

## FINANCIAL PERFORMANCE CHIEF FINANCE OFFICER'S REPORT

Section 77(2)(b) of the *Financial Accountability Act 2009* requires the Chief Finance Officer of the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships to provide the accountable officer with a statement on whether the department's internal financial controls are operating efficiently, effectively and economically.

The 2020–2021 Statement of Assurance provided to the Director-General satisfies all requirements of the *Financial and Performance Management Standard 2019*. The statement was also provided to the department's Audit and Risk Committee. It indicated no deficiencies or breakdowns in internal controls that would impact adversely on the department's financial governance or financial statements for the year.

The 2020–2021 Financial Statements reflect the following Machinery of Government impacts:

- the inclusion of the former Department of Aboriginal and Torres Strait Islander Partnerships effective from 13 November 2020
- the transfer of the Community Services service delivery area to the Department of Communities, Housing and Digital Economy effective from 1 December 2020.

### Income

Our income in 2020–2021 was \$349.823 million, with the major sources of income being the Queensland and Australian governments for the provision of services.

During 2020–2021, we received our income from:

- appropriation revenue – \$320.736 million
- user charges – \$10.178 million
- grants and other contributions – \$13.489 million
- other revenue – \$5.420 million.

### Operating expenses

Our department provides a wide range of services to the community, delivered by contracted non-government organisations and through direct service delivery. As a result, our two largest expense categories are supplies and services and employee expenses. Our total operating expenses for 2020–2021 were \$347.106 million, including:

- employee expenses – \$205.688 million
- supplies and services – \$116.539 million (which includes service procurement expenses of \$69.955 million, outsourced corporate service expenses of \$14.554 million, property and vehicle rent expenses of \$10.067 million, property repairs and maintenance expenses of \$8.584 million, professional and technical fees of \$9.205 million and other operational expenses of \$4.174 million)
- grants and subsidies – \$16.763 million
- depreciation and amortisation – \$5.117 million
- other expenses – \$2.999 million (such as insurance costs, audit fees and revaluation movements).

In 2020–2021, the department had an operating surplus of \$2.717 million, related largely to the recognition of a number of non-cash items including reversal of the revaluation decrement of \$1.229 million and a re-assessment of provisions of \$0.403 million, including office accommodation 'make good' provisions.

### Assets

Our total assets as at 30 June 2021 were \$244.969 million. The primary assets held by our department were properties used to:

- support people with disability, including accommodation and respite services
- support Aboriginal and Torres Strait Islander Partnerships service delivery.

The department's assets also include intangible assets, primarily internally generated software and systems.

The value of our assets by category was:

- Cash and cash equivalents – \$54.840 million
- Receivables, current and non-current – \$6.009 million
- Property, plant and equipment – \$181.296 million
- Intangibles – \$1.050 million
- Other current assets – \$1.774 million.

## Liabilities

Our liabilities consist primarily of payables for service procurement, trade creditors and provisions for employee entitlements.

Our total liabilities as at 30 June 2021 were \$47.427 million. Liabilities by category were:

- Payables, current and non-current – \$37.926 million
- Accrued employee benefits – \$8.811 million
- Provisions – \$0.119 million
- Other current liabilities – \$0.571 million.

## Administered payments

In 2020–2021, on behalf of the Queensland Government, we administered total payments and expenses of \$2,407.807 million including:

- concession payments of \$401.653 million for electricity and reticulated natural gas, rates and water subsidies, electricity for life support, home energy emergency assistance and asset ownership electricity dividend
- payments of \$6.708 million of electricity relief payments to small and medium businesses impacted by the pandemic
- payments of \$1,976.912 million to the National Disability Insurance Agency for Queensland NDIS participants
- payments and expenses of \$13.430 million to support natural disaster Community Recovery activities on behalf of the Queensland and Australian governments including grants for emergency assistance, essential household contents, structural assistance, personal hardship assistance and the Essential Services Safety and Reconnection Scheme
- payment of \$7.025 million to the Western Cape Communities Trust
- payment of \$2.079 million to the Family Responsibilities Commission.

Income and expenditure on these Administered items are accounted for separately from our operating accounts. Variances between budget and actual results are explained in the Annual Financial Statements.

## Financial risk management

We manage financial risks and liabilities by reviewing our financial performance through the corporate governance framework. To help us manage risks, the department's Audit and Risk Committee oversees audit activities, audit recommendations, financial reporting, internal controls and compliance. For more information on our financial performance, please see our Annual Financial Statements.