

## **Erratum to the Queensland Curriculum and Assessment Authority – Annual Report 2014-15**

The purpose of this erratum is to correct the financial statements attached to the *Queensland Curriculum and Assessment Authority – Annual Report 2014-15*.

A number of errors and stylistic adjustments have been identified in the notes to and forming part of the financial statements in the *Queensland Curriculum and Assessment Authority – Annual Report 2014-15*, tabled on 30 September 2015 (Ref no: 1243).

These errors and stylistic adjustments occurred during the process of incorporating the statements in the annual report. The original financial statements certified by the Queensland Audit Office do not contain any errors.

For ease of reference, the complete certified “QCAA Financial Report 2014-15” is being tabled as an erratum so it may be read as a replacement for the financial statements included in the *Queensland Curriculum and Assessment Authority – Annual Report 2014-15*.

## Queensland Curriculum and Assessment Authority Financial Report 2014-15

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### **General Information**

These financial statements cover the Queensland Curriculum and Assessment Authority.

The Queensland Curriculum and Assessment Authority is a statutory body established under the *Education (Queensland Curriculum and Assessment Authority) Act 2014*.

The Authority is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Authority is:

154 Melbourne Street  
South Brisbane QLD 4101

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

For information in relation to the Authority's financial report please call 3864 0222, email [finance@qcaa.qld.edu.au](mailto:finance@qcaa.qld.edu.au) or visit the Authority's Internet site [www.qcaa.qld.edu.au](http://www.qcaa.qld.edu.au).

Amounts shown in this financial report may not add to the correct sub-totals or totals due to rounding.

## Queensland Curriculum and Assessment Authority

### Statement of Comprehensive Income

for the year ended 30 June 2015

	Notes	2015 \$'000
<b>Income from Continuing Operations</b>		
<b>Revenue</b>		
User charges and fees	2	2,087
Grants	3	38,297
Interest		372
Other revenues		7
<b>Total Revenue</b>		<b>40,763</b>
		<b>40,763</b>
<b>Total Income from Continuing Operations</b>		
<b>Expenses from Continuing Operations</b>		
Employee expenses	4	26,909
Supplies and services	6	12,208
Depreciation and amortisation	7	1,303
Other expenses	8	312
<b>Total Expenses from Continuing Operations</b>		<b>40,732</b>
		<b>31</b>
<b>Operating Result from Continuing Operations</b>		
		<b>31</b>
<b>Other Comprehensive Income</b>		
		<b>-</b>
<b>Total Comprehensive Income</b>		
		<b>31</b>

*The accompanying notes form part of these statements*

# Queensland Curriculum and Assessment Authority

## Statement of Financial Position

as at 30 June 2015

	Notes	2015 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	9	12,058
Receivables	10	928
Prepayments		363
Inventories	11	10
<b>Total Current Assets</b>		<b>13,359</b>
<b>Non-Current Assets</b>		
Intangible assets	12	3,088
Plant and equipment	13	828
<b>Total Non-Current Assets</b>		<b>3,916</b>
<b>Total Assets</b>		<b>17,275</b>
<b>Current Liabilities</b>		
Payables	14	3,926
Accrued employee benefits	15	656
Unearned revenue		298
<b>Total Current Liabilities</b>		<b>4,880</b>
<b>Total Liabilities</b>		<b>4,880</b>
<b>Net Assets</b>		<b>12,395</b>
<b>Equity</b>		
Contributed equity		12,364
Accumulated surplus		31
<b>Total Equity</b>		<b>12,395</b>

*The accompanying notes form part of these statements*

## Queensland Curriculum and Assessment Authority

### Statement of Changes in Equity for the year ended 30 June 2015

	Accumulated Surplus	Contributed Equity	Total
	2015	2015	2015
	\$'000	\$'000	\$'000
Balance as at 1 July	-	12,364	12,364
Total Comprehensive Income for the Year	31	-	31
Balance as at 30 June	<b>31</b>	<b>12,364</b>	<b>12,395</b>

*The accompanying notes form part of these statements*

## Queensland Curriculum and Assessment Authority

### Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015 \$'000
<b>Cash flows from operating activities</b>		
<i>Inflows:</i>		
User charges and fees		2,089
Grants and other contributions		38,297
Interest receipts		386
GST input tax credits from Australian Taxation Office		1,298
GST collected from customers		148
Other		7
<i>Outflows:</i>		
Employee expenses		(28,534)
Supplies and services		(11,849)
GST remitted to Australian Taxation Office		(145)
GST paid to suppliers		(1,257)
Other		(101)
<b>Net cash provided by operating activities</b>	<b>16</b>	<b><u>339</u></b>
 <b>Cash flows from investing activities</b>		
<i>Outflows:</i>		
Payments for plant and equipment		(158)
Payments for intangibles		(590)
<b>Net cash used in investing activities</b>		<b><u>(748)</u></b>
Net decrease in cash and cash equivalents		(409)
Cash and cash equivalents at beginning of financial year		12,467
<b>Cash and cash equivalents at end of financial year</b>	<b>9</b>	<b><u>12,058</u></b>

*The accompanying notes form part of these statements*

# Queensland Curriculum and Assessment Authority

## Notes To and Forming Part of the Financial Statements for the year ended 30 June 2015

Objectives and principal activities of the Queensland Curriculum and Assessment Authority

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- Note: 2 User Charges and Fees
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- Note: 5 Key Management Personnel and Remuneration
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## Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements  
for the year ended 30 June 2015

### Objectives and principal activities of the Authority

The Queensland Curriculum and Assessment Authority was established as a statutory authority under the *Education (Queensland Curriculum and Assessment Authority) Act 2014*. Its objective is to assist schools to provide quality learning and assessment for students, and to maintain public confidence in the validity and reliability of assessment outcomes.

The Authority provides kindergarten to Year 12 syllabuses and guidelines and assessment, testing, reporting, certification and tertiary entrance services to Queensland schools.

### 1 Summary of Significant Accounting Policies

#### (a) Statement of Compliance

The Queensland Curriculum and Assessment Authority has prepared these financial statements in compliance with section 43 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 and Trade's Minimum Reporting Requirements for the year ended 30 June 2015, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Queensland Curriculum and Assessment Authority has applied those requirements applicable to not-for-profit entities, as the Authority is a not-for-profit entity. Except where stated, the historical cost convention is used.

#### (b) The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the Authority.

#### (c) User Charges

User charges and fees controlled by the Authority are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the Authority where they can be deployed for the achievement of its objectives.

#### (d) Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Authority 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.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in Note 1(w).

#### (e) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

#### (f) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts were written off or provided against as at 30 June.

#### (g) Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Net realisable value is determined on the basis of the Authority's normal selling pattern. Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

#### (h) Non-Current Assets Classified as Held for Sale

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

These assets are measured at the lower of the assets' carrying amounts and their fair values less costs to sell. Such assets are no longer amortised or depreciated upon being classified as held for sale. At 30 June 2015, the Authority did not hold any non-current assets for sale.

#### (i) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. 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. However, any training costs are expensed as incurred.

Where assets are received free of charge from a Queensland Authority (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 books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

#### (j) Plant and Equipment

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

#### (k) Revaluations of Non-Current Physical and Intangible Assets

Plant and equipment is measured at cost in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.

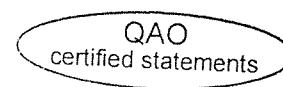
Intangible assets are measured at their historical cost, unless there is an active market for the assets concerned (in which case they are measured at fair value).

Materiality concepts (according to the *Framework for the Preparation and Presentation of Financial Statements*) are considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).



# Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements  
for the year ended 30 June 2015



## (l) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

## (m) Intangibles

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the Authority. The residual value is zero for all the Authority's intangible assets.

It has been determined that there is not an active market for any of the Authority's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

### *Internally Generated Software*

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the Authority, namely 10 years.

## (n) Amortisation and Depreciation of Intangibles and Plant and Equipment

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis.

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost, less its estimated residual value, progressively over its estimated useful life to the Authority.

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 classes within either plant and equipment or intangibles.

Where assets have separately identifiable components that are subject to either regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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 Authority.

The depreciable amount of leasehold improvements is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of leases includes any option period where exercise of the option is probable.

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

Class	Useful life
<b>Plant &amp; Equipment</b>	
Computer equipment	5 to 10 years
Office equipment	5 to 10 years
Print equipment	5 to 10 years
Leasehold improvements	3.8 to 8 years
<b>Intangible assets</b>	
Software internally generated	10 years

## (o) Impairment of Non-Current Assets

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

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income.

## (p) Lease

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits. The Authority has no finance leases.

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

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

## (q) 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.

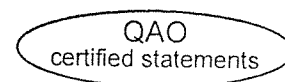
## (r) Financial Instruments

### *Recognition*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Authority

# Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements  
for the year ended 30 June 2015



(r) **Financial Instruments (continued)**

becomes party to the contractual provisions of the financial instrument.

*Classification*

Financial instruments are classified and measured as follows:

- Receivables - held at amortised cost
- Payables - held at amortised cost

The Authority does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Authority holds no financial assets classified at fair value through profit and loss.

All disclosures relating to the measurement basis and financial risk management of other financial instruments held by the Authority are included in Note 19.

(s) **Employee Benefits**

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

*Wages, salaries and sick leave*

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rates.

As the Authority expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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

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

*Annual Leave*

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

No provision for annual leave is recognised in the Authority'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*.

*Long service leave*

Under the Queensland Government's long service leave scheme, a levy is made on the Authority to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable.

Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the Authority's financial statements, the liability being 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*.

*Superannuation*

Employer superannuation contributions are paid to QSuper, the superannuation plan 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 Authority's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit 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*.

*Key management personnel and remuneration*

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 5 for the disclosures on key executive management personnel and remuneration.

(t) **Unearned Revenue**

Unearned revenue is recognised upon receipt of payment prior to goods/services being delivered by the Authority. Revenue is recognised at the time of goods/service delivery.

Visa student fees are charged per calendar year, not financial year. Therefore, fifty per cent of the visa student fees received in the second-half of the financial year are recorded as unearned revenue. The remaining fifty per cent is then recognised as revenue in the subsequent financial year.

(u) **Provisions**

Provisions are recorded when the Authority has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

(v) **Insurance**

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

(w) **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.

## Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements  
for the year ended 30 June 2015

**(x) Contributed Equity**

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

**(y) Taxation**

The Authority is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Queensland Curriculum and Assessment Authority. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 10).

**(z) Issuance of Financial Statements**

The financial statements are authorised for issue by the Chair and Chief Executive Officer at the date of signing the Management Certificate.

**(aa) Accounting Estimates and Judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that 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.

**(bb) Other Presentation Matters**

*Currency and rounding* - amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000, or, where the amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

*Current/Non-Current Classification* - assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Authority does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

**(cc) New and Revised Accounting Standards**

The Authority did not voluntarily change any of its accounting policies during 2014-15. The Australian Accounting Standard applicable for the first time as from 2014-15 is AASB 1055 Budgetary Reporting.

AASB 1055 became effective from reporting periods beginning on or after 1 July 2014. In response to this new standard, the Queensland Curriculum and Assessment Authority has included in these financial statements a comprehensive new note 'Budget vs Actual Comparison' (Note 21). This note discloses the Authority's original published budgeted figures for 2014-15 compared to actual results, with explanations of major variances, in respect of the Authority's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

The following new and revised standards also became applicable to the Queensland Curriculum and

Assessment Authority as from reporting periods beginning on or after 1 January 2014:

- AASB 10 *Consolidated Financial Statements* ;
- AASB 11 *Joint Arrangements* ;
- AASB 12 *Disclosure of Interests in Other Entities* ;
- AASB 127 (revised) *Separate Financial Statements* ;
- AASB 128 (revised) *Investments in Associates and Joint Ventures* ; and
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17].

These new/revised standards are not expected to significantly impact the Authority.

The Authority is not permitted to adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, the Queensland Curriculum and Assessment Authority has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Authority applies standards and interpretations in accordance with their respective commencement dates. At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

From reporting periods beginning on or after 1 July 2016, the Authority will need to comply with the requirements of AASB 124 *Related Party Disclosures*. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. The Authority already discloses information about the remuneration expenses for key management personnel (refer to Note 5) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for the Authority's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

AASB 15 *Revenue from Contracts with Customers* will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the Authority's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the Authority has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The Authority is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

AASB 9 *Financial Instruments* and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the Queensland Curriculum and Assessment Authority are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Authority's financial assets. AASB 9

## Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements  
for the year ended 30 June 2015

- (cc) **New and Revised Accounting Standards (continued)**  
will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The Queensland Curriculum and Assessment Authority has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Authority's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Queensland Curriculum and Assessment Authority enters into, all of the Authority's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in Notes 1(r) and 19). In the case of the Authority's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the Authority's operating result.

Another impact of AASB 9 relates to calculating impairment losses for the Authority's receivables. Assuming no substantial change in the nature of the Authority's receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the Authority will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

The Queensland Curriculum and Assessment Authority will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changed disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that the Queensland Curriculum and Assessment Authority enters into, the most likely ongoing disclosure impact is expected to relate to the credit risk of financial assets subject to impairment.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Queensland Curriculum and Assessment Authority's activities, or have no material impact on the Authority.

- (dd) **Comparative Year**  
As the Queensland Curriculum and Assessment Authority commenced operation on 1 July 2014, no comparative figures are provided.

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

	<b>2015</b>
<b>2 User Charges and Fees</b>	<b>\$'000</b>
Visa student fees	414
Publications	316
Workshops/conferences	563
Licensing and copyright fees	520
Certificates	138
Examinations	48
Other	88
<b>Total</b>	<b><u>2,087</u></b>
<b>3 Grants</b>	
Administered	32,600
Controlled	
- NAPLAN	5,224
- Other	473
<b>Total</b>	<b><u>38,297</u></b>
<b>4 Employee Expenses</b>	
<b>Employee benefits:</b>	
Salaries	15,670
Casuals	
- Markers	3,152
- Panellists	1,890
- Other	413
Annual leave levy/expense *	1,596
Employer superannuation contributions *	2,463
Long service leave levy/expense *	365
<b>Employee related expenses:</b>	
Workers compensation premium *	33
Payroll tax *	1,195
Other employee related expenses	132
<b>Total</b>	<b><u>26,909</u></b>

\* Refer to Note 1(s)

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

	<b>2015</b>
Number of Employees:	206

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

#### 5 Key Management Personnel and Remuneration

##### (a) Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Authority during 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to position (date resigned from position)
Chief Executive Officer	The Chief Executive Officer is responsible for providing advice to the Minister on strategic educational issues and manages the staff, functions and resources of the Office of the QCAA in accordance with relevant legislation.	The Chief Executive Officer is at classification level SES 4 under sections 32 -34 of the Education (Queensland Curriculum and Assessment Authority) Act 2014.	Contract start date 06/03/2014, contract completion date 05/03/2017.
Director, Curriculum Services Division	The Director, Curriculum Services leads the development, implementation and promotion of QCAA's policy approach to curriculum, learning, assessment and reporting. The position also leads the review of syllabuses and curriculum development with a particular focus on implementation of the Australian Curriculum.	Classification level SES 2 (High) under sections 110 and 113 of the Public Service Act 2008.	Contract start date 14/07/2014, contract termination date 13/07/2017.
Director, Assessment and Reporting Division	The Director, Assessment and Reporting is responsible for the development and implementation of strategies to support QCAA's assessment capability and to manage the quality assurance processes for QCAA's testing, certification and assessment functions. The position is also responsible for the release of accurate student achievement data, and the development, implementation and evaluation of QCAA's information technology systems.	Classification level SES 2 (High) under sections 110 and 113 of the Public Service Act 2008.	Contract start date 14/07/2014, contract termination date 13/07/2017.
Director, Corporate Services Division	The Director, Corporate Services is accountable for the delivery of strategic corporate outcomes and the development, implementation and evaluation of QCAA's corporate governance arrangements.	Classification level SES 2 (Low) under sections 110 and 113 of the Public Service Act 2008.	Contract start date 04/02/2008, contract completion date 03/02/2016.
Assistant Director, Policy Coordination Branch	The Assistant Director, Policy Coordination provides high-level advice on government relationship management and coordinates policy development and communication of QCAA policy and information to stakeholders.	Senior Officer classification level under sections 116 and 119 of the Public Service Act 2008.	Appointment date 15/10/2007.

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

#### 5 Key Management Personnel and Remuneration (continued)

##### (b) Remuneration Expenses

Remuneration policy for the Authority's key management personnel is set by the Queensland Public Service Commission as provided for under the Public Service Act 2008. The remuneration and other terms of employment (including motor vehicle entitlements) for the key executive management personnel are specified in employment contracts.

For the 2014-15 year, remuneration of key management personnel increased by 2.2% in accordance with government policy.

The following disclosures focus on the expenses incurred by the Authority during the reporting period, that is attributable to key management positions. Therefore the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprise the following components:-

- Short term employee expenses include salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- Performance bonuses are not paid under the contracts in place.

#### 1 July 2014 - 30 June 2015

Position	Short term employee expenses		Long term employee expenses	Post employment expenses	Termination benefits	Total expenses
	Monetary expenses \$'000	Non-monetary expenses \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	240	-	5	25	-	270
Director, Curriculum Services Division	178	-	4	18	-	200
Director, Assessment and Reporting Division	178	-	4	17	-	199
Director, Corporate Services Division	178	-	4	18	-	200
Assistant Director, Policy Coordination Branch	137	-	3	16	-	156
<b>Total Remuneration</b>	<b>911</b>	<b>-</b>	<b>20</b>	<b>94</b>	<b>-</b>	<b>1,025</b>

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

	<b>2015</b>
	<b>\$'000</b>
<b>6 Supplies and Services</b>	
Travel	922
Contractors and consultancies	3,588
Information and communication technology	846
Freight and postage	1,365
Catering and venue hire	1,102
Printing, stationery and publications	1,415
Property, equipment and fleet costs	2,910
Other	60
<b>Total</b>	<b><u>12,208</u></b>
<b>7 Depreciation and Amortisation</b>	
Depreciation and amortisation were incurred in respect of:	
Plant and equipment	337
Software internally generated	966
<b>Total</b>	<b><u>1,303</u></b>
<b>8 Other Expenses</b>	
Insurance premiums - QGIF	45
External audit fees*	27
Internal audit fees**	38
Bank fees and charges	3
Inventory write-downs	121
Losses from disposal of assets	78
<b>Total</b>	<b><u>312</u></b>

\*Total audit fees paid to the Queensland Audit Office relating to the 2014-15 financial statements are estimated to be \$29,700. There are no non-audit services included in this amount.

\*\* The Authority engaged the services of Internal Audit from the Department of Education and Training to perform financial compliance audits.



## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

	<b>2015</b>
<b>9 Cash and Cash Equivalents</b>	<b>\$'000</b>
Cash at bank	7,558
Term Deposits	4,500
<b>Total</b>	<b><u>12,058</u></b>

Interest earned on cash held with Financial Institutions earned between 1.95% to 3.50% in 2015.

### 10 Receivables

Trade debtors	35
GST receivable	373
GST payable	(4)
Interest receivable	28
Long service leave reimbursements	155
Annual leave reimbursements	303
Other	38
<b>Total</b>	<b><u>928</u></b>

### 11 Inventories

Publications	10
<b>Total</b>	<b><u>10</u></b>

Refer to Note 1(g)

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

	2015
	\$'000
<b>12 Intangible Assets</b>	
Software internally generated	
At cost:	11,057
Less: Accumulated amortisation	(9,238)
	<b>1,819</b>
 Software under development (Work in progress)	 1,269
<b>Total</b>	<b>3,088</b>

#### Intangibles Reconciliation

	Software Development WIP	Software Internally Generated	Total
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>Opening Balance</b>	<b>897</b>	<b>11,068</b>	<b>11,965</b>
Acquisitions through internal development	590	-	590
Transfer between classes	(217)	217	-
Disposals/Assets written off		(228)	(228)
Impairment losses	-	-	-
Amortisation		(9,238)	(9,238)
<b>Carrying amount at 30 June</b>	<b>1,269</b>	<b>1,819</b>	<b>3,088</b>

Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.

The Authority has a software program with an original cost of \$2,139,647 and a written down value of zero still being used in the provision of services. There is no known date for replacing this software program.

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

<b>13 Plant and Equipment</b>	<b>2015</b>
	<b>\$'000</b>
Plant and equipment:	
At cost	2,828
Less: Accumulated depreciation	(2,000)
<b>Total</b>	<b>828</b>

The Queensland Curriculum and Assessment Authority has fully depreciated plant and equipment with a cost of \$1,192,323 still being used in the provision of services.

#### Plant and Equipment Reconciliation

	Plant & Equipment	Total
	2015	2015
	\$'000	\$'000
<b>Opening Balance</b>	<b>2,733</b>	<b>2,733</b>
Acquisitions	158	158
Disposals/Assets written off	(63)	(63)
Transfer between classes	-	-
Depreciation	(2,000)	(2,000)
<b>Carrying amount at 30 June</b>	<b>828</b>	<b>828</b>

<b>14 Payables</b>	<b>2015</b>
	<b>\$'000</b>
Trade creditors	3,740
Other	186
	<b>3,926</b>

<b>15 Accrued Employee Benefits</b>	
Salaries payable	138
Annual leave levy payable	434
Long service leave levy payable	84
	<b>656</b>

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

16 Reconciliation of Operating Surplus to Net Cash from Operating Activities	2015 \$'000
Operating surplus/(deficit)	31
Depreciation & amortisation expense	1,303
Loss on sale/disposal of non-current assets	78
<b>Change in assets and liabilities:</b>	
(Increase)/decrease in trade receivables	(4)
(Increase)/decrease in GST input tax credits receivable	41
(Increase)/decrease in LSL reimbursement receivable	(75)
(Increase)/decrease in Annual leave reimbursements	(303)
(Increase)/decrease in other receivables	(24)
(Increase)/decrease in inventory	121
Increase/(decrease) in accounts payable	367
Increase/(decrease) in accrued employee benefits	(1,240)
Increase/(decrease) in GST payable	3
Increase/(decrease) in other payables	(3)
Increase/(decrease) in unearned revenue	43
<b>Net cash from operating activities</b>	<u><u>339</u></u>

### 17 Commitments for Expenditure

#### (a) Non-cancellable operating leases

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

Not later than one year	2,885
Later than one year and not later than five years	2,930
<b>Total</b>	<u><u>5,815</u></u>

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.

No purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

## Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements  
for the year ended 30 June 2015

### 17 Commitments for Expenditure (continued)

#### (b) Other Expenditure Commitments

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

2015	2015
Payable:	<b>\$'000</b>
Not later than one year	1,313
<b>Total</b>	<b><u>1,313</u></b>

### 18 Contingencies

#### Guarantees and undertakings

The Queensland Curriculum and Assessment Authority was not committed to any guarantees or undertakings at 30 June 2015. There are no other known contingent assets or liabilities at the date of this report.

### 19 Financial Instruments

#### (a) Categorisation of Financial instruments

The Authority has the following categories of financial assets and financial liabilities:

Category	Notes	
<b>Financial Assets</b>		
Cash & cash equivalents	9	12,058
Receivables	10	928
<b>Total</b>		<b><u>12,986</u></b>
<b>Financial Liabilities</b>		
Payables	14	3,926
<b>Total</b>		<b><u>3,926</u></b>

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

#### 19 Financial Instruments (continued)

##### (b) Financial Risk Management

The Authority's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government and Queensland Curriculum and Assessment Authority policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Authority.

All financial risk is managed by the Chief Executive Officer under policies approved by the Authority. The Authority provides written principles for overall risk management, as well as policies covering specific areas.

Queensland Curriculum and Assessment Authority measures risk exposure using a variety of methods as follows -

<b>Risk Exposure</b>	<b>Measurement Method</b>
Credit Risk	Ageing analysis, earnings at risk
Liquidity Risk	Sensitivity analysis
Market Risk	Interest rate sensitivity analysis

##### (c) Credit Risk Exposure

Credit risk exposure refers to the situation where the Authority may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

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

No collateral is held as security and no credit enhancements relate to financial assets held by the Authority.

The Authority 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 Authority invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

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

## Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

### 19 Financial Instruments (continued)

#### (c) Credit Risk Exposure (continued)

Aging of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

#### 2015 Financial Assets Past Due But Not Impaired

	Due	Overdue				Total overdue
	Not overdue	Less than 30 days	30-60 days	61-90 days	More than 90 days	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Receivables - trade debtors	17	14	4	-	-	18
<b>Total</b>	<b>17</b>	<b>14</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>18</b>

#### (d) Liquidity risk

Liquidity risk refers to the situation where the Authority may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Authority is exposed to liquidity risk through its trading in the normal course of business.

The Authority manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring the 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.

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

## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

#### 19 Financial Instruments (continued)

##### (d) Liquidity risk (continued)

	Notes	2015 Payable in			Total \$'000
		<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	
<b>Financial Liabilities</b>					
Payables	14	3,926	-	-	3,926
<b>Total</b>		<b>3,926</b>	<b>-</b>	<b>-</b>	<b>3,926</b>

##### (e) Market Risk

The Authority does not trade in foreign currency and is not materially exposed to commodity price changes. The Authority is exposed to interest rate risk through its cash deposited in interest bearing accounts. The Authority does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy articulated in the Authority's Investment Policy.

##### (f) Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/- 1% from the year-end rates applicable to the Authority's financial assets and liabilities. With all other variables held constant, the Authority would have a surplus and equity increase/(decrease) of \$122,000. This is mainly attributable to the Authority's exposure to variable interest rates on its cash invested.

Financial Instruments	Carrying Amount	2015 Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
Cash	12,058	(122)	(122)	122	122
<b>Potential Impact</b>		<b>(122)</b>	<b>(122)</b>	<b>122</b>	<b>122</b>

The Authority does not recognise any financial assets or financial liabilities at fair value.

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.



## Queensland Curriculum and Assessment Authority

### Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

#### 20 Remuneration of Board

	2015 \$'000
The Board is comprised of the following members as at 30 June 2015:	
Mr Brian Short (Chair)	11
Ms Patrea Walton *	-
Mr David Robertson **	6
Ms Leesa Jeffcoat	6
Professor Larry Smith	6
Professor Adam Shoemaker	6
Ms Tracy Corsbie *	-
	35

Board remuneration includes fees of \$34,000 and superannuation of \$1,995.

\* Board members employed by the Department of Education and Training are not entitled to remuneration.

\*\* Fees paid to Independent Schools Queensland.

## Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements  
for the year ended 30 June 2015

### 21 Budget v Actual Comparison

#### Statement of Comprehensive Income

	Original Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of budget
Variance Notes				
<b>Income from Continuing Operations</b>				
<b>Revenue</b>				
User charges and fees	1	1,508	2,087	(579) (38)%
Grants	2	37,344	38,297	(953) (3)%
Interest		373	372	1 0%
Other revenues		4	7	(3) (75)%
<b>Total Revenue</b>		<b>39,229</b>	<b>40,763</b>	<b>(1,534) (4)%</b>
<b>Total Income from Continuing Operations</b>		<b>39,229</b>	<b>40,763</b>	<b>(1,534) (4)%</b>
<b>Expenses from Continuing Operations</b>				
Employee expenses	3	26,194	26,909	(715) (3)%
Supplies and services	4	11,652	12,208	(556) (5)%
Depreciation and amortisation		1,298	1,303	(5) (0)%
Impairment losses		-	-	- 0%
Other expenses	5	85	312	(227) (267)%
<b>Total Expenses from Continuing Operations</b>		<b>39,229</b>	<b>40,732</b>	<b>(1,503) (4)%</b>
<b>Operating Result from Continuing Operations</b>		<b>-</b>	<b>31</b>	<b>(31) 0%</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>- 0%</b>
<b>Total Comprehensive Income</b>		<b>-</b>	<b>31</b>	<b>(31) 0%</b>

## Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

### 21 Budget v Actual Comparison (continued)

#### Statement of Financial Position

	Variance Notes	Original		Variance \$'000	Variance % of budget
		Budget 2015 \$'000	Actual 2015 \$'000		
<b>Current Assets</b>					
Cash and cash equivalents		12,292	12,058	234	2%
Receivables	6	815	928	(113)	(14)%
Prepayments	7	266	363	(97)	(36)%
Other current assets		32	10	22	69%
<b>Total Current Assets</b>		<b>13,405</b>	<b>13,359</b>	<b>46</b>	<b>0%</b>
<b>Non-Current Assets</b>					
Intangible assets	8	3,657	3,088	569	16%
Plant and equipment	9	1,035	828	207	20%
<b>Total Non-Current Assets</b>		<b>4,692</b>	<b>3,916</b>	<b>776</b>	<b>17%</b>
<b>Total Assets</b>		<b>18,097</b>	<b>17,275</b>	<b>822</b>	<b>5%</b>
<b>Current Liabilities</b>					
Payables		3,636	3,926	(290)	(8)%
Accrued employee benefits	10	1,880	656	1,224	65%
Unearned revenue	11	245	298	(53)	(22)%
<b>Total Current Liabilities</b>		<b>5,761</b>	<b>4,880</b>	<b>881</b>	<b>15%</b>
<b>Total Liabilities</b>		<b>5,761</b>	<b>4,880</b>	<b>881</b>	<b>15%</b>
<b>Net Assets</b>		<b>12,336</b>	<b>12,395</b>	<b>(59)</b>	<b>(0)%</b>
<b>Equity</b>					
Contributed equity		4,832	12,364	(7,532)	(156)%
Accumulated surplus		7,504	31	7,473	100%
<b>Total Equity</b>		<b>12,336</b>	<b>12,395</b>	<b>(59)</b>	<b>(0)%</b>

## Queensland Curriculum and Assessment Authority

Notes To and Forming Part of the Financial Statements

for the year ended 30 June 2015

### 21 Budget v Actual Comparison (continued)

#### Statement of Cash Flows

	Variance Notes	Original		Variance \$'000	Variance % of budget
		Budget 2015 \$'000	Actual 2015 \$'000		
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
User charges and fees	12	1,478	2,089	(611)	(41)%
Grants and other contributions		37,344	38,297	(953)	(3)%
Interest receipts		373	386	(13)	(3)%
GST input tax credits from Australian Taxation Office	13	1,485	1,298	187	13%
GST collected from customers		151	148	3	2%
Other		4	7	(3)	(75)%
<i>Outflows:</i>					
Employee expenses		(26,217)	(28,534)	2,317	(9)%
Supplies and services		(11,668)	(11,849)	181	(2)%
GST remitted to Australian Taxation Office		(157)	(145)	(12)	8%
GST paid to suppliers	14	(1,470)	(1,257)	(213)	14%
Other		(85)	(101)	16	(19)%
<b>Net cash provided by operating activities</b>		<b>1,238</b>	<b>339</b>	<b>899</b>	<b>(115)%</b>
<b>Cash flows from investing activities</b>					
<i>Outflows:</i>					
Payments for plant and equipment	15	(301)	(158)	(143)	48%
Payments for intangibles	16	(880)	(590)	(290)	33%
<b>Net cash used in investing activities</b>		<b>(1,181)</b>	<b>(748)</b>	<b>(433)</b>	<b>45%</b>
Net increase/(decrease) in cash and cash equivalents		57	(409)	466	818%
Cash and cash equivalents at beginning of financial year		12,235	12,467	(232)	(2)%
<b>Cash and cash equivalents at end of financial year</b>		<b>12,292</b>	<b>12,058</b>	<b>234</b>	<b>2%</b>

**21. Budget v Actual Comparison (continued)**

**Explanations of major variances**

**Statement of Comprehensive Income**

1. The variance is due to higher than anticipated income from copyright charges, combined with higher than expected attendance at professional development workshops.
2. The variance relates to additional funding received from the Department of Education and Training (DET) for the National Assessment Program - Literacy and Numeracy (NAPLAN) and for the development and delivery of professional development programs promoting continuity of learning across early childhood services and the early years of school.
3. Higher employee costs are largely due to additional temporary staff employed to undertake trial activities in response to the recommendations of the Australian Council for Educational Research (ACER) review of Queensland senior assessment and tertiary entrance processes. Also contributing are higher NAPLAN marker costs due to an additional writing task in the 2015 test.
4. Costs higher than budgeted due to additional expenditure related to the trial activities in response to the recommendations of the ACER Review, NAPLAN and the development of professional development programs promoting continuity of learning across early childhood services and the early years of school.
5. Variance represents write-down of surplus publications held-for-sale combined with write-off of software application.

**Statement of Financial Position**

6. Receivables are higher than budgeted largely due to an underestimation of annual leave receivable. The QCAA was not a member agency of the Annual Leave Central Scheme (ALCS) when the budget was developed.
7. The prepaid expenditure variance can largely be attributed to a higher actual opening balance, compared to what was estimated in the budget.
8. Lower intangible balance largely due to the decision to suspend planned development of the Enrolments and Achievements for Senior Learners (EASeL) software application pending outcomes of the ACER Review.
9. Variance mainly due to planned capital expenditure on ICT network equipment being deferred until 2015-16.
10. Reduction due to the transfer of annual leave liability to the Annual Leave Central Scheme (ALCS).
11. Unearned workshop revenue is higher than budgeted due to higher than expected prepayment of professional development workshop fees.

**Statement of Cash Flows**

12. Cash inflows for user charges exceeded budget as per the reasons in variances Note 1 and Note 11.
13. GST input tax credits from the Australian Taxation Office (ATO) were lower than budget due to an underestimation of the GST component of supplies and services.
14. GST paid to suppliers was lower than budget due to an underestimation of the GST component of supplies and services.

**Queensland Curriculum and Assessment Authority**

*Notes To and Forming Part of the Financial Statements*  
for the year ended 30 June 2015

15. Decrease mainly due to planned capital expenditure on ICT network equipment being deferred until 2015-16.
16. Decrease in capital expenditure due to the decision to suspend further development of the Enrolments and Achievements for Senior Learners (EASeL) software application pending outcomes of the ACER Review.

## Certificate of the Queensland Curriculum and Assessment Authority

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:


- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Curriculum and Assessment Authority for the financial year ended 30 June 2015 and of the financial position of the Authority 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.

**Chris Rider**

**Brian Short**

**Chief Executive Officer**

**Chair**

26 August 2015

26 August 2015

## INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Curriculum and Assessment Authority

### Report on the Financial Report

I have audited the accompanying financial report of Queensland Curriculum and Assessment Authority, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chief Executive Officer and the Chair of the Board of Directors.

#### *The Board's Responsibility for the Financial Report*

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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



### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only 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 audit 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.

### *Opinion*

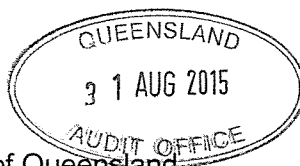
In accordance with s.40 of the *Auditor-General Act 2009*:

- (a) I have received all the information and explanations which I have required
- (b) in my opinion:
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Queensland Curriculum and Assessment Authority for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

### **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

J W Welsh FCPA  
as Delegate of the Auditor-General of Queensland



Queensland Audit Office  
Brisbane