

Financial summary

RIGHTS

Revenue

	2004/05	2003/04	2002/03
ESS – Employed screening fees	\$1,247,212	\$821,510	\$699,580
ESS – Self employed screening fees	\$138,337	\$116,600	\$166,760
ESS – Renewals screening fees	\$486,175	\$340,226	\$11,000
ESS – Childcare	\$448,440	\$830,840	
ESS – Other screening fees	\$12,676	\$6,390	\$2,290
Grants from government	\$16,882,366	\$6,610,912	\$5,828,176
Bank interest	\$336,419	\$116,608	\$88,003
Other revenue	\$157,784	\$3,930,840	\$2,995,865
TOTAL	\$19,709,409	\$12,773,926	\$9,791,674

PROTECT

Expenses

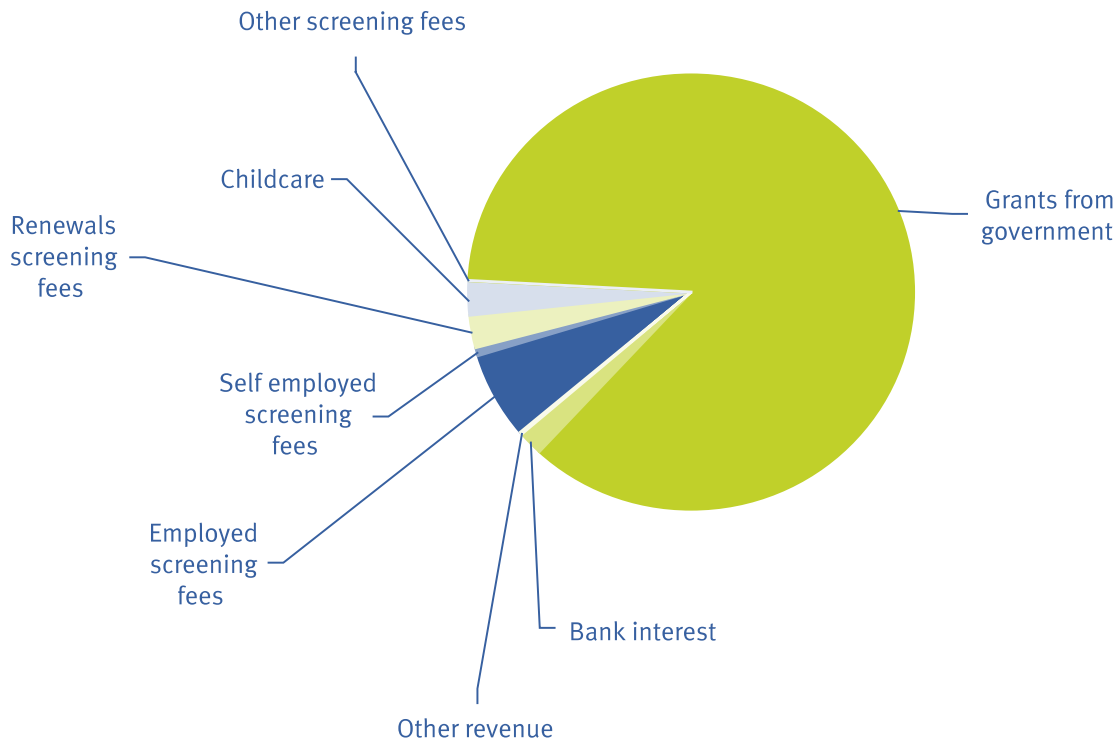
	2004/05	2003/04	2002/03
Employee related expenses	\$9,858,751	\$4,760,018	\$3,461,945
Supplies and services	\$8,685,513	\$7,789,966	\$5,734,972
Depreciation and amortisation	\$214,877	\$138,088	\$101,429
Other operating expenses	\$221,624	\$85,856	\$48,616
TOTAL	\$18,980,764	\$12,773,928	\$9,346,962

Net Worth

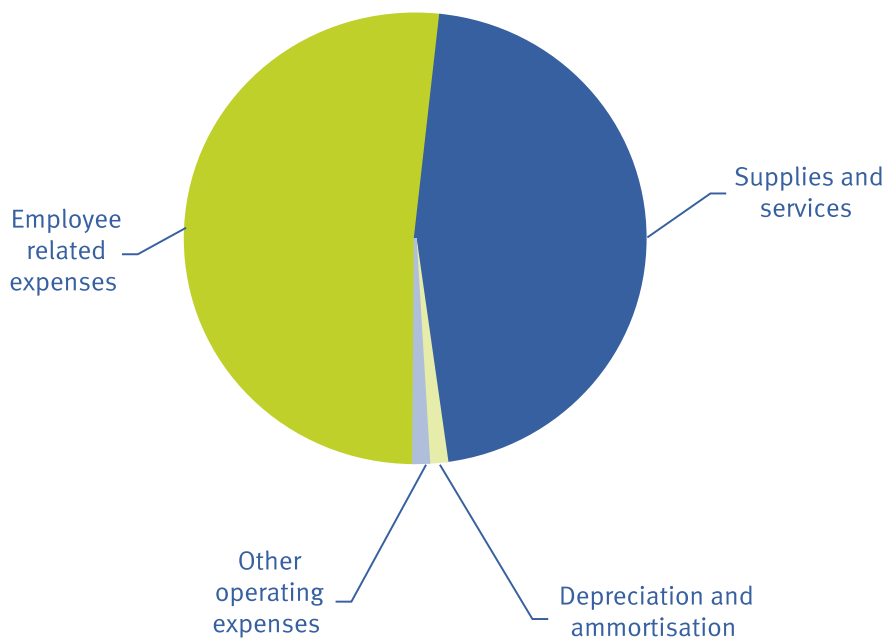
	2004/05	2003/04	2002/03
Total assets	\$5,777,322	\$1,395,000	\$1,452,000
Property, plant, equipment and intangibles	\$1,640,831	\$801,000	\$459,000
Total liabilities	\$5,866,166	\$1,362,000	(\$619,000)
TOTAL	\$1,551,987	\$834,000	\$833,000

BLUE CARD

Major revenue items



Major expense items





statements



FINANCE

Financial figures

76	Foreword
77	Statement of Financial Performance
78	Statement of Financial Position
79	Statement of Cash Flows
80	Notes to and forming part of the Financial Statements
91	Management Certificate
92	Independent Audit Report

General information

This financial report covers the Commission for Children and Young People and Child Guardian (the Commission).

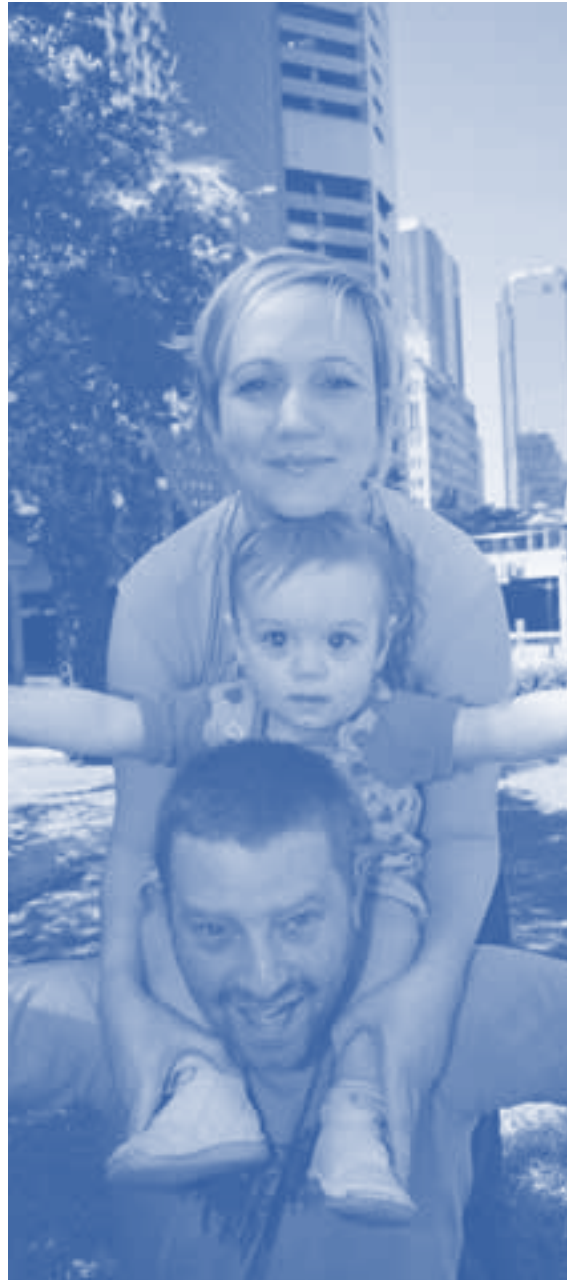
The Commission is an independent statutory body attached to the Premier's portfolio proclaimed under the *Commission for Children and Young People and Child Guardian Act 2000*.

The principal address of the Commission is:

Level 22, T & G Building
141 Queen Street
Brisbane QLD 4000

A description of the nature of the Commission's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Commission's financial report please call 07 3247 5525 or 1800 688 275 (Free call), email webmaster@ccypcg.qld.gov.au or visit the Commission's Internet site www.ccypcg.qld.gov.au



WELLBEING

Foreword

RESEARCH

ADVOCATE

CHILD GUARDIAN



These general purpose financial statements have been prepared on an accrual basis in accordance with the prescribed requirements. They comprise a Statement of Financial Performance, a Statement of Financial Position and a Statement of Cash Flows. Notes supporting the statements are also provided.

As distinct from the traditional cash basis of reporting, the accrual method brings revenues and expenses to account when they are incurred along with any acquired asset or liability without regard to the date of receipt or payment of cash.

The Statement of Financial Performance identifies the operating result for the year as well as the impact on the net assets of the Commission.

WELLBEING

Commission for Children and Young People and Child Guardian

Statement of Financial Performance

For the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Revenues from ordinary activities			
User charges	3	2,374	2,212
Grants and other contributions	4	16,882	6,611
Assets assumed/liabilities relinquished	5	117	30
Other	6	336	3,921
Total revenues from ordinary activities		19,709	12,774
Expenses from ordinary activities			
Employee expenses	7	9,859	4,760
Supplies and services	8	8,686	7,790
Depreciation and amortisation	9	215	138
Grants and subsidies	10	5	19
Liabilities assumed/assets relinquished	11	197	51
Other	12	19	16
Total expenses from ordinary activities		18,981	12,774
Net operating result		728	-
Total changes in equity other than those resulting from transactions with owners as owners	22	728	-

The accompanying notes form part of these statements.

Commission for Children and Young People and Child Guardian

Statement of Financial Position

As at 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Current assets			
Cash assets	13	5,415	899
Receivables	14	343	471
Inventories	15	15	21
Other	16	4	4
Total current assets		5,777	1,395
Non-current assets			
Plant and equipment	17	1,039	663
Intangibles	18	602	138
Total non-current assets		1,641	801
Total assets		7,418	2,196
Current liabilities			
Payables	19	5,154	835
Provisions	20	500	280
Unearned revenue	21	-	85
Total current liabilities		5,654	1,200
Non-current liabilities			
Provisions	20	212	162
Total non-current liabilities		212	162
Total liabilities		5,866	1,362
Net assets		1,552	834
Equity			
Contributed equity	22	376	376
Retained surpluses	22	1,176	458
Total equity		1,552	834

The accompanying notes form part of these statements.

Commission for Children and Young People and Child Guardian

Statement of Cash Flows

For the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges		2,381	2,087
Grants and other contributions		20,611	6,336
Interest received		322	101
GST input tax credits from ATO		615	277
GST collected from customers		(7)	9
Other		-	2
<i>Outflows:</i>			
Employee expenses		(9,580)	(4,553)
Supplies and services		(8,043)	(3,508)
Grants and subsidies		0	(19)
Insurance premiums		(6)	(2)
GST paid to suppliers		(630)	(299)
GST remitted to ATO		(8)	(9)
Other		(6)	(5)
Net cash provided by operating activities	23	5,649	417
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of plant and equipment		4	3
<i>Outflows:</i>			
Payments for plant and equipment		(1,137)	(432)
Net cash used in investing activities		(1,133)	(429)
Net increase/(decrease) in cash held		4,516	(12)
Cash at beginning of financial year		<u>899</u>	<u>911</u>
Cash at end of financial year	13	<u>5,415</u>	<u>899</u>

The accompanying notes form part of these statements.

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

1. Objectives of the Commission

The Commission is a statutory body with a mandate to promote and protect the rights, interests and wellbeing of children and young people in Queensland.

The Commission gives priority to those who:

- cannot protect themselves or have no one to act for them
- live in out-of-home care or detention; or
- are disadvantaged by disability, living in an isolated area, homelessness, or poverty.

Key outcomes sought by the Commission are:

- an effective child protection system in which the best interests of each child and young person in care or detention are appropriately assessed and an effective services strategy implemented
- a safe environment for children and young people in which risks are identified and managed, including appropriate employment screening and
- targeted prevention and targetted early intervention strategies for vulnerable children and young people who are at risk of entering the child safety or juvenile justice systems.

2. Summary of significant accounting policies

(a) Basis of accounting

The financial statements are a general purpose financial report and have been prepared in accordance with the *Financial Administration and Audit Act 1977*, *Financial Management Standard 1997*, Australian Accounting Standards and other prescribed requirements.

Except where stated, the financial statements have been prepared in accordance with the historical cost convention.

The accounting policies adopted are consistent with those of the previous year.

The accrual basis of accounting has been adopted.

(b) The reporting entity

The financial statements include the values of all revenues, expenses, assets, liabilities and equity of the Commission.

(c) User charges and fees

User charges and fees controlled by the Commission are recognised as revenues when applications are receipted or when invoices for related services are issued. User charges and fees are controlled by the Commission where they can be deployed for the achievement of the Commission's objectives.

(d) Grants and other contributions

Grants, donations and gifts which are non-reciprocal in nature are recognised as revenue in the year in which the Commission obtains control over them.

Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributions of assets are recognised at their fair value. Contributions of services are only recognised when a fair value can be determined reliably and the services would be purchased if not donated.

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

(e) Cash

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash includes all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions. It also includes highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the Commission's option and are subject to an insignificant risk of changes in value.

(f) Receivables

Receivables are recognised at the amount due at the time of sale or service delivery. Settlement on trade debtors is generally required within 14 days. The collectability of receivables is assessed periodically with provision being made for doubtful debts if required.

(g) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost of inventories is assigned on a first-in-first-out basis.

(h) Prepayments

During 2004-05 the Commission changed its accounting policy in respect of the threshold for recognition of prepayments. In previous reporting periods the threshold for recognition of prepayments was \$1,000 where the benefit of the payment was to be received in future accounting periods. For this financial year it was considered appropriate to increase the recognition threshold amount to \$5,000 as this was consistent with the recognition threshold for other classes of assets.

(i) Acquisitions of assets

Cost is used for the initial recording of all acquisitions of assets controlled by the Commission unless these have been received as a result of a machinery-of-government restructure.

In the latter case, the assets are recognised at their gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation offset.

Assets acquired at no cost or for nominal consideration are recognised at their 'fair value' at date of acquisition in accordance with AAS21 - *Acquisitions of Assets*. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

(j) Plant and equipment

All items of plant and equipment with a cost or other value in excess of \$2,000 are capitalised in the year of acquisition, with the exception of personal computers which are capitalised regardless of value, and leasehold improvements with a cost or other value greater than \$100,000. Other items with a value less than these amounts are expensed. Plant and equipment and leasehold improvements are valued at cost in accordance with Queensland Treasury's *Non-current Asset Accounting Guidelines for the Queensland Public Sector*.

(k) Amortisation and depreciation of non-current assets

Depreciation on plant and equipment is calculated on a straight-line basis so as to apportion the value of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Commission.

Work-in-progress is not depreciated until it has reached service delivery capacity.

The depreciable amount of improvements to or on a leasehold property is progressively allocated over the estimated useful lives of the improvements to the Commission or the unexpired period of the lease, whichever is shorter.

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

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

Class	Depreciation rate
Plant and equipment:	
Computers	25%
Office equipment	20%
Other equipment/furniture	10%
Leasehold improvements:	
Office fitout	10%
	Amortisation rate
Intangibles:	
Computer software	10%-33.3%

Intangible assets are amortised to a nil residual value as all expired software are disposed without revenue. As for other assets, a residual value of 5% is considered appropriate as this represents the average gain on disposal of these assets.

(l) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are expensed in the periods in which they are incurred.

(m) Intangibles

Intangible assets are costs incurred by the Commission in developing software and systems. The costs are amortised over the expected useful life to the Commission of the developed software.

All intangible assets with costs greater than \$5,000 are recognised as assets. Items with a lesser value are recognised as expenses.

Software as developed by the Commission is valued at cost. Cost is determined as the initial purchase of software (where relevant) and subsequent costs incurred in developing the software for use within the Commission.

(n) Payables

Creditors are recognised at the amount to be paid in the future for goods and services received, inclusive of GST. Amounts owing are unsecured and are generally settled on 30 day terms.

(o) Employee entitlements

Wages, salaries, annual leave and sick leave

Liabilities for wages, salaries and annual leave at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, Workcover premiums, long service leave levies and employee superannuation contributions.

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

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

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

Non-current employee entitlements are measured at the present value of the estimated future cash flows to be made in accordance with AASB 1028 - *Employee Entitlements*.

Long service leave

Under the Queensland Government's long service leave scheme, a levy is made on the Commission to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS31 - *Financial Reporting by Governments*.

Superannuation

The State Actuary determines the rate of employer contributions for superannuation expense. These contributions are paid to QSuper, the superannuation plan for Queensland Government employees.

No liability is recognised for accruing superannuation benefits in the Statement of Financial Position, as the liability is held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS31 - *Financial Reporting by Governments*.

(p) Taxation

The Commission is exempt from all forms of Commonwealth and State taxation except for Fringe Benefits Tax, Payroll Tax and Goods and Services Tax (GST). As such, GST input tax credits receivable from and GST output tax payable to the Australian Taxation Office (ATO) are recognised and accrued. Further disclosure is provided in Note 14.

The amount of GST incurred on purchases that is not recoverable from the ATO is recognised as part of the cost of acquisition of an asset or as part of the expense item.

All fees relating to the Employment Screening Service are GST-free in accordance with a Division 81 determination of the *New Tax System (Goods and Services Tax) Act 1999*.

(q) Services received free of charge 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.

(r) Insurance

The Commission's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund with premiums being paid on a risk basis. In addition, the Commission pays premiums to Workcover Queensland in respect of its obligations for employee compensation.

(s) Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000 or where the amount is \$500 or less, to zero.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

(t) Adoption of International Financial Reporting Standards

The Financial Reporting Council has determined that all entities preparing general purpose financial statements will apply the Australian Equivalents to International Financial Reporting Standards (IFRSs) for reporting periods beginning on or after 1 January 2005.

The Commission was part of an IFRS Steering Committee and Work Group to assist in the implementation of the new reporting requirements. All Australian Equivalents to IFRSs have been reviewed for implications on policies, procedures, systems and financial impacts arising from such changes.

To date, the Commission has not identified any key differences in accounting policies which will arise from the adoption of the Australian equivalent of IFRSs which will materially impact on the financial reports.

Policy decisions made at a whole-of-Government level in relation to the limiting of options in the Australian Equivalent to IFRSs may have additional impacts on financial reports prepared using these schedules and these will continue to be monitored.

The impact of mandated revised asset recognition thresholds is expected to result in \$0.3M being posted as a reduction to the balance of Accumulated Surpluses on 1 July 2004, with a corresponding reduction to the relevant asset class and accumulated depreciation.

In addition, an adjustment of \$0.2M is expected to be made in the Statement of Financial Performance for the write-off of assets purchased during 2004-5 which no longer meet the requirements for capitalisation and any accumulated depreciation for those assets for the 2004-05 financial year. There will also be an adjustment of \$0.1M to write back depreciation charged in 2004-05 for assets written off as a result of the new thresholds at 1 July 2004.

(u) Going concern

The major source of funding for the operations of the Commission has been grants received from Queensland Treasury through the Department of the Premier and Cabinet. The Under Treasurer of Queensland Treasury has approved the continued support of the Commission by way of special annual recurrent grant funding through the Department of the Premier and Cabinet. Subject the continuance of grant funding, the Commission believes it will continue to meet its commitments as and when they fall due.

(v) Implementation of the Shared Service Initiative

Implementation of the Shared Service Initiative commenced on 1 July 2003. Under this initiative, shared service providers (SSP's) were established to provide a standard suite of corporate services to client departments and in some agreed instances provide additional out of scope services. Standard software application support and infrastructure for all corporate service applications for the five large-scale SSP's (as well as other agreed non-standard services) is provided by CorpTech.

The SSP for the Commission is Corporate Solutions Queensland (CSQ) for which the Department of Employment and Training is the host agency. The host agency for CorpTech is Queensland Treasury.

	2005 \$'000	2004 \$'000
3. User charges		
Employment screening	2,333	2,116
Conference and course registration	41	96
Total	2,374	2,212

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

	2005 \$'000	2004 \$'000
4. Grants and other contributions		
Grants from Queensland Government departments	16,882	6,611
Total	16,882	6,611
5. Assets assumed/liabilities relinquished		
Employee annual leave transferred	117	30
Total	117	30
6. Other revenue		
Police criminal history checks received below fair value	-	3,802
Interest	336	117
Other	-	2
Total	336	3,921
7. Employee expenses/number of employees		
Employee expenses		
Wages and salaries	8,379	4,017
Salary related taxes	427	214
Employer superannuation contributions	847	430
Long service leave levy	129	60
Workers' compensation	33	19
Other	44	20
Total	9,859	4,760
Number of employees	176.6	90.59
<i>The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.</i>		
8. Supplies and services		
Motor vehicle running costs	45	28
Building services	532	294
Telecommunications	290	144
Administration costs	1,647	1,149
Advertising and promotions	239	151
Police criminal history checks	2,391	4,855
Professional services	1,894	866
Travel	278	88
Minor capital works	37	23
Minor plant and equipment	249	121
Corporate services	917	-
Other	167	71
Total	8,686	7,790
<i>Contractors and consultants expenses are included in professional services.</i>		

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

	2005 \$'000	2004 \$'000
9. Depreciation and amortisation		
Depreciation and amortisation incurred in respect of:		
Plant and equipment	152	93
Leasehold improvements	27	15
Intangibles	36	30
Total	215	138
10. Grants and subsidies		
Grants to non-Queensland Government departments	-	19
Grants to universities/tertiary institutions	5	-
Total	5	19
11. Liabilities assumed/assets relinquished		
Employee annual leave transferred	197	51
Total	197	51
12. Other expenses		
Losses from disposal of non-current assets	2	8
External audit fees	11	5
Insurance	6	3
Total	19	16
13. Cash assets		
Cash at bank	637	878
Cash on hand	1	1
Deposits at call	4,777	20
Total	5,415	899
<i>The above figures are reconciled to cash at the end of the year as shown in the Statement of Cash Flows.</i>		
14. Receivables		
<i>Current</i>		
Grant receivable	-	360
Trade debtors	253	42
	253	402
GST receivable	89	68
GST payable	1	1
Total	343	471

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

	2005 \$'000	2004 \$'000
15. Inventories		
<i>Current</i>		
Inventories not held for resale	15	21
Total	15	21
16. Other current assets		
Prepayments	4	4
Total	4	4
17. Plant and equipment		
Plant and equipment:		
At cost	893	642
Less: accumulated depreciation	(361)	(247)
	532	395
Leasehold improvements		
At cost	561	295
Less: accumulated amortisation	(54)	(27)
	507	268
Total	1,039	663

Reconciliation

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current reporting period.

	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
Carrying amount at 1 July	395	268	663
Acquisitions	294	266	560
Disposals	(6)		(6)
Depreciation/amortisation	(151)	(27)	(178)
Carrying amount at 30 June	532	507	1,039

18. Intangibles

Internal use software:		
Work in progress	526	49
At cost	201	178
Less: accumulated amortisation	(125)	(89)
Total	602	138

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

	2005 \$'000	2004 \$'000
19. Payables		
<i>Current</i>		
Trade creditors	4,959	790
Employee benefits payable	195	45
Total	5,154	835
20. Provisions		
<i>Current</i>		
Employee benefits: annual leave	500	280
Total current provisions	500	280
<i>Non-current</i>		
Employee benefits: annual leave	212	162
Total non-current provisions	212	162
Total	712	442
21. Unearned revenue		
Unearned revenue	-	85
Total	-	85
22. Changes in equity		
Contributed equity		
Balance 1 July	376	376
Balance 30 June	376	376
Retained surpluses		
Balance 1 July	458	458
Net surplus	729	-
Prior year adjustment	(11)	-
Balance 30 June	1,176	458
Closing balance at 30 June	1,552	834

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

	2005 \$'000	2004 \$'000
23. Reconciliation of net operating result to net cash provided by operating activities		
Net operating result from ordinary activities	728	-
Non-cash items:		
Depreciation/amortisation expense	215	138
Net assets and liabilities assumed/relinquished	80	21
Net loss on sale of plant and equipment	2	8
Change in assets and liabilities:		
(Increase)/decrease in net receivables	150	(380)
(Increase)/decrease in GST input tax credits receivable	(22)	12
(Increase)/decrease in inventories	6	9
(Increase)/decrease in prepayments	-	(4)
Increase/(decrease) in accounts payable	4,155	510
Increase/(decrease) in unearned revenue	(85)	(34)
Increase/(decrease) in salaries and wages payable	150	42
Increase/(decrease) in GST output tax payable	-	(50)
Increase/(decrease) in employee provisions	270	145
Net cash provided by operating activities	5,649	417

24. Non-cash financing and investing activities

Assets and liabilities received or transferred by the Commission as a result of non-reciprocal transfers are recognised as revenues and expenses in the Statement of Financial Performance.

25. Commitments for expenditure

(a) Non-cancellable operating lease commitments

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

• Not later than one year	648	380
• Later than one year and not later than five years	926	636
Total	1,574	1,016

(b) Other expenditure commitments

Material expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

• Not later than one year	64	76
• Later than one year and not later than five years	87	55
Total	151	131

Commission for Children and Young People and Child Guardian

Notes to and forming part of the the Financial Statements 2005

	2005 \$'000	2004 \$'000
--	----------------	----------------

26. Events occurring after balance date

There are no major events occurring post 30 June 2005.

27. Financial instruments

(a) Interest rate risk exposure

The Commission's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities are shown in the following table:

	Contractual repricing/maturity date					Total \$'000	Weighted average rate: %
	Floating rate \$'000	1 year or less \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Non-interest bearing \$'000		
Financial assets							
Cash	638	-	-	-	-	638	4.75
Deposits at call	4,777	-	-	-	-	4,777	5.25
Receivables	-	-	-	-	343	343	
Total	5,415	-	-	-	343	5,758	
Financial liabilities							
Payables	-	-	-	-	5,154	5,154	
Total	-	-	-	-	5,154	5,154	

(b) Credit risk exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for doubtful debts as indicated in the Statement of Financial Position.

No significant credit risks have been identified.

(c) Net fair value

The net fair value of cash, cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts.

Certificate of the Commission for Children and Young People and Child Guardian

These general purpose financial statements have been prepared pursuant to Section 46F(1) of the *Financial Administration and Audit Act 1977* (the Act), the *Commission for Children and Young People and Child Guardian Act 2000* and other prescribed requirements. In accordance with Section 46F(3) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishment and keeping the accounts have been complied with in all material respects; and
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Commission for Children and Young People and Child Guardian for the financial year ended 30 June 2005 and of the financial position of the Commission at the end of that year.

28 September 2005

Barry Salmon
A/Commissioner

Bob Van-Kempen Grad Dip Bus, AFAIM
Director Corporate Services

Independent Audit Report

To the Accountable Officer of the Commission for Children and Young People and Child Guardian

Matters Relating to the Electronic Presentation of the Audited Financial Report

The audit report relates to the financial report of the Commission for Children and Young People and Child Guardian for the financial year ended 30 June 2005 included on the Commission's web site. The Accountable Officer is responsible for the integrity of the Commission's web site. We have not been engaged to report on the integrity of the Commission's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Commission for Children and Young People and Child Guardian to confirm the information included in the audited financial report presented on this web site. These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

Scope

The Financial Report

The financial report of the Commission for Children and Young People and Child Guardian consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial statements and certificates given by the Acting Commissioner and the Director Corporate Services, for the year ended 30 June 2005.

The Commissioner's Responsibility

The Commissioner is responsible for the preparation and true and fair presentation of the financial report, the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

As required by law, an independent audit was conducted in accordance with QAO Auditing Standards to enable me to provide an independent opinion whether in all material respects the financial report is presented fairly in accordance with the prescribed requirements, including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

Audit procedures included -

- examining information on a test/sample basis to provide evidence supporting the amounts and disclosures in the financial report;
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Commissioner;
- obtaining written confirmation regarding the material representations made in conjunction with the audit; and
- reviewing the overall presentation of information in the financial report.

Independence

The *Financial Administration and Audit Act 1977* promotes the independence of the Auditor-General and QAO authorised auditors.

The Auditor-General is the auditor of all public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Audit Opinion

In accordance with s.46G of the *Financial Administration and Audit Act 1977* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Commission for Children and Young People and Child Guardian for the financial year 1 July 2004 to 30 June 2005 and of the financial position as at the end of that year.

R W HODSON, CPA
Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane