basis of Measurement (cont'd)

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds 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.

1.6 The Reporting Entity

The financial statements include all income, expenses, assets, liabilities and equity of the Office. The Office has no controlled entities.

2. Office Objectives

The vision of the Office of the Information Commissioner is for an informed Queensland that values and respects information rights and responsibilities.

The Office of the Information Commissioner has 5 objectives:

1. An independent, timely and fair review of decisions made under the *Right to Information Act 2009* and *Information Privacy Act 2009*;
2. An independent and timely privacy complaint mediation service;
3. Assist agencies to achieve compliance with the privacy principles;
4. Improve agencies' practices in right to information and information privacy; and
5. Promote greater awareness of right to information and information privacy in the community and within government.

The Office is a statutory body for the *Financial Accountability Act 2009*. The role of the Office is to perform the statutory functions set out in the *Right to Information Act 2009* (RTI Act) and *Information Privacy Act 2009* (IP Act), which include:

- External review of agency decisions on information access applications;
- Reviewing and reporting on agencies' performance under the RTI Act and IP Act, including personal information handling practices;
- Mediating privacy complaints and making decisions on applications of waiver of the privacy principles;
- Providing support and assistance to the community and agencies about the operation of the RTI Act and the IP Act, including an Enquiries Service;
- Promoting awareness of Right to Information and Privacy issues; and
- Commenting on legislation and administrative changes to improve practice.

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

	2020	2019
	\$000	\$000
3. Grants and Contributions		
Grants from Queensland Government through Department of Justice and Attorney General	7,249	7,130
Total	7,249	7,130

Accounting Policy - Grants and Contributions

Income is received from Queensland Government through Department of Justice and Attorney General at the start of each quarter (July, October, January and April) and is recognised as Income in the month it is received.

Grants, contributions and donations are non-reciprocal transactions where the office does not directly give approximately equal value to the grantor.

The grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding.

4. Employee Expenses

Employee benefits

Salaries & wages	4,321	4,066
Annual leave levy	449	414
Employer superannuation contributions	569	548
Long service leave levy	104	84
Other employee benefits	7	11

Employee related expenses

Payroll tax	253	240
Workers' compensation premium	18	19
Other employee related expenses	134	44

Total	5,855	5,426
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	No.	No.
Full-Time Equivalent Employees	40.23	43.3

Accounting Policy - Wages and Salaries

Wages and salaries 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.

Wages and salaries includes \$38,413 of \$1,250, pro-rata payments for 30.73 full-time equivalent employees (announced in September 2019). Figures also show an increase resulting from the timing of pay run dates as they align to the financial year.

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.

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

4. Employee Expenses (cont'd)

Accounting Policy - Annual Leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this 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.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant 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.

Accounting Policy - Workers' Compensation Premiums

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. It is not employee benefits and is recognised separately as employee related expenses.

5. Key Management Personnel (KMP) Disclosures

The following details for KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the Office during 2019-20 and 2018-19. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Information Commissioner	The Information Commissioner role is to deliver an independent, timely and fair review of decisions made under the <i>Right to Information Act 2009</i> and <i>Information Privacy Act 2009</i> : an independent timely and fair privacy complaint mediation service; improve agencies' practices to right to information and information privacy; promote greater awareness of right to information and information privacy in the community and within Government; and assist agencies to achieve compliance with the privacy principles.
Right to Information Commissioner	The RTI Commissioner's role is that of a deputy to the Information Commissioner, with particular responsibility for matters relating to the Information Commissioner's functions under the <i>Right to Information Act 2009</i> .

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

5. Key Management Personnel (KMP) Disclosures (cont'd)

Position	Position Responsibility
Privacy Commissioner	The Privacy Commissioner's role is that of a deputy to the Information Commissioner, with particular responsibility for matters relating to the Information Commissioner's functions under the <i>Information Privacy Act 2009</i> .
Director, Engagement and Corporate Services	To implement and monitor effective systems and processes to support organisational objectives and raise awareness of information access and privacy rights, including designing and implementing strategic and governance priorities for the Office. Financial, Human Resources, Information and Assistance and Training and Stakeholder Relations delegations as determined by the Information Commissioner.

KMP Remuneration Policies

The remuneration and terms of employment for statutory office holders in key executive management positions are set by Governor in Council and are equivalent to those set by the Queensland Public Service Commission.

Remuneration policy for the Office's key management personnel in non-statutory office holder positions is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*.

Remuneration of key executive management personnel remained unchanged for the 2019-20 year.

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 occupied a KMP position; and
- non-monetary benefits - consisting of provision of car parking together with fringe benefits tax applicable to the benefit.

Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits 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.

Performance Payments

OIC does not pay any performance payments or bonuses.

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

5. Key Management Personnel (KMP) Disclosures (cont'd)

Remuneration Expenses

The following disclosures focus on the expenses incurred by the Office attributable to KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

Although remuneration for KMPs remained unchanged between 2018-19 and 2019-20 year, figures show an increase which is a result of pay run dates as they align to the financial year, and impact of the Information Commissioner acting arrangements across 2018-19 and 2019-20.

2019-20

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000				
Information Commissioner	242	5	6	27	-	279
RTI Commissioner	200	5	4	15	-	224
Privacy Commissioner	183	5	4	20	-	212
Director, Engagement & Corporate Services	150	-	3	19	-	172
Total Remuneration	775	14	18	80	-	887

2018-19

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000				
Information Commissioner	231	7	5	26	-	269
RTI Commissioner	170	7	4	15	-	196
Privacy Commissioner	182	7	4	19	-	212
A/Director, Engagement & Corporate Services (01/07/2018 - 18/01/2019)	84	1	1	9	-	95
A/Director, Engagement & Corporate Services (30/01/2019 - 30/06/2019)	52	-	1	5	-	58
Director, Engagement & Corporate Services (29/04/2019 - 30/06/2019)	19	-	1	3	-	23
Total Remuneration	738	22	16	77	-	853

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

6. Related Party Transactions

Transactions with other Queensland Government-controlled entities

The Office received Grant Funding from the Department of Justice and Attorney General (\$7,249K).

The Office received corporate services from the Corporate Administration Agency and IT support services from Queensland Parliamentary Services (\$88K) and CITEC (\$3K). (Refer Note 7).

The Office has an agreement with Department of Housing and Public Works for the provision of office accommodation (\$336K). (Refer Note 7).

The Office received ICT Project Support from the Department of Housing and Public Works (\$237K). (Refer Note 7).

All transactions with other Queensland Government-controlled entities were at arms length.

	2020	2019
	\$000	\$000
7. Supplies and Services		
Contractor and consultants	630	146
Corporate service charges	311	324
Lease expenses	336	318
Minor equipment and office maintenance	33	25
Communications and utilities	46	45
Computer related charges	258	170
Other	162	130
Total	1,776	1,158

Accounting policy – Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the Office must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant.

Contractor and Consultant

Contractor and Consultants includes services provided by Queensland Government-controlled entity (Department of Housing and Public Works) for ICT project support.

Following our migration to a new Information Communication Technology Solution, we invested further funds into Contractor and Consultants to address Cybersecurity and Information Management requirements.

Corporate service charges

Corporate service charges includes services provided by Queensland Government-controlled entities (Corporate Administration Agency, Queensland Parliamentary Services, and CITEC) as well as Corporate service charges incurred through IT support service provider Datacom.

Lease expenses

Lease expenses include lease rentals for leases of low value assets and lease rentals for non-specialised commercial office accommodation with the Department of Housing and Public Works (DHPW). Refer to Note 16 for other lease disclosures.

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

	2020 \$000	2019 \$000
8. Other Expenses		
Queensland Audit Office - external audit fees for the audit of the financial statements ⁽¹⁾	18	17
Insurance - QGIF	4	3
Total	22	20

(1) Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are \$17,800 (2019: \$17,400).

There are no non-audit services included in this amount.

9. Cash and Cash Equivalents

Cash at bank	2,125	2,525
Total	2,125	2,525

Accounting Policy - Cash

For the purpose 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.

10. Payables

Trade creditors	-	2
Corporate card	11	13
Payroll tax	25	25
Other	148	81
Total	184	121

Accounting Policy - Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured.

11. Accrued Employee Benefits

Current

Salary and wages outstanding	-	81
Long service leave levy payable	29	25
Annual leave levy payable	122	106
Other	-	15
Total	151	227

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*.

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

12. Contingencies

There are no legal or any other contingencies that are known to the Office at 30 June 2020.

13. Financial Risk Disclosures

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 carrying amounts of receivables and payables, which represent the value of the original transactions less any allowance for impairment, are consistent with the fair values of these balances. The Office has the following categories of financial assets and financial liabilities:

Category	Note	2020 \$'000	2019 \$'000
Financial assets			
Cash and cash equivalents	9.	2,125	2,525
Financial assets at amortised costs:			
Receivables		76	120
		2,201	2,645
Financial liabilities			
Financial liabilities at amortised cost - comprising:			
Payables	10.	184	121
		184	121

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The Office's activities may expose it to a variety of financial risks. However, any risk is considered to have a minimal effect on the Office.

14. Accrued Rent Payable

Accrued Rent Payable	-	109
	-	109

Accounting Policy - Accrued Rent Payable

Pursuant to the transitional policies in AASB 16 Leases and guidance under the Queensland Treasury's Financial Reporting Requirements for Queensland Government Agencies, on July 2019, all straight-lining assets and liabilities and lease incentives relating to office accommodation with the Department of Housing and Public Works (DHPW) are no longer categorised as leases and must be derecognised against the opening accumulated surplus. As the Office has an existing office accommodation leasing under the Queensland Government Accommodation Office (QGAO) program, the associated lease incentive has been derecognised in the 2019-20 year.

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

15. Future Impact of Accounting Standards Not Yet Effective

AASB 1059 Service Concession Arrangements: Grantors

The Office has reviewed the impact of AASB 1059 and concludes that it will not have any material impact on the Office's financial statements in 2020-21.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Office's activities or have no material impact on the Office.

16. First Year Application of New Accounting Standards or Change in Accounting Policy

Accounting standards applied for the first time

Three new accounting standards with material impact were applied for the first time in 2019-20:

- *AASB 15 Revenue from Contracts with Customers*
- *AASB 1058 Income of Not-for-Profit Entities*
- *AASB 16 Leases*

The effect of adopting these new standards are detailed in this note. No other accounting standards or interpretations that apply to the Officer for the first time in 2019-20 have any material impact on the financial statements.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2019-20.

16.1 AASB 15 Revenue from Contracts with Customers

The Office has considered the impact of applying AASB 15 *Revenue from Contracts with Customers* and determined that there is no material impact on the Office.

16.2 AASB 1058 Income of Not-for-Profit Entities

The Office applied AASB 1058 *Income of Not-for-Profit Entities* for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 1058 are described below.

AASB 1058 applies to transactions where the Office acquires an asset for significantly less than fair value principally to enable the Office to further its objective.

The Office applied the modified retrospective transition method and has not restated comparative information for 2018-19. They continue to be reported under relevant standards applicable in 2018-19, such as AASB 1004.

The Office receives Government grants through the Department of Justice and Attorney General. Revenue recognition for these grants will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the Office gains control of the asset (e.g. cash or receivable).

Office of the Information Commissioner

Notes to the Financial Statements

for the year ended 30 June 2020

16. First Year Application of New Accounting Standards or Change in Accounting Policy (cont'd)

Accounting standards applied for the first time (cont'd)

16.3 AASB 16 Leases

The Office applied AASB 16 Leases for the first time in 2019-20. The Office applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 Leases and related interpretations.

The nature and effect of changes resulting from the adoption of AASB 16 are described below.

1. Definition of a lease

AASB 16 introduced new guidance on the definition of a lease.

For leases and lease-like arrangements existing at 30 June 2019, the Office elected to apply the practical expedient to grandfather the previous assessments made under AASB 117 and Interpretation 4 Determining whether an Arrangement contains a Lease about whether those contracts contained leases. However, arrangements were reassessed under AASB 16 where no formal assessment had been done in the past or where lease agreements were modified on 1 July 2019.

Amendments to former operating leases for office accommodation

In 2018-19, the Office held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised commercial office accommodation through the Queensland Government Accommodation Office (QGAO) program.

Effective 1 July 2019, the framework agreements that govern QGAO were amended with the result that these arrangements would not meet the definition of a lease under AASB 16 and therefore are exempt from lease accounting.

From 2019-20 onward, the costs for these services are expensed as supplies and services expenses when incurred. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy.

2. Changes to lessee accounting

Previously, the Office classified its leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to ownership of the asset to the lessee.

This distinction between operating and finance leases no longer exist for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets.

17. Events after the Balance Date

There were no significant events occurring after the balance date.

18. 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). FBT and GST are the only taxes accounted for by the Office. GST credits receivable from, and GST payable to the Australian Taxation Office (ATO), are recognised in the Statement of Financial Position.

19. 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.

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

Office of the Information Commissioner

Notes to the Financial Statements

for the year ended 30 June 2020

20. Budgetary Reporting Disclosures

This section contains explanations of major variances between the Office's actual 2019-20 financial results and the original budget presented to Parliament.

20.1 Explanation of major variances - Statement of Comprehensive Income

Grants from Queensland Government: An additional grant was provided following the September 2019 announcement of an additional \$1,250 one-off taxable, pro-rata payment as part of the Government's Public Sector Wages Policy.

Interest revenue: The Office's budget is for interest earned against expected grant funding received during the year (\$12K). Actual interest earned also includes interest earned on retained funding from previous years (\$42K).

Employee expenses: Actual costs (\$5,855K) were \$108K over budget. A new Office of the Information Commissioner Certified Agreement was ratified on 4 September 2019, and resulted in a 2.5% increase backdated to 01 November 2018 and a second 2.5% increase from 01 November 2019 for Administrative Officer level staff. Employee expenses also includes a one-off pro-rata payments (up to \$1250 per employee) as per the State Wage Case decision announced in September 2019. Employee expenses also show an increase resulting from the timing of pay run dates as they align to the financial year.

Other factors contributing to the overspend included a substantial investment in professional development in 2019-20. Costs included those associated with an extensive professional development program to support our Career Growth strategy, and consistent with the recommendations of the independent Strategic Review of the Office and Working for Queensland results from both 2018 and 2019. The program was rolled out throughout 2019/20 and continues through to 2020/2021. The Office's additional investment in professional development in 2019-20 also addressed the significant increase in unreasonable behaviour from applicants, complainants and enquirers, and to build on our family and domestic violence awareness training in response to recommendations from the CCC Operation Impala Report.

Supplies and Services: On 25 June 2019 the Attorney-General gave approval for the Office to access \$375K of cash reserves to enable the migration to a new Information Communication Technology Solution. This additional expected expenditure was not included in the Office's original budget. Actual supplies and services costs (\$1,771K) is \$311K more than originally budgeted, which in turn is \$65k less than the Attorney-General approved access to cash reserves. The supplies and services underspend is due to changes in services affected by COVID-19, for example less face-to-face workshops and promotional events, less travel costs, and amended audit priorities.

Office of the Information Commissioner
Notes to the Financial Statements
for the year ended 30 June 2020

20. Budgetary Reporting Disclosures (cont'd)

20.2 Explanation of major variances - Statement of Cash Flows

Grants from Queensland Government: An additional grant was provided following the September 2019 announcement of an additional \$1,250 one-off taxable, pro-rata payment as part of the Government's Public Sector Wages Policy.

Interest revenue: The Office's budget is for interest earned against expected grant funding received during the year (\$12K). Actual interest earned also includes interest earned on retained funding from previous years (\$42K).

Employee expenses: Actual costs (\$5,855K) were \$108K over budget. A new Office of the Information Commissioner Certified Agreement was ratified on 4 September 2019, and resulted in a 2.5% increase backdated to 01 November 2018 and a second 2.5% increase from 01 November 2019 for Administrative Officer level staff. Employee expenses also includes a one-off pro-rata payments (up to \$1250 per employee) as per the State Wage Case decision announced in September 2019. Employee expenses also show an increase resulting from the timing of pay run dates as they align to the financial year.

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**Office of the Information Commissioner
Management Certificate for the year ended 30 June 2020**

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with 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 Office of the Information Commissioner for the financial year ended 30 June 2020 and of the financial position of the entity at the end of that year; and

We acknowledge responsibility under section 7 and section 11 of the *Financial 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.



Rachael Rangihaeata
Information Commissioner



Adeline Yuksel
Director, Engagement and Corporate Services

Date: 24/08/2020

Date: 24/08/2020

INDEPENDENT AUDITOR'S REPORT

To the Commissioner of the Office of the Information Commissioner

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Office of the Information Commissioner.

In my opinion, the financial report:

- a) gives a true and fair view of the entity'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 Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Information 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 2019 and Australian Accounting Standards, and for such internal control as the Information 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 Information 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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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

Prescribed requirements scope

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



Melissa Fletcher
as delegate of the Auditor-General

26 August 2020

Queensland Audit Office
Brisbane