

## Financial statements

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## Statement of comprehensive income

**Queensland Police Service**  
**Statement of comprehensive income**  
**for the year ended 30 June 2017**

|   | Notes | 2017<br>\$'000   | 2016<br>\$'000   |
|---|-------|------------------|------------------|
| <b>Income from continuing operations</b>  |       |                  |                  |
| Appropriation revenue   | 4     | 1,855,348        | 1,716,658        |
| User charges and fees   | 5     | 85,052           | 32,485           |
| Grants and other contributions  | 6     | 257,870          | 358,218          |
| Other revenue   |       | 5,315            | 4,548            |
| <b>Total revenue</b>  |       | <b>2,203,585</b> | <b>2,111,909</b> |
| Gains on disposal/remeasurement of assets   |       | 13               | 20               |
| <b>Total income from continuing operations</b>                                      |       | <b>2,203,598</b> | <b>2,111,929</b> |
| <b>Expenses from continuing operations</b>  |       |                  |                  |
| Employee expenses   | 7     | 1,671,809        | 1,529,730        |
| Supplies and services   | 10    | 246,606          | 185,911          |
| Grants and subsidies  |       | 6,742            | 5,862            |
| Depreciation and amortisation   | 13,14 | 13,194           | 13,404           |
| Impairment losses   |       | 1,243            | 452              |
| Other expenses  | 11    | 262,802          | 375,423          |
| <b>Total expenses from continuing operations</b>                                    |       | <b>2,202,396</b> | <b>2,110,783</b> |
| <b>Operating result from continuing operations</b>                                  |       | <b>1,202</b>     | <b>1,146</b>     |
| <b>Other comprehensive income not reclassified subsequently to operating result</b> |       |                  |                  |
| Increase/(decrease) in asset revaluation surplus                                    |       | 312              | 221              |
| <b>Total other comprehensive income</b>   |       | <b>312</b>       | <b>221</b>       |
| <b>Total comprehensive income</b>   |       | <b>1,514</b>     | <b>1,367</b>     |

*The accompanying notes form part of these statements.*

## Statement of financial position as at 30 June 2017

**Queensland Police Service**  
**Statement of financial position**  
**as at 30 June 2017**

|                                  | Notes | 2017<br>\$'000 | 2016<br>\$'000 |
|----------------------------------|-------|----------------|----------------|
| <b>Assets</b>                    |       |                |                |
| <b>Current assets</b>            |       |                |                |
| Cash and cash equivalents        |       | 102,077        | 95,242         |
| Receivables                      | 12    | 72,172         | 63,683         |
| Inventories                      |       | 3,864          | 5,466          |
| Prepayments                      |       | 6,582          | 3,029          |
| <b>Total current assets</b>      |       | <b>184,695</b> | <b>167,419</b> |
| <b>Non-current assets</b>        |       |                |                |
| Intangible assets                | 13    | 25,177         | 20,089         |
| Property, plant and equipment    | 14    | 49,602         | 40,866         |
| <b>Total non-current assets</b>  |       | <b>74,779</b>  | <b>60,955</b>  |
| <b>Total assets</b>              |       | <b>259,474</b> | <b>228,374</b> |
| <b>Liabilities</b>               |       |                |                |
| <b>Current liabilities</b>       |       |                |                |
| Payables                         | 15    | 47,393         | 28,436         |
| Accrued employee benefits        | 16    | 86,269         | 69,082         |
| Other current liabilities        | 17    | 16,192         | 30,537         |
| <b>Total current liabilities</b> |       | <b>149,854</b> | <b>128,055</b> |
| <b>Total liabilities</b>         |       | <b>149,854</b> | <b>128,055</b> |
| <b>Net assets</b>                |       | <b>109,621</b> | <b>100,319</b> |
| <b>Equity</b>                    |       |                |                |
| Contributed equity               |       | 137            | -              |
| Accumulated surplus              |       | 108,568        | 99,717         |
| Asset revaluation surplus        |       | 914            | 602            |
| <b>Total equity</b>              |       | <b>109,621</b> | <b>100,319</b> |

*The accompanying notes form part of these statements.*

## Statement of changes in equity for the year ended 30 June 2017

**Queensland Police Service  
Statement of changes in equity  
for the year ended 30 June 2017**

|   | Notes | 2017<br>\$'000        | 2016<br>\$'000        |
|---|-------|-----------------------|-----------------------|
| <b>Contributed equity</b>                                 |       |                       |                       |
| Transactions with owners as owners:                       |       |                       |                       |
| Appropriated equity adjustment                            | 4     | 2,912                 | (8,800)               |
| Net transfers in/(out) via machinery-of-government change |       | 4,875                 | 1,150                 |
| Transfers between classes                                 |       | (7,650)               | 7,650                 |
| Closing balance   |       | <u>137</u>            | <u>-</u>              |
| <b>Accumulated surplus/(deficit)</b>                      |       |                       |                       |
| Opening balance   |       | 99,717                | 106,221               |
| Operating result  |       | 1,202                 | 1,146                 |
| Transactions with owners as owners:                       |       |                       |                       |
| Transfers between classes                                 |       | 7,650                 | (7,650)               |
| Closing balance   |       | <u>108,568</u>        | <u>99,717</u>         |
| <b>Asset revaluation surplus</b>                          |       |                       |                       |
| Opening balance   |       | 602                   | 381                   |
| Increase/(decrease) in asset revaluation surplus          |       | 312                   | 221                   |
| Closing balance *   |       | <u>914</u>            | <u>602</u>            |
| <b>Total equity</b>                                       |       | <u><b>109,621</b></u> | <u><b>100,319</b></u> |

\* Comprises Major plant and equipment \$0.914m (2016: \$0.602m)

*The accompanying notes form part of these statements.*



## Statement of cash flows for the year ended 30 June 2017

**Queensland Police Service**  
**Statement of cash flows**  
**for the year ended 30 June 2017**

|  | <b>2017</b>     | <b>2016</b>     |
|--|-----------------|-----------------|
|  | <b>\$'000</b>   | <b>\$'000</b>   |
| <b>Cash flows from operating activities</b>                |                 |                 |
| <i>Inflows:</i>  |                 |                 |
| Service appropriation receipts                             | 1,854,643       | 1,720,976       |
| User charges and fees                                      | 80,329          | 27,151          |
| Grants and other contributions                             | 12,815          | 8,867           |
| GST input tax credits from ATO                             | 26,997          | 27,653          |
| GST collected from customers                               | 8,986           | 5,742           |
| Other  | 5,962           | 3,888           |
| <i>Outflows:</i>   |                 |                 |
| Employee expenses  | (1,658,067)     | (1,528,606)     |
| Supplies and services                                      | (241,052)       | (162,718)       |
| Grants and subsidies                                       | (6,742)         | (5,862)         |
| GST paid to suppliers                                      | (28,451)        | (26,898)        |
| GST remitted to ATO  | (8,981)         | (5,742)         |
| Other  | (18,150)        | (26,593)        |
| <b>Net cash provided by/(used in) operating activities</b> | <b>28,287</b>   | <b>37,858</b>   |
| <b>Cash flows from investing activities</b>                |                 |                 |
| <i>Outflows:</i>   |                 |                 |
| Payments for property, plant and equipment                 | (13,766)        | (9,251)         |
| Payments for intangibles                                   | (9,555)         | (1,148)         |
| <b>Net cash provided by/(used in) investing activities</b> | <b>(23,322)</b> | <b>(10,399)</b> |
| <b>Cash flows from financing activities</b>                |                 |                 |
| <i>Inflows:</i>  |                 |                 |
| Equity injections  | 1,940           | (9,041)         |
| <i>Outflows:</i>   |                 |                 |
| Equity withdrawals   | (71)            | (1,859)         |
| <b>Net cash provided by/(used in) financing activities</b> | <b>1,869</b>    | <b>(10,900)</b> |
| Net increase/(decrease) in cash                            | 6,835           | 16,559          |
| Cash at beginning of financial year                        | 95,242          | 78,682          |
| <b>Cash at end of financial year</b>                       | <b>102,077</b>  | <b>95,242</b>   |

## Notes to the statement of cash flows

### Queensland Police Service Notes to the statement of cash flows

|   | 2017<br>\$'000 | 2016<br>\$'000 |
|---|----------------|----------------|
| <b>Reconciliation of operating result to net cash from operating activities</b> |                |                |
| <b>Operating result</b>   | 1,202          | 1,146          |
| <b>Non-cash items included in operating result:</b>                             |                |                |
| Depreciation and amortisation   | 13,194         | 13,405         |
| Donations   | (259)          | (520)          |
| Net gain/loss on sale of property, plant and equipment                          | 162            | (20)           |
| Impairment losses   | 215            | 452            |
| <b>Change in assets and liabilities:</b>  |                |                |
| Increase/(decrease) in accrued employee benefits                                | 17,187         | 998            |
| (Increase)/decrease in annual leave reimbursement receivable                    | (2,267)        | (87)           |
| (Increase)/decrease in appropriation revenue receivable                         | -              | 4,318          |
| Increase/(decrease) in GST payable  | (9)            | -              |
| (Increase)/decrease in GST input tax credits receivable                         | (1,449)        | 755            |
| (Increase)/decrease in inventories  | 1,602          | (929)          |
| (Increase)/decrease in long service leave reimbursement receivable              | (1,179)        | 213            |
| (Increase)/decrease in other receivables  | 648            | (660)          |
| (Increase)/decrease in other current assets                                     | (3,553)        | 2,467          |
| Increase/(decrease) in payables   | 21,150         | (2,739)        |
| (Increase)/decrease in trade receivables  | (4,448)        | (6,423)        |
| Increase/(decrease) in unearned revenue   | (702)          | -              |
| Increase/(decrease) in other current liabilities                                | (13,214)       | 25,483         |
| <b>Net cash from operating activities</b>                                       | <b>28,287</b>  | <b>37,858</b>  |

#### Accounting Policy - Cash and cash equivalents

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

The department has authorisation to operate in overdraft with a specified limit in accordance with the *Financial Accountability Act 2009*. The approved overdraft limit is \$70m.

## Statement of comprehensive income by major departmental services

**Queensland Police Service**  
**Statement of comprehensive income by major departmental services**  
**for the year ended 30 June 2017**

|   | Crime and public order |                  | Road safety    |                | Total            |                  |
|---|------------------------|------------------|----------------|----------------|------------------|------------------|
|   | 2017<br>\$'000         | 2016<br>\$'000   | 2017<br>\$'000 | 2016<br>\$'000 | 2017<br>\$'000   | 2016<br>\$'000   |
| <b>Income from continuing operations</b>  |                        |                  |                |                |                  |                  |
| Appropriation revenue   | 1,508,333              | 1,395,583        | 347,015        | 321,075        | 1,855,348        | 1,716,658        |
| User charges and fees   | 69,145                 | 26,409           | 15,908         | 6,076          | 85,052           | 32,485           |
| Grants and other contributions  | 209,639                | 291,218          | 48,231         | 66,999         | 257,870          | 358,218          |
| Other revenue   | 4,321                  | 3,697            | 994            | 851            | 5,315            | 4,548            |
| <b>Total revenue</b>  | <b>1,791,438</b>       | <b>1,716,908</b> | <b>412,148</b> | <b>395,001</b> | <b>2,203,585</b> | <b>2,111,909</b> |
| Gain on sale/remeasurement of assets  | 11                     | 16               | 2              | 4              | 13               | 20               |
| <b>Total income from continuing operations</b>                                      | <b>1,791,448</b>       | <b>1,716,924</b> | <b>412,150</b> | <b>395,005</b> | <b>2,203,598</b> | <b>2,111,929</b> |
| <b>Expenses from continuing operations</b>  |                        |                  |                |                |                  |                  |
| Employee expenses   | 1,359,122              | 1,243,617        | 312,687        | 286,113        | 1,671,809        | 1,529,730        |
| Supplies and services   | 200,482                | 151,139          | 46,124         | 34,772         | 246,606          | 185,911          |
| Grants and subsidies  | 5,481                  | 4,766            | 1,261          | 1,096          | 6,742            | 5,862            |
| Depreciation and amortisation   | 10,726                 | 10,897           | 2,468          | 2,507          | 13,194           | 13,404           |
| Impairment losses   | 1,011                  | 367              | 233            | 85             | 1,243            | 452              |
| Other expenses  | 213,649                | 305,206          | 49,153         | 70,217         | 262,802          | 375,423          |
| <b>Total expenses from continuing operations</b>                                    | <b>1,790,471</b>       | <b>1,715,992</b> | <b>411,925</b> | <b>394,790</b> | <b>2,202,396</b> | <b>2,110,783</b> |
| <b>Operating result for the year</b>  | <b>977</b>             | <b>932</b>       | <b>225</b>     | <b>214</b>     | <b>1,202</b>     | <b>1,146</b>     |
| <b>Other comprehensive income not reclassified subsequently to operating result</b> |                        |                  |                |                |                  |                  |
| Increase/(decrease) in asset revaluation surplus                                    | 254                    | 180              | 58             | 41             | 312              | 221              |
| <b>Total other comprehensive income</b>   | <b>254</b>             | <b>180</b>       | <b>58</b>      | <b>41</b>      | <b>312</b>       | <b>221</b>       |
| <b>Total comprehensive income</b>   | <b>1,231</b>           | <b>1,111</b>     | <b>284</b>     | <b>256</b>     | <b>1,514</b>     | <b>1,367</b>     |

The department has systems in place to allocate income and expenses by departmental service. Crime and public order includes service standards related to personal safety, property security and public order and safety. Road safety includes service standards related to traffic policing.

**Accounting Policy - Allocation of revenues and expenses from ordinary activities to corporate services**

The department discloses income and expenses attributable to service delivery support in the Statement of comprehensive income by major departmental services.

Direct expenses are fully allocated to the relevant major departmental service. However indirect expenses are reported as service delivery support allocated to major departmental services based on the results of a state-wide activity survey. Income is distributed based on the allocation of expenses.

The expenses attributable to service delivery support includes information and technology costs, property and transport related operating and maintenance costs, PSBA costs incurred below fair value, Queensland Shared Services charges and other support costs.

## Statement of assets and liabilities by major departmental services

**Queensland Police Service**  
**Statement of assets and liabilities by major departmental services**  
**as at 30 June 2017**

|                                  | Crime and public order |                | Road safety    |                | Total          |                |
|----------------------------------|------------------------|----------------|----------------|----------------|----------------|----------------|
|                                  | 2017<br>\$'000         | 2016<br>\$'000 | 2017<br>\$'000 | 2016<br>\$'000 | 2017<br>\$'000 | 2016<br>\$'000 |
| <b>Assets</b>                    |                        |                |                |                |                |                |
| <b>Current assets</b>            |                        |                |                |                |                |                |
| Cash and Cash equivalents        | 82,985                 | 77,428         | 19,092         | 17,814         | 102,077        | 95,242         |
| Receivables                      | 58,673                 | 51,772         | 13,499         | 11,911         | 72,172         | 63,683         |
| Inventories                      | 3,141                  | 4,444          | 723            | 1,022          | 3,864          | 5,466          |
| Prepayments                      | 5,351                  | 2,462          | 1,231          | 566            | 6,582          | 3,029          |
| <b>Total current assets</b>      | <b>150,151</b>         | <b>136,106</b> | <b>34,545</b>  | <b>31,313</b>  | <b>184,695</b> | <b>167,419</b> |
| <b>Non-current assets</b>        |                        |                |                |                |                |                |
| Intangible assets                | 20,468                 | 16,332         | 4,709          | 3,757          | 25,177         | 20,089         |
| Property, plant and equipment    | 40,324                 | 33,223         | 9,277          | 7,643          | 49,602         | 40,866         |
| <b>Total non-current assets</b>  | <b>60,792</b>          | <b>49,554</b>  | <b>13,986</b>  | <b>11,401</b>  | <b>74,779</b>  | <b>60,955</b>  |
| <b>Total assets</b>              | <b>210,943</b>         | <b>185,660</b> | <b>48,531</b>  | <b>42,714</b>  | <b>259,474</b> | <b>228,374</b> |
| <b>Liabilities</b>               |                        |                |                |                |                |                |
| <b>Current liabilities</b>       |                        |                |                |                |                |                |
| Payables                         | 38,529                 | 23,118         | 8,864          | 5,319          | 47,393         | 28,436         |
| Accrued employee benefits        | 70,134                 | 56,161         | 16,135         | 12,921         | 86,269         | 69,082         |
| Other current liabilities        | 13,163                 | 24,825         | 3,028          | 5,711          | 16,192         | 30,537         |
| <b>Total current liabilities</b> | <b>121,826</b>         | <b>104,104</b> | <b>28,028</b>  | <b>23,951</b>  | <b>149,854</b> | <b>128,055</b> |
| <b>Total liabilities</b>         | <b>121,826</b>         | <b>104,104</b> | <b>28,028</b>  | <b>23,951</b>  | <b>149,854</b> | <b>128,055</b> |

The department has systems in place to allocate income and expenses by departmental service. Crime and public order includes service standards related to personal safety, property security and public order and safety. Road safety includes service standards related to traffic policing.

# Notes to and forming part of the financial statements 2016-17

## Queensland Police Service Notes to and forming part of the financial statements 2016-17

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### 1 Basis of financial statement preparation

#### (a) General Information

The Queensland Police Service (QPS) is a Queensland Government department established under the *Public Service Act 2008*. The department was first established by the *Police Act of 1863*.

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

#### (b) Statement of compliance

The department has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

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 Minimum Reporting Requirements for the year beginning 1 July 2016 and other authoritative pronouncements.

#### (c) Taxation

The department 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 the following financial statement notes:

- Valuation of property, plant and equipment - Note 14
- Depreciation - Note 14
- Services received below fair value - Notes 6 and 11

#### (f) 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.

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

The department did not voluntarily change any of its accounting policies during 2016-17. As at the date of authorisation of the financial report, the following accounting standards and interpretations have future commencement dates. The impact of these on the financial statements is currently being assessed.

*AASB 15 Revenue for Contracts with Customers*, effective 1 January 2018.

*AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*, effective 1 January 2018.

*AASB 16 Leases*, effective 1 January 2019.

*AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB107*, effective 1 July 2017.

#### (h) Accounting standards applied for the first time

The only Australian Accounting Standard applicable to the department that became effective for the first time in 2016-17 is *AASB 124 Related Party Disclosures* (Note 9 and 18).



## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 2 Objectives and principal activities of the department

The role of the QPS is to preserve peace and good order, protect and support the community, prevent and detect crime, uphold the law, administer the law fairly and efficiently, bring offenders to justice and help those in need of assistance. To deliver this, the QPS is committed to its vision of the community working with Queensland police to stop crime and make Queensland safer.

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

##### *Crime and Public Order*

- protect personal safety and prevent and detect related offences including homicide, assault, sexual assault and robbery
- protect property and prevent and detect related offences including unlawful entry, other property damage, motor vehicle theft and other theft
- maintain public order and safety including during major events and natural disasters and address public space enjoyment, street and nuisance offences, liquor licensing issues and environmental design to reduce crime including alcohol fuelled violence.

##### *Road Safety*

Road safety services enforce traffic law and reduce road trauma including through the prevention and detection of speeding, red light offences, driving while distracted, driving under the influence of alcohol or drugs, driving while fatigued and not wearing seatbelts.

The department is funded for the departmental services it delivers principally by parliamentary appropriations. The department also cost recovers on a fee for service basis for special services including:

- heavy vehicle road escorts
- traffic control at road works
- additional policing services at large sporting, entertainment and public events.

#### 3 Machinery of Government changes

In accordance with the recommendations of the Public Safety Business Agency (PSBA) Review and subsequent PSBA Board of Management decisions various functions were transferred from the PSBA to the QPS.

##### **Transfers In 1 - Controlled Activities**

Details of Transfer: Evidence Management, Ministerial & Executive Services, Media Services, Strategy Unit, Workforce Engagement, Training & Development, Frontline Integration and IT operations within PSBA transferred to the QPS.

Basis of Transfer: Public Service Departmental Arrangements Notice (No.2) 2016

Date of Transfer: Effective from 1 July 2016.

The assets and liabilities transferred as a result of this change were as follows:

|                             | \$'000       |
|-----------------------------|--------------|
| <b>Assets</b>               |              |
| Property, plant & equipment | 1,926        |
| Intangibles                 | 4,639        |
|                             | <u>6,565</u> |
| <b>Net assets</b>           | <u>6,565</u> |

The increase in assets of \$6.565m has been accounted for as an increase in contributed equity as disclosed in the Statement of changes in equity.

Budgeted appropriation revenue of \$66.836m (controlled) was reallocated from the PSBA to the QPS as part of the machinery-of-Government changes.

##### **Transfers In 2 - Controlled Activities**

Details of Transfer: State Government Security within PSBA transferred to the QPS.

Basis of Transfer: Public Service Departmental Arrangements Notice (No.2) 2016

Date of Transfer: Effective from 1 July 2016.

No assets and liabilities transferred as a result of this change.

Budgeted appropriation revenue of \$1.534m (controlled) was reallocated from the QPS to the PSBA as part of the machinery-of-Government changes.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

|   | 2017<br>\$'000   | 2016<br>\$'000   |
|---|------------------|------------------|
| <b>4 Appropriation revenue</b>  |                  |                  |
| <b>Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in Statement of comprehensive income</b> |                  |                  |
| Budgeted appropriation revenue  | 1,783,627        | 1,710,729        |
| Transfers from/(to) other departments   | 60,810           | -                |
| Unforeseen expenditure  | -                | 10,247           |
| Lapsed appropriation revenue  | (10,388)         | -                |
| <b>Total appropriation receipts (cash)</b>  | <b>1,834,049</b> | <b>1,720,976</b> |
| Less: Opening balance of appropriation revenue receivable   | -                | (4,318)          |
| Less: Closing balance of deferred appropriation payable to Consolidated Fund  | (13,247)         | (21,299)         |
| Plus: Opening balance of deferred appropriation payable to Consolidated Fund  | 21,299           | -                |
| <b>Net appropriation revenue</b>  | <b>1,842,101</b> | <b>1,695,359</b> |
| Plus: Deferred appropriation refundable to Consolidated Fund (expense)  | 13,247           | 21,299           |
| <b>Appropriation revenue recognised in Statement of comprehensive income</b>  | <b>1,855,348</b> | <b>1,716,658</b> |
| <b>Reconciliation of payments from Consolidated Fund to equity adjustment recognised in contributed equity</b>                    |                  |                  |
| Budgeted equity adjustment appropriation  | 19,903           | 17,289           |
| Lapsed equity adjustment  | (19,184)         | (28,189)         |
| <b>Equity adjustment receipts (payments)</b>  | <b>719</b>       | <b>(10,900)</b>  |
| Plus: Opening balance of equity adjustment payable  | 2,218            | 4,318            |
| Less: Closing balance of equity adjustment payable  | (25)             | (2,218)          |
| <b>Equity adjustment recognised in contributed equity</b>   | <b>2,912</b>     | <b>(8,800)</b>   |

#### Accounting Policy - Appropriation revenue

Appropriations provided under the *Appropriations Act* 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.

### 5 User charges and fees

|                         |               |               |
|-------------------------|---------------|---------------|
| Special services        | 30,042        | 19,886        |
| Incident reporting      | 1,185         | 1,128         |
| Criminal history checks | 11,463        | 11,472        |
| Security services       | 42,363        | -             |
| Total                   | <b>85,052</b> | <b>32,485</b> |

#### Accounting Policy - User charges and fees

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty.

### 6 Grants and other contributions

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Grants and contributions             | 12,814         | 8,793          |
| Services received below fair value * | 245,056        | 349,425        |
| Total                                | <b>257,870</b> | <b>358,218</b> |

\* 2016-17 includes \$217.751m (2015-16: \$317.605m) of services received below fair value representing costs for services incurred by the PSBA provided to the QPS. The amount is calculated using a cost attribution model, that attributes the costs of services provided by the PSBA to its partner agencies. The services provided include asset management, human resource management, financial management and information and communication management. The cost of services provided at below fair value are materially represented at fair value of the service.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 6 Grants and other contributions (continued)

##### Accounting Policy - Grants and contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements as it is earned.

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.

##### Accounting Policy - Services received 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 in the statement of comprehensive income.

The functions of the department responsible for providing a number of corporate service functions were transferred to the PSBA on 1 July 2014. The department has continued to receive these services at below fair value from the PSBA since that date.

#### 7 Employee expenses

##### Employee benefits

|                                       | 2017<br>\$'000 | 2016<br>\$'000 |
|---------------------------------------|----------------|----------------|
| Wages and salaries                    | 1,250,507      | 1,143,328      |
| Employer superannuation contributions | 192,745        | 177,738        |
| Long service leave levy               | 29,195         | 26,472         |
| Annual leave levy                     | 158,816        | 144,599        |
| Other employee benefits               | 10,183         | 6,791          |

##### Employee related expenses

|                               |                  |                  |
|-------------------------------|------------------|------------------|
| Workers' compensation premium | 30,363           | 30,802           |
| Total                         | <u>1,671,809</u> | <u>1,529,730</u> |

##### Full-Time equivalent employees (number)

|        |        |
|--------|--------|
| 14,980 | 14,302 |
|--------|--------|

##### 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.

###### *Annual leave and long service leave*

The department is a member of the Queensland Government's Annual Leave Central Scheme (ALCS). A levy is payable to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. Amounts paid to employees for annual leave and long service leave are claimed from the scheme quarterly in arrears.

###### *Superannuation*

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

The QSuper scheme has defined benefits and defined contribution categories. 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*. Amounts payable to superannuation funds are recognised in the Statement of Financial Position.

###### *Workers' compensation premium*

The department 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.



## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 8 Key Management Personnel (KMP) disclosures

##### (a) Details of Key Management Personnel

As from 2016-17, the department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the *Minister for Police, Fire and Emergency Services and Minister for Corrective Services*.

The non-Ministerial KMP personnel, being the members of the QPS Board of Management are those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2016-17. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

There were two external members appointed to the QPS Board of Management commencing 1 July 2016 (one external member was appointed commencing 5 June 2014). For 2016-17 the independent external members received \$9,000 (2015-16: \$2,420) in remuneration. There were no other on-costs.

##### (b) Remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department 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 is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment for the KMP are specified in employment contracts.

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 KMP; and
  - non-monetary benefits - may include provision of a motor vehicle and fringe benefits tax applicable to benefits.
- Long term employee benefits include amounts expensed in respect of long service leave entitlements earned.
- Post employment benefits include amounts expensed in respect of employer superannuation obligations.

#### 8 Key Management Personnel (KMP) disclosures (continued)

##### (c) Remuneration expenses

1 July 2016 – 30 June 2017

| Position   | • Contract classification<br>• Appointment authority<br>• Date appointed to position<br>• Date exited from position | Short Term        | Long Term           | Post                | Total    |
|--|---|-------------------|---------------------|---------------------|----------|
|  |   | Employee Expenses | Employment Expenses | Employment Expenses | Expenses |
|  |   | \$'000            | \$'000              | \$'000              | \$'000   |
| Commissioner   | CEO Contract (CEO)<br><i>Police Service Administration Act 1990</i><br>Appointed 01/11/2012                         | 503               | 10                  | 62                  | 575      |
| Deputy Commissioner (Strategy, Policy & Performance) | SES 4 Equivalent<br><i>Police Service Administration Act 1990</i><br>Appointed 01/07/2013                           | 267               | 6                   | 44                  | 317      |
| Deputy Commissioner (Specialist Operations)          | SES 4 Equivalent<br><i>Police Service Administration Act 1990</i><br>Appointed 01/07/2013                           | 281               | 6                   | 44                  | 331      |
| Deputy Commissioner (Regional Operations)            | SES 4 Equivalent<br><i>Police Service Administration Act 1990</i><br>Appointed 01/08/2016                           | 245               | 5                   | 34                  | 284      |

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 8 Key Management Personnel (KMP) disclosures (continued)

##### (c) Remuneration expenses (continued)

1 July 2015 – 30 June 2016

| Position   | <ul style="list-style-type: none"> <li>• Contract classification</li> <li>• Appointment authority</li> <li>• Date appointed to position</li> <li>• Date exited from position</li> </ul> | Short Term        | Long Term           | Post                | Total    |
|--|---|-------------------|---------------------|---------------------|----------|
|  |   | Employee Expenses | Employment Expenses | Employment Expenses | Expenses |
|  |   | \$'000            | \$'000              | \$'000              | \$'000   |
| Commissioner   | CEO Contract (CEO)<br><i>Police Service Administration Act 1990</i><br>Appointed 01/11/2012   | 494               | 10                  | 52                  | 556      |
| Deputy Commissioner (Strategy, Policy & Performance) | SES 4 Equivalent<br><i>Police Service Administration Act 1990</i><br>Appointed 01/07/2013   | 257               | 5                   | 37                  | 299      |
| Deputy Commissioner (Specialist Operations)          | SES 4 Equivalent<br><i>Police Service Administration Act 1990</i><br>Appointed 01/07/2013   | 257               | 5                   | 37                  | 299      |
| Deputy Commissioner (Specialist Operations) - Acting | Higher Duties SES 4 Equivalent<br><i>Police Service Administration Act 1990</i><br>22/04/2016 - 12/06/2016  | 28                | -                   | 5                   | 33       |
| Deputy Commissioner (Regional Operations) *          | <i>Police Service Administration Act 1990</i><br>Appointed 01/01/2010<br>Transferred to Queensland Racing Integrity Commission<br>30/04/2016  | 251               | 4                   | 31                  | 286      |
| Deputy Commissioner (Regional Operations) - Acting   | Higher Duties SES 4 Equivalent<br><i>Police Service Administration Act 1990</i><br>07/05/2016 - 17/06/2016  | 43                | -                   | 4                   | 47       |

\* The incumbent to this position was relieving at Queensland Racing Integrity Commission for the period 29 February 2016 to 29 April 2016. Relieving arrangements were established for this position during this time and after the transfer, and were still in place at 30 June 2016.

#### 9 Related party transactions with people/entities related to KMP

There were no material related party transactions associated with the department's KMP during 2016-17.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service Notes to and forming part of the financial statements 2016-17 (continued)

|                                    | 2017<br>\$'000 | 2016<br>\$'000 |
|------------------------------------|----------------|----------------|
| <b>10 Supplies and services</b>    |                |                |
| Contractors                        | 22,937         | 4,655          |
| Materials                          | 47,319         | 37,640         |
| Repairs and maintenance            | 38,400         | 34,746         |
| Transfer costs                     | 6,677          | 780            |
| Travel                             | 17,261         | 13,631         |
| Communications                     | 24,030         | 10,917         |
| Accommodation and public utilities | 19,162         | 16,615         |
| Minor Equipment Purchases          | 8,388          | 8,847          |
| Operating lease rentals            | 22,486         | 22,575         |
| Crimtrac search fees               | 7,651          | 7,747          |
| Aircraft Hire                      | 4,998          | 4,682          |
| Outsourced works                   | 7,752          | 2,348          |
| Other                              | 19,544         | 20,728         |
| Total                              | <u>246,606</u> | <u>185,911</u> |

#### Accounting Policy - Operating lease rentals

Operating lease payments are representative of the pattern of benefits derived for the leased assets and are expensed in the periods in which they are incurred. Material incentives received on entering into an operating lease are recognised as liabilities.

#### **11 Other expenses**

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Audit fees *                          | 268            | 338            |
| Insurance premiums-QGIF               | 4,412          | 4,769          |
| Insurance premiums-other              | 73             | 89             |
| Services received below fair value ** | 244,803        | 348,929        |
| Departmental services appropriation   | 13,247         | 21,299         |
| Total                                 | <u>262,802</u> | <u>375,423</u> |

\* Total audit fees paid to the Queensland Audit Office relating to the 2016-17 financial statements are estimated to be \$295,000 (2015-16: \$299,300). The balance of the audit fees for the 2016-17 audit is expected to be incurred and paid in 2017-18.

\*\* Included in the 2016-17 Services received below fair value figure is \$217.751m (2015-16: \$317.605m) representing PSBA services provided to the QPS. (Refer Note 6)

#### Accounting Policy - Insurance

The majority of the department's non-current physical assets and other 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, the department would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants. This includes any cases that existed as at 1 July 2001, and any cases that have arisen since that date. The department privately insures its Air-wing pilots.

In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

#### Accounting Policy - Services received 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.

The functions of the department responsible for providing corporate services were transferred to the PSBA on 1 July 2014. Education and training services were transferred back to the department from the PSBA as at 1 July 2016.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

|                                     | 2017<br>\$'000       | 2016<br>\$'000       |
|-------------------------------------|----------------------|----------------------|
| <b>12 Receivables</b>               |                      |                      |
| <b>Current</b>                      |                      |                      |
| Trade debtors                       | 24,311               | 19,863               |
| Less: Allowance for impairment loss | (1,329)              | (1,115)              |
|                                     | <u>22,982</u>        | <u>18,748</u>        |
| GST receivable                      | 3,137                | 1,688                |
| GST payable                         | -                    | (9)                  |
|                                     | <u>3,137</u>         | <u>1,679</u>         |
| Annual leave reimbursements         | 39,318               | 37,051               |
| Long service leave reimbursements   | 6,013                | 4,834                |
| Loans and advances                  | 60                   | 38                   |
| Other                               | 662                  | 1,332                |
|                                     | <u>46,053</u>        | <u>43,255</u>        |
| <b>Total</b>                        | <b><u>72,172</u></b> | <b><u>63,683</u></b> |

#### Accounting Policy - Receivables

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

Other receivables generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values.

#### Accounting Policy - Impairment of receivables

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department according to the due date (normally terms of 30 days). Economic changes impacting the department's debtors and relevant industry data also form part of the department's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the department determines that an amount owing by such a debtor does become uncollectible (after an appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written-off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt expense and written-off directly against receivables.

### 13 Intangible assets

|   | Software<br>purchased | Software<br>internally<br>generated | Software<br>work in<br>progress | Total                |
|---|-----------------------|-------------------------------------|---------------------------------|----------------------|
|   | 2017<br>\$'000        | 2017<br>\$'000                      | 2017<br>\$'000                  | 2017<br>\$'000       |
| Gross value                                 | 1,568                 | 42,509                              | 6,120                           | 50,197               |
| Less: Accumulated amortisation              | (1,244)               | (23,776)                            | -                               | (25,020)             |
|   | <u>324</u>            | <u>18,733</u>                       | <u>6,120</u>                    | <u>25,177</u>        |
| <b>Reconciliation</b>                       |                       |                                     |                                 |                      |
| Opening balance                             | 237                   | 19,427                              | 425                             | 20,089               |
| Acquisitions                                | 137                   | 827                                 | 4,657                           | 5,621                |
| Transfers in from other Government agencies | -                     | 2,224                               | 2,415                           | 4,639                |
| Transfers out to other Government agencies  | -                     | (706)                               | -                               | (706)                |
| Transfers between classes                   | -                     | 1,378                               | (1,378)                         | -                    |
| Amortisation                                | (50)                  | (4,417)                             | -                               | (4,467)              |
| <b>Closing balance</b>                      | <b><u>324</u></b>     | <b><u>18,733</u></b>                | <b><u>6,120</u></b>             | <b><u>25,177</u></b> |



## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service Notes to and forming part of the financial statements 2016-17 (continued)

#### 13 Intangible assets (continued)

|                                | Software<br>purchased | Software<br>internally<br>generated | Software<br>work in<br>progress | Total          |
|--------------------------------|-----------------------|-------------------------------------|---------------------------------|----------------|
|                                | 2016<br>\$'000        | 2016<br>\$'000                      | 2016<br>\$'000                  | 2016<br>\$'000 |
| Gross value                    | 1,431                 | 38,993                              | 425                             | 40,848         |
| Less: Accumulated amortisation | (1,194)               | (19,565)                            | -                               | (20,759)       |
|                                | <u>237</u>            | <u>19,427</u>                       | <u>425</u>                      | <u>20,089</u>  |
| <b>Reconciliation</b>          |                       |                                     |                                 |                |
| Opening balance                | 247                   | 23,680                              | -                               | 23,927         |
| Acquisitions                   | 239                   | 484                                 | 425                             | 1,148          |
| Amortisation                   | (249)                 | (4,737)                             | -                               | (4,986)        |
| Closing balance                | <u>237</u>            | <u>19,427</u>                       | <u>425</u>                      | <u>20,089</u>  |

#### Accounting Policy - Intangible assets thresholds

Items of intangible assets with a cost or other value equal to or in excess of \$100,000 are capitalised for financial reporting purposes in the year of acquisition. Items purchased or acquired for a lesser value are expensed in the year of acquisition.

All intangible assets are amortised on a straight line basis over its estimated useful life against an 8% - 20% amortisation rate.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service Notes to and forming part of the financial statements 2016-17 (continued)

#### 14 Property, plant and equipment

|   | Buildings      | Heritage and cultural | Plant and equipment | Major plant and equipment | Work in progress | Total          |
|---|----------------|-----------------------|---------------------|---------------------------|------------------|----------------|
|   | 2017<br>\$'000 | 2017<br>\$'000        | 2017<br>\$'000      | 2017<br>\$'000            | 2017<br>\$'000   | 2017<br>\$'000 |
| Gross value                                 | 26             | -                     | 96,972              | 4,822                     | 3,289            | 105,108        |
| Less: Accumulated depreciation              | -              | -                     | (52,738)            | (2,769)                   | -                | (55,507)       |
|   | <u>26</u>      | <u>-</u>              | <u>44,234</u>       | <u>2,053</u>              | <u>3,289</u>     | <u>49,602</u>  |
| <b>Reconciliation</b>                       |                |                       |                     |                           |                  |                |
| Opening balance                             | 40             | -                     | 39,226              | 1,600                     | -                | 40,866         |
| Acquisitions                                | 26             | -                     | 12,931              | 436                       | 1,814            | 15,207         |
| Donations received                          | -              | -                     | 266                 | -                         | -                | 266            |
| Revaluation increments                      | -              | -                     | -                   | 312                       | -                | 312            |
| Disposals                                   | -              | -                     | (208)               | -                         | -                | (208)          |
| Transfers in from other Government agencies | -              | -                     | 451                 | -                         | 1,475            | 1,926          |
| Transfers out to other Government agencies  | (40)           | -                     | -                   | -                         | -                | (40)           |
| Depreciation                                | -              | -                     | (8,432)             | (295)                     | -                | (8,727)        |
| Closing balance                             | <u>26</u>      | <u>-</u>              | <u>44,234</u>       | <u>2,053</u>              | <u>3,289</u>     | <u>49,602</u>  |

|  | Buildings      | Heritage and cultural | Plant and equipment | Major plant and equipment | Work in progress | Total          |
|--|----------------|-----------------------|---------------------|---------------------------|------------------|----------------|
|  | 2016<br>\$'000 | 2016<br>\$'000        | 2016<br>\$'000      | 2016<br>\$'000            | 2016<br>\$'000   | 2016<br>\$'000 |
| Gross value                                      | 40             | -                     | 92,567              | 3,576                     | -                | 96,183         |
| Less: Accumulated depreciation                   | -              | -                     | (53,341)            | (1,976)                   | -                | (55,318)       |
|  | <u>40</u>      | <u>-</u>              | <u>39,226</u>       | <u>1,600</u>              | <u>-</u>         | <u>40,866</u>  |
| <b>Reconciliation</b>                            |                |                       |                     |                           |                  |                |
| Opening balance                                  | 36             | 18                    | 34,421              | 1,517                     | 2,131            | 38,123         |
| Acquisitions                                     | 135            | -                     | 12,292              | -                         | -                | 12,427         |
| Donations received                               | -              | -                     | 520                 | -                         | -                | 520            |
| Transfers between classes                        | 224            | (18)                  | 361                 | -                         | (567)            | -              |
| Disposals  | -              | -                     | (118)               | -                         | -                | (118)          |
| Transfers through machinery-of-Government change | (355)          | -                     | 32                  | -                         | (1,564)          | (1,887)        |
| Donations made                                   | -              | -                     | (1)                 | -                         | -                | (1)            |
| Net revaluation increments/(decrements)          | -              | -                     | -                   | 221                       | -                | 221            |
| Depreciation                                     | -              | -                     | (8,280)             | (139)                     | -                | (8,418)        |
| Closing balance                                  | <u>40</u>      | <u>-</u>              | <u>39,226</u>       | <u>1,600</u>              | <u>-</u>         | <u>40,866</u>  |

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 14 Property, plant and equipment (continued)

##### Accounting Policy - Ownership and acquisitions of assets

Public Safety Business Agency (PSBA) was established on 1 November 2013 to provide strategic and corporate services to QPS, including asset ownership and management of land, buildings and aircraft (except one aircraft that has remained in the QPS asset register). Aircraft is classified as major plant and equipment in both PSBA and QPS asset registers.

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Actual cost is determined as the value provided as consideration plus costs incidental to the acquisition and costs incurred in getting the asset ready for use.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the accounts of the transferor immediately prior to the transfer together with any accumulated depreciation.

##### Accounting Policy - Property, plant and equipment thresholds

Items of property, plant and equipment, with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

|                           |         |
|---------------------------|---------|
| Heritage and cultural     | \$5,000 |
| Plant and equipment       | \$5,000 |
| Major plant and equipment | \$5,000 |

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

##### Accounting Policy - Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis less its estimated residual value, progressively over its estimated useful life to the department.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant asset classes within property, plant and equipment.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

For each class of depreciable asset the following depreciation and amortisation rates are used:

|                             |             |
|-----------------------------|-------------|
| Plant and equipment         | 2.5% to 50% |
| Major plant and equipment * | 4% to 10%   |

\* Aircraft are classified as major plant and equipment.

##### Accounting Policy - Revaluations of property, plant and equipment

Major plant and equipment is measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector.

All other assets are measured at cost in accordance with the Non-Current Asset Policies.

Major plant and equipment is measured at fair value and revalued on an annual basis by appraisals undertaken by an independent professional valuer.

Details of how fair value was determined as at 30 June 2017 are reported below.

##### Revaluation methodology

###### Major plant and equipment

Major plant and equipment was independently revalued by Bruce A McKenzie (AVAA Practising Valuer Number: 464) of JD Dodds Plant & Machinery Valuers as at 30 June 2017. The revaluations were determined using current market values.

###### Level 2 significant valuation inputs and relationship to fair value

Major plant and equipment categorises as Level 2. Major plant and equipment including aircraft are valued using the direct comparison valuation method. Aircraft have been valued with regard to the amount considered achievable (fair market) if sold on the open market, after investigating and analysing the sale prices of similar second-hand aircraft. Particular regard has been given to the aircraft's general appearance, condition and remaining time left to run on all major components.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

|                           | 2017<br>\$'000 | 2016<br>\$'000 |
|---------------------------|----------------|----------------|
| <b>15 Payables</b>        |                |                |
| <b>Current</b>            |                |                |
| Trade creditors           | 44,239         | 22,866         |
| Equity Adjustment Payable | 25             | 2,218          |
| Other                     | 3,129          | 3,352          |
| Total                     | <u>47,393</u>  | <u>28,436</u>  |

#### 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 and are generally settled on 30 day terms.

### 16 Accrued employee benefits

|                                 |               |               |
|---------------------------------|---------------|---------------|
| <b>Current</b>                  |               |               |
| Annual leave levy payable       | 36,195        | 29,395        |
| Long service leave levy payable | 7,584         | 6,746         |
| Salaries and wages outstanding  | 37,983        | 28,611        |
| Other                           | 4,507         | 4,330         |
| Total                           | <u>86,269</u> | <u>69,082</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*.

### 17 Other current liabilities

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Grants payables                     | -             | 2,500         |
| Unearned revenue general            | 455           | 1,157         |
| Departmental services appropriation | 13,247        | 21,299        |
| Intercompany creditors              | 2,490         | 5,581         |
| Total                               | <u>16,192</u> | <u>30,537</u> |

#### Accounting Policy - Unearned revenue

Revenue that has been received in advance of services being provided is recognised as unearned revenue.

### 18 Related party transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue and equity injections, both which are provided in cash via Queensland Treasury.

The department has received below fair value services from the PSBA, Department of Science, Information Technology and Innovation and Queensland Health. (Refer Notes 6 and 11)



## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service Notes to and forming part of the financial statements 2016–17 (continued)

#### 19 Commitments

##### (a) Non-cancellable operating lease commitments

Operating lease commitments inclusive of non-recoverable GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

|   | 2017<br>\$'000 | 2016<br>\$'000 |
|---|----------------|----------------|
| <b>Payable</b>                                    |                |                |
| Not later than one year                           | 13,471         | 24,570         |
| Later than one year and not later than five years | 32,617         | 43,015         |
| Later than five years                             | 1,589          | 8,126          |
| <b>Total</b>                                      | <b>47,680</b>  | <b>75,711</b>  |

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

##### (b) Capital expenditure commitments

Material classes of capital expenditure commitments inclusive of non-recoverable GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

| Class of asset          |            |            |
|-------------------------|------------|------------|
| Buildings               | 246        | -          |
| Plant and equipment     | 185        | 578        |
| <b>Total</b>            | <b>431</b> | <b>578</b> |
| Not later than one year | 431        | 578        |
| <b>Total</b>            | <b>431</b> | <b>578</b> |

#### 20 Financial instruments

##### Financial instrument categories

Financial assets and financial liabilities are recognised in the Statement of financial position when the department becomes party to the contractual provisions of the financial instrument. The department has the following categories of financial assets and financial liabilities:

|   | Note | 2017<br>\$'000 | 2016<br>\$'000 |
|---|------|----------------|----------------|
| <b>Financial assets</b>                           |      |                |                |
| Cash  |      | 102,077        | 95,242         |
| Receivables                                       | 12   | 72,172         | 63,683         |
| <b>Total</b>                                      |      | <b>174,250</b> | <b>158,925</b> |
| <b>Financial liabilities</b>                      |      |                |                |
| Financial liabilities measured at amortised cost: |      |                |                |
| Payables  | 15   | 47,393         | 28,436         |
| <b>Total</b>                                      |      | <b>47,393</b>  | <b>28,436</b>  |

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016–17 (continued)

#### 20 Financial instruments (continued)

##### Financial risk management

##### (a) Risk exposure

The Police Service's departmental activities expose it to credit risk and liquidity risk.

Financial risk management is implemented pursuant to Government and QPS policies. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

The department's activities expose it to a variety of financial risks as set out in the following table:

| Risk exposure  | Definition   | Exposure   |
|----------------|--|--|
| Credit risk    | Credit risk exposure refers to the situation where the agency may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.   | The department is exposed to credit risk in respect of its receivables (Note 12).  |
| Liquidity risk | Liquidity risk refers to the situation where the agency may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.  | The department is exposed to liquidity risk in respect of its payables (Note 15).  |
| Market risk    | The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. | The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices. The department is exposed to interest rate risk through its finance leases and cash deposited in interest bearing accounts. |

##### (b) Risk measurement and management strategies

The department measures risk exposure using a variety of methods as follows:

| Risk exposure  | Definition                         | Exposure  |
|----------------|------------------------------------|---|
| Credit risk    | Ageing analysis, earnings at risk  | The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.   |
| Liquidity risk | Sensitivity analysis               | The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the agency has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities. |
| Market risk    | Interest rate sensitivity analysis | The department does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's financial management practice manual.  |

##### (c) Maximum credit risk exposure where carrying amounts do not equal contractual amounts

Certain contractual obligations expose the department to credit risk in excess of the carrying amount of any asset or liability recognised from entering the transaction.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial is the gross carrying amount of those assets inclusive of any provision for impairment (refer Note 12).

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 20 Financial instruments (continued)

##### (d) Liquidity risk - contractual maturity of financial liabilities

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

| Financial liabilities | Note | 2017 Payable in   |                     |                    |                 |
|-----------------------|------|-------------------|---------------------|--------------------|-----------------|
|                       |      | <1 year<br>\$'000 | 1-5 years<br>\$'000 | >5 years<br>\$'000 | Total<br>\$'000 |
| Payables              | 15   | 47,393            | -                   | -                  | 47,393          |
| Total                 |      | 47,393            | -                   | -                  | 47,393          |

| Financial liabilities | Note | 2016 Payable in   |                     |                    |                 |
|-----------------------|------|-------------------|---------------------|--------------------|-----------------|
|                       |      | <1 year<br>\$'000 | 1-5 years<br>\$'000 | >5 years<br>\$'000 | Total<br>\$'000 |
| Payables              | 15   | 28,436            | -                   | -                  | 28,436          |
| Total                 |      | 28,436            | -                   | -                  | 28,436          |

#### Accounting Policy - Financial instruments

##### Recognition

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

##### Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value
- Receivables - held at amortised cost
- Payables - held at amortised cost

The department has not entered into transactions for speculative purposes, nor for hedging in 2016-17. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit or loss.

#### 21 Schedule of administered items

##### Administered revenues

|                       |               |               |
|-----------------------|---------------|---------------|
| Taxes, fees and fines | 10,465        | 12,450        |
| Other                 | 207           | 272           |
| Total                 | <u>10,672</u> | <u>12,722</u> |

##### Administered expenses

|  |               |               |
|--|---------------|---------------|
| Transfers of Administered Income to Government | 10,672        | 12,722        |
| Total  | <u>10,672</u> | <u>12,722</u> |

##### Administered assets

###### Current

|                      |              |              |
|----------------------|--------------|--------------|
| Cash                 | 1,816        | 1,551        |
| Receivables          | (7)          | (1)          |
| Total current assets | <u>1,808</u> | <u>1,549</u> |

##### Administered liabilities

###### Current

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Payables                              | 594          | 693          |
| Unclaimed Monies to Remit to Treasury | 1,214        | 856          |
| Total current liabilities             | <u>1,808</u> | <u>1,549</u> |

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 21 Schedule of administered items (continued)

##### Accounting Policy - Administered transactions and balances

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

#### 22 Trust transactions and balances

The department holds various suspense monies temporarily before being transferred to appropriate parties (e.g. exhibits or alleged drug money held pending determination by a court as well as unclaimed and returned QPS cheques).

As the department performs only a custodial role in respect of these transactions and balances, they are neither controlled nor administered by the department and accordingly, are not recognised in the financial statements. They are however, disclosed in these notes for the information of users.

|                                     | <b>2017</b><br><b>\$'000</b> | <b>2016</b><br><b>\$'000</b> |
|-------------------------------------|------------------------------|------------------------------|
| <b>Trust assets and liabilities</b> |                              |                              |
| <i>Current assets</i>               |                              |                              |
| Cash                                | 19,206                       | 20,557                       |
| Total                               | <u>19,206</u>                | <u>20,557</u>                |
| <i>Current liabilities</i>          |                              |                              |
| Total current liabilities           | 19,206                       | 20,557                       |
| Total                               | <u>19,206</u>                | <u>20,557</u>                |

The Queensland Audit Office has performed an audit of the department's trust transactions for 2016-17.

##### Accounting Policy - Trust transactions and balances

The department undertakes certain trustee transactions and maintains related balances on behalf of various parties and also performs certain agency transactions.

As the department acts only in a custodial role in respect of these transactions and balances, they are not recognised in the department's financial statements.

#### 23 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.



## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 24 Budgetary reporting

| Statement of comprehensive income                  | Variance note | Adjusted budget 2017 \$'000 | Actual 2017 \$'000 | Variance \$'000 |
|--|---------------|-----------------------------|--------------------|-----------------|
| <b>Income from continuing operations</b>           |               |                             |                    |                 |
| Appropriation revenue                              |               | 1,841,369                   | 1,855,348          | 13,979          |
| User charges and fees                              | 24(a)         | 82,039                      | 85,052             | 3,013           |
| Grants and other contributions                     | 24(b)         | 322,770                     | 257,870            | (64,900)        |
| Other revenue                                      |               | 2,762                       | 5,315              | 2,553           |
| <b>Total revenue</b>                               |               | <b>2,248,940</b>            | <b>2,203,585</b>   | <b>(45,355)</b> |
| Gains on disposal/remeasurement of assets          |               | -                           | 13                 | 13              |
| <b>Total income from continuing operations</b>     |               | <b>2,248,940</b>            | <b>2,203,598</b>   | <b>(45,342)</b> |
| <b>Expenses from continuing operations</b>         |               |                             |                    |                 |
| Employee expenses                                  | 24(c)         | 1,642,936                   | 1,671,809          | 28,873          |
| Supplies and services                              | 24(d)         | 271,996                     | 246,606            | (25,390)        |
| Grants and subsidies                               |               | 3,207                       | 6,742              | 3,535           |
| Depreciation and amortisation                      |               | 15,474                      | 13,194             | (2,280)         |
| Impairment losses                                  |               | -                           | 1,243              | 1,243           |
| Other expenses                                     | 24(e)         | 315,327                     | 262,802            | (52,525)        |
| <b>Total expenses from continuing operations</b>   |               | <b>2,248,940</b>            | <b>2,202,396</b>   | <b>(46,544)</b> |
| <b>Operating result from continuing operations</b> |               | <b>-</b>                    | <b>1,202</b>       | <b>1,202</b>    |
| <b>Operating result for the year</b>               |               | <b>-</b>                    | <b>1,202</b>       | <b>1,202</b>    |
| <b>Total other comprehensive income</b>            |               | <b>-</b>                    | <b>312</b>         | <b>312</b>      |
| <b>Total comprehensive income</b>                  |               | <b>-</b>                    | <b>1,514</b>       | <b>1,514</b>    |

#### Explanation of major variances

- 24(a) The variance in user charges and fees is due to higher than anticipated revenue from Special Services, Protective Services and Criminal History Checks.
- 24(b) Grants and other contributions decrease is due to a reduction in goods and services provided below fair value to the QPS by the PSBA following the PSBA review.
- 24(c) The variance in employee expenses mainly relates to enterprise bargaining arrangements.
- 24(d) The variance in supplies and services relates to programs deferred to 2017-18 and a reclassification of expenses as grants and other contributions.
- 24(e) Other expenses decrease is due to a reduction in goods and services provided below fair value to QPS by PSBA following the PSBA review.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 24 Budgetary reporting (continued)

| Statement of financial position  | Variance note | Adjusted budget<br>2017<br>\$'000 | Actual<br>2017<br>\$'000 | Variance<br>\$'000 |
|----------------------------------|---------------|-----------------------------------|--------------------------|--------------------|
| <b>Assets</b>                    |               |                                   |                          |                    |
| <b>Current assets</b>            |               |                                   |                          |                    |
| Cash and cash equivalents        | 24(f)         | 78,682                            | 102,077                  | 23,395             |
| Receivables                      | 24(g)         | 56,494                            | 72,172                   | 15,678             |
| Inventories                      |               | 4,537                             | 3,864                    | (673)              |
| Other current assets             | 24(h)         | 8,091                             | 6,582                    | (1,509)            |
| <b>Total current assets</b>      |               | <b>147,804</b>                    | <b>184,695</b>           | <b>36,891</b>      |
| <b>Non-current assets</b>        |               |                                   |                          |                    |
| Intangible assets                |               | 25,023                            | 25,177                   | 154                |
| Property, plant and equipment    | 24(i)         | 75,550                            | 49,602                   | (25,948)           |
| <b>Total non-current assets</b>  |               | <b>100,573</b>                    | <b>74,779</b>            | <b>(25,794)</b>    |
| <b>Total assets</b>              |               | <b>248,377</b>                    | <b>259,474</b>           | <b>11,097</b>      |
| <b>Liabilities</b>               |               |                                   |                          |                    |
| <b>Current liabilities</b>       |               |                                   |                          |                    |
| Payables                         | 24(j)         | 30,051                            | 47,393                   | 17,342             |
| Accrued employee benefits        | 24(k)         | 68,084                            | 86,269                   | 18,185             |
| Other current liabilities        | 24(l)         | 5,116                             | 16,192                   | 11,076             |
| <b>Total current liabilities</b> |               | <b>103,251</b>                    | <b>149,854</b>           | <b>46,603</b>      |
| <b>Total liabilities</b>         |               | <b>103,251</b>                    | <b>149,854</b>           | <b>46,603</b>      |
| <b>Net assets</b>                |               | <b>145,126</b>                    | <b>109,621</b>           | <b>(35,505)</b>    |
| <b>Total equity</b>              |               | <b>145,126</b>                    | <b>109,621</b>           | <b>(35,505)</b>    |

#### Explanation of major variances

- 24(f) The variance in cash and cash equivalents relates to movements in receivables, prepayments, accrued employee benefits, and payables.
- 24(g) The variance in receivables relates to timing of receipts.
- 24(h) The variance in other current assets relates to a reduction in pre-payment of supplies and services.
- 24(i) The variance in property, plant and equipment is mainly due to funding transfers to PSBA for delivery of the capital program on behalf of QPS and acquisitions deferred to 2017-18.
- 24(j) The variance in payables relates to timing of payments to trade creditors.
- 24(k) The variance in accrued employee benefits relates to timing of payments to employees.
- 24(l) The variance in other current liabilities is mainly due to funding transfers to PSBA for delivery of programs on behalf of QPS.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 24 Budgetary reporting (continued)

| Statement of cash flows                                    | Variance note | Adjusted budget 2017 \$'000 | Actual 2017 \$'000 | Variance \$'000 |
|--|---------------|-----------------------------|--------------------|-----------------|
| <b>Cash flows from operating activities</b>                |               |                             |                    |                 |
| <i>Inflows:</i>  |               |                             |                    |                 |
| Service appropriation receipts                             |               | 1,841,369                   | 1,854,643          | 13,274          |
| User charges and fees                                      |               | 82,039                      | 80,329             | (1,710)         |
| Grants and other contributions                             |               | 13,470                      | 12,815             | (655)           |
| GST input tax credits from ATO                             |               | -                           | 26,997             | 26,997          |
| GST collected from customers                               |               | -                           | 8,986              | 8,986           |
| Other  |               | 2,762                       | 5,962              | 3,200           |
| <i>Outflows:</i>   |               |                             |                    |                 |
| Employee expenses  |               | (1,642,936)                 | (1,658,067)        | (15,131)        |
| Supplies and services                                      | 24(m)         | (271,996)                   | (241,052)          | 30,944          |
| Grants and subsidies                                       |               | (3,207)                     | (6,742)            | (3,535)         |
| GST paid to suppliers                                      |               | -                           | (28,451)           | (28,451)        |
| GST remitted to ATO  |               | -                           | (8,981)            | (8,981)         |
| Other  |               | (6,027)                     | (18,150)           | (12,123)        |
| <b>Net cash provided by/(used in) operating activities</b> |               | <b>15,474</b>               | <b>28,287</b>      | <b>12,813</b>   |
| <b>Cash flows from investing activities</b>                |               |                             |                    |                 |
| <i>Outflows:</i>   |               |                             |                    |                 |
| Payments for property, plant and equipment                 | 24(n)         | (44,696)                    | (13,766)           | 30,930          |
| Payments for intangibles                                   |               | -                           | (9,555)            | (9,555)         |
| <b>Net cash provided by/(used in) investing activities</b> |               | <b>(44,696)</b>             | <b>(23,322)</b>    | <b>21,374</b>   |
| <b>Cash flows from financing activities</b>                |               |                             |                    |                 |
| <i>Inflows:</i>  |               |                             |                    |                 |
| Equity injections  | 24(o)         | 31,152                      | 1,940              | (29,212)        |
| <i>Outflows:</i>   |               |                             |                    |                 |
| Equity withdrawals   |               | (1,930)                     | (71)               | 1,859           |
| <b>Net cash provided by/(used in) financing activities</b> |               | <b>29,222</b>               | <b>1,869</b>       | <b>(27,353)</b> |
| Net increase/(decrease) in cash                            |               | -                           | 6,835              | 6,835           |
| Cash at beginning of financial year                        |               | 78,682                      | 95,242             | 16,560          |
| <b>Cash at end of financial year</b>                       | 24(p)         | <b>78,682</b>               | <b>102,077</b>     | <b>23,395</b>   |

#### Explanation of major variances

- 24(m) The variance in supplies and services relates to programs deferred to 2017-18 and a reclassification of expenses as grants and other contributions.
- 24(n) The variance in property, plant and equipment is mainly due to funding transfers to PSBA for delivery of the capital program on behalf of QPS and acquisitions deferred to 2017-18.
- 24(o) The variance in equity injections is mainly due to funding transfers to PSBA for delivery of the capital program on behalf of QPS and acquisitions deferred to 2017-18.
- 24(p) The variance in cash relates to movements in receivables, prepayments, accrued employee benefits, and payables.

## Notes to and forming part of the financial statements 2016-17 (cont'd)

### Queensland Police Service

#### Notes to and forming part of the financial statements 2016-17 (continued)

#### 24 Budgetary reporting (continued)

| Schedule of administered items                  | Variance note | Adjusted budget 2017 \$'000 | Actual 2017 \$'000 | Variance \$'000 |
|---|---------------|-----------------------------|--------------------|-----------------|
| <b>Administered revenues</b>                    |               |                             |                    |                 |
| Taxes, fees and fines                           | 24(q)         | 10,784                      | 10,465             | (319)           |
| Other   | 24(r)         | 2,421                       | 207                | (2,214)         |
| <b>Total</b>                                    |               | <b>13,205</b>               | <b>10,672</b>      | <b>(2,533)</b>  |
| <b>Administered expenses</b>                    |               |                             |                    |                 |
| Transfers of administered revenue to government | 24(s)         | 13,205                      | 10,672             | (2,533)         |
| <b>Total</b>                                    |               | <b>13,205</b>               | <b>10,672</b>      | <b>(2,533)</b>  |
| <b>Administered assets</b>                      |               |                             |                    |                 |
| <i>Current</i>                                  |               |                             |                    |                 |
| Cash  |               | 1,963                       | 1,816              | (147)           |
| Receivables                                     |               | (5)                         | (7)                | (2)             |
| <b>Total current assets</b>                     |               | <b>1,958</b>                | <b>1,808</b>       | <b>(150)</b>    |
| <b>Administered liabilities</b>                 |               |                             |                    |                 |
| <i>Current</i>                                  |               |                             |                    |                 |
| Payables  |               | 1,927                       | 594                | (1,333)         |
| Other   |               | 31                          | 1,214              | 1,183           |
| <b>Total current liabilities</b>                |               | <b>1,958</b>                | <b>1,808</b>       | <b>(150)</b>    |

#### Explanation of major variances

24(q) The variance in taxes fees and fines relates to an reduction in fees raised under the *Weapons Act 1990*.

24(r) The variance in other revenue relates to a reduction in fines and forfeitures received in 2016-17.

24(s) The variance in transfers to government relates to a reduction in fines and forfeitures received in 2016-17 and a reduction in fees raised under the *Weapons Act 1990*.



## Management Certificate for the year ended 30 June 2017

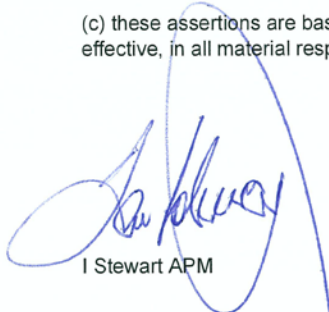
### Queensland Police Service

#### Management Certificate for the year ended 30 June 2017

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These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* 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;
- (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 Queensland Police Service for the financial year ended 30 June 2017 and of the financial position of the department at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



I Stewart APM  
Accountable Officer  
Commissioner

Date 28 / 8 / 17



R Wilson  
B.Bus (Mgt), Grad Cert Exec Leadshp, MIPA, GAICD

Chief Finance Officer (QPS)  
General Manager, Business Services Division  
Public Safety Business Agency

Date 28 / 8 / 17

## Independent Auditor's Report

### INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Queensland Police Service

#### Report on the audit of the financial report

##### Opinion

I have audited the accompanying financial report of the Queensland Police Service.

In my opinion, the financial report:

- a) gives a true and fair view of the agency's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, 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 agency 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.

##### Key audit matters

I have determined that there are no key audit matters to communicate in our report.

##### Responsibilities of the agency 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 2009* 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 agency'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 agency or to otherwise cease operations.

## Independent Auditor's Report (cont'd)

### Auditor's responsibilities for the audit of the financial report

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

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017

- 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.



Nick George  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane