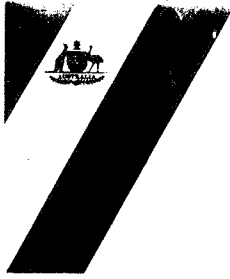


CRC Financial Statements



F97/436

1 October 1998

Mr Laurie Glanfield
Chairman
Criminology Research Council
GPO Box 2944
CANBERRA ACT 2601

Dear Mr Glanfield

**CRIMINOLOGY RESEARCH COUNCIL
1997-98 FINANCIAL STATEMENTS**

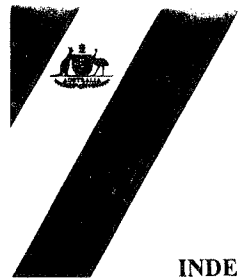
The audit of the financial statements of the Criminology Research Council for the year ended 30 June 1998 has now been completed with satisfactory results.

Attached for your information are a copy of the financial statements together with the unqualified audit report thereon.

Yours sincerely

David C. McKean
Executive Director

Att\



INDEPENDENT AUDIT REPORT



To the Minister for Justice

Scope

I have audited the financial statements of the Criminology Research Council for the year ended 30 June 1998. The statements comprise:

- Statement by Council Members;
- Operating Statement;
- Statement of Assets and Liabilities;
- Statement of Cash Flows;
- Schedule of Commitments; and
- Notes to and forming part of the Financial Statements.

The members of the Council are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you, the Minister for Justice.

The audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view of the Council which is consistent with my understanding of its financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In my opinion,

- (i) the financial statements have been prepared in accordance with the Guidelines for Financial Statements of Commonwealth Authorities
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, and other mandatory professional reporting requirements and the Guidelines for Financial Statements of Commonwealth Authorities, of the financial position of the Criminology Research Council as at 30 June 1998 and the results of its operations and its cash flows for the year then ended.

Australian National Audit Office



David C. McKean
Executive Director

Delegate of the Auditor-General

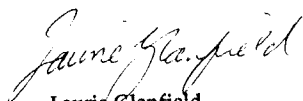
Canberra

1 October 1998

CRIMINOLOGY RESEARCH COUNCIL

STATEMENT BY COUNCIL MEMBERS

In our opinion, the attached financial statements present fairly the information required by the Minister for Finance and Administration's Guidelines for Financial Statements of Commonwealth Authorities.



Laurie Glanfield
Chairman

23 September 1998



Adam Graycar
Director

23 September 1998

**CRIMINOLOGY RESEARCH COUNCIL
OPERATING STATEMENT
for the year ended 30 June 1998**

	Note	1998 \$	1997 \$
NET COST OF SERVICES			
Operating expenses			
Research projects		203,244	202,424
Employees	3a	61,604	62,659
Suppliers	3b	123,852	51,677
Total operating expenses		<u>388,700</u>	<u>316,760</u>
Operating revenues from independent sources			
Interest		24,542	34,091
Other		0	8,781
Total operating revenues from independent sources		<u>24,542</u>	<u>42,872</u>
Net cost of services		<u>(364,158)</u>	<u>(273,888)</u>
REVENUES FROM GOVERNMENT			
Revenues from government			
Parliamentary appropriations received	4a	236,000	249,000
State and Territory Governments	4b	143,785	148,999
Total revenues from government		<u>379,785</u>	<u>397,999</u>
Surplus (deficit) of revenues from government over net costs of services		15,627	124,111
Accumulated surpluses at beginning of reporting period		275,215	151,104
Accumulated surpluses at end of reporting period		<u>290,842</u>	<u>275,215</u>

The accompanying notes form part of these financial statements

CRIMINOLOGY RESEARCH COUNCIL
STATEMENT OF ASSETS AND LIABILITIES
as at 30 June 1998

	Note	1998	1997
		\$	\$
PROVISIONS AND PAYABLES			
Suppliers	5a	6,900	7,013
Research Projects	5b	370,294	367,076
Total Provisions and Payables		<u>377,194</u>	<u>374,089</u>
Total liabilities		<u>377,194</u>	<u>374,089</u>
EQUITY			
Capital	6	36,018	36,018
Accumulated surpluses	6	290,842	275,215
Total equity		<u>326,860</u>	<u>311,233</u>
Total liabilities and equity		<u>704,054</u>	<u>685,322</u>
FINANCIAL ASSETS			
Cash	7a	393,317	374,575
Receivables	7b	737	747
Investments	7c	310,000	310,000
Total financial assets		<u>704,054</u>	<u>685,322</u>
Total assets		<u>704,054</u>	<u>685,322</u>
Current liabilities		314,444	352,749
Non-Current liabilities		62,750	21,340
Current assets		704,054	685,322
Non-Current assets		-	-

The accompanying notes form part of these financial statements.

**CRIMINOLOGY RESEARCH COUNCIL
STATEMENT OF CASH FLOWS
for the year ended 30 June 1998**

	Note	1998 \$	1997 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		236,000	249,000
State & Territory Government Contributions		143,785	148,999
Interest		24,551	34,125
Other		0	40,000
Total cash received		<u>404,336</u>	<u>472,124</u>
Cash Used			
Suppliers		(185,569)	(115,878)
Research Projects		(200,025)	(302,241)
Total cash used		<u>(385,594)</u>	<u>(418,119)</u>
Net cash from operating activities	8	<u>18,742</u>	<u>54,005</u>
Net increase in cash held		18,742	54,005
Add cash at 1 July		374,575	320,570
Cash at 30 June		<u>393,317</u>	<u>374,575</u>

The accompanying notes form part of these financial statements

**CRIMINOLOGY RESEARCH COUNCIL
SCHEDULE OF COMMITMENTS
as at 30 June 1998**

	Note	1998 \$	1997 \$
BY TYPE			
OTHER COMMITMENTS			
Other Commitments		30,281	30,289
Total other commitments		<u>30,281</u>	<u>30,289</u>
Total commitments payable		30,281	30,289
Commitments receivable		0	0
Net commitments		<u>30,281</u>	<u>30,289</u>
BY MATURITY			
One year or less		10,281	11,592
From one to two years		20,000	18,697
Net commitments		<u>30,281</u>	<u>30,289</u>

The accompanying notes form part of these financial statements.

CRIMINOLOGY RESEARCH COUNCIL NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 1998

1. Summary of Significant Accounting Policies

1.1 Basis of accounting

The financial statements are a general purpose financial report.

They have been prepared in accordance with:

- Guidelines titled *Financial Statements of Commonwealth Authorities* issued by the Minister for Finance and Administration in July 1997 (the 'Guidelines'), which require that the financial statements are prepared:
 - in compliance with Australian Accounting Standards and Accounting Guidance Releases issued by the Australian Accounting Research Foundation; and
 - having regard to Statements of Accounting Concepts, and
- the Consensus Views of the Urgent Issues Group.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention. Except where stated, no allowance is made for the effect of changing prices on the results or on the financial position.

1.2 Function of Council

The functions of the Council are to control and administer the Criminology Research Fund established in accordance with part IV of the *Criminology Research Act 1971*, from which research grants are made to researchers undertaking criminology research projects.

1.3 Administrative Grant

The Council entered into an agreement with the Australian Institute of Criminology on 20 December 1994 to pay the Institute \$100,000 in the 1994/95 financial year for administrative support services. The same amount was paid to the Institute in 1997/98.

1.4 Taxation

Section 50 of the *Criminology Research Act 1971* states that the transactions of the Council and the Fund are not subject to taxation under any law of the Commonwealth, of a State or of a Territory.

1.5 Cash

For the purpose of the Statement of Cash Flows, cash has been defined as cash at bank and on hand.

1.6 Comparative figures

Where necessary comparative figures have been adjusted to conform with changes in presentation in these financial statements.

1.7 Subsequent events

No events have occurred after reporting date which have not been brought to account in the 1997/98 financial statements.

1.8 Financial instruments

Accounting policies in relation to financial instruments are disclosed in Note 13

2. Economic Dependency

The Council is dependent upon funding from the Commonwealth Government, the State Governments and the Northern Territory Government.

3. Goods and Service Expenses

3a. Employee Expenses

The Council is serviced by the staff of the Australian Institute of Criminology. Salaries in the accounts represents a proportion of the salaries of persons working on the Criminology Research Fund but paid by the Institute. This amount is deemed to be part of the administrative grant paid by the Council to the Institute.

	1998	1997
	\$	\$
Salaries relating to administrative grant	<u><u>61,604</u></u>	<u><u>62,659</u></u>

3b. Suppliers Expenses

The Council incurred administrative expenses during the year, which have been brought to account in the body of the statements under this expense category. Part of the administrative expenses represent a portion of the administrative grant paid by the Council to the Institute.

	1998	1997
	\$	\$
Administrative expenses relating to administrative grant	<u>38,396</u>	37,341
Project Expenses	<u>85,456</u>	<u>14,336</u>
Total Suppliers Expenses	<u><u>123,852</u></u>	<u><u>51,677</u></u>

4. Revenues from Government4a. Parliamentary appropriations

	<i>1998</i>	1997
	\$	\$
Attorney-General's Department Division 126 Appropriation Act No. 1	<u><u>236,000</u></u>	<u><u>249,000</u></u>

4b. State and Territory Governments Contributions

The States and the Northern Territory contributed at an agreed level on a pro rata population basis as follows.

	<i>1998</i>	1997
	\$	\$
New South Wales	51,340	51,340
Victoria	33,757	37,798
Queensland	27,513	27,513
Western Australia	13,324	14,541
South Australia	12,375	12,375
Tasmania	3,971	3,971
Northern Territory	<u>1,505</u>	<u>1,461</u>
	<u><u>143,785</u></u>	<u><u>148,999</u></u>

5. Provisions & Payables5a. Suppliers

	<i>1998</i>	1997
	\$	\$
Trade creditors	<u><u>6,900</u></u>	<u><u>7,013</u></u>

5b. Research Projects Liabilities

This items represents amounts for research projects approved by the Council and accepted by, but not distributed to grantees as at 30 June 1998.

	<i>1998</i>	1997
	\$	\$
Current Liabilities Research projects	307,544	345,736
Non-Current Liabilities Research projects	<u>62,750</u>	<u>21,340</u>
Total	<u><u>370,294</u></u>	<u><u>367,076</u></u>

6. Equity

Item	Capital	Accumulated results	TOTAL EQUITY
Balance 1 July 1997	36,018	275,215	311,233
Surplus/(Deficit)	<u>0</u>	<u>15,627</u>	<u>15,627</u>
Balance 30 June 1998	<u><u>36,018</u></u>	<u><u>290,842</u></u>	<u><u>326,860</u></u>

7. Financial Assets7a. Cash

	<i>1998</i>	1997
	\$	\$
Cash at bank and on hand	<u><u>393,317</u></u>	<u><u>374,575</u></u>

7b. Receivables

	<i>1998</i>	1997
	\$	\$
Other Debtors	<u><u>737</u></u>	<u><u>747</u></u>

7c. Investments

	<i>1998</i>	1997
	\$	\$
Term Deposits	<u><u>310,000</u></u>	<u><u>310,000</u></u>

8. Cash Flow Reconciliation

Reconciliation of net cash flows from operating activities to net cost of services

	<i>1998</i>	1997
Net cost of services	(364,158)	(273,888)
Revenues from governments	<u><u>379,785</u></u>	<u><u>397,999</u></u>
Operating surplus/(deficit)	<u><u>15,627</u></u>	<u><u>124,111</u></u>
(Increase)/Decrease in research projects	<u><u>3,218</u></u>	<u><u>(68,598)</u></u>
Decrease in trade creditors	<u><u>(113)</u></u>	<u><u>(1,542)</u></u>
Decrease in receivables	<u><u>10</u></u>	<u><u>34</u></u>
Net cash provided by operating activities	<u><u>18,742</u></u>	<u><u>54,005</u></u>

9. Related party disclosures

The members of the Criminology Research Council during the year were:

	<i>Appointment</i>	<i>Terminated</i>
Mr Laurie Glanfield (Chairman) Director-General, Attorney-General's Department, New South Wales	30.07.91	
Mr Norman Reaburn (Commonwealth) Deputy Secretary, Attorney-General's Department	04.12.94	
Mr John Van Groningen Commissioner, Office of the Correctional Services Commissioner, Department of Justice, Victoria	30.06.93	
Dr. Ken Levy Deputy Director-General, Department of Justice, Queensland	12.12.90	
Dr. Robert Fitzgerald Executive Director, Policy &-Legislation Division, Ministry of Justice, Western Australia	26.06.96	
Mr David Moore Commissioner, Northern Territory Correctional Services, Northern Territory	04.02.98	
Mr Denbi Richards Deputy Director, Department of Justice, Tasmania	06.05.98	
Mr John Gardner Commissioner, Northern Territory Correctional Services, Northern Territory	29.04.96	04.02.98
Mr Peter Maloney Director, Legislation and Policy, Justice Department, Tasmania	20.11.89	06.05.98
Ms Joy Wundersitz Director, Office of Crime Statistics, Attorney-General's Department, South Australia	19.07.95	

No loans were made to any members of the Council during the reporting period.

10. Contingent Liabilities

There was no contingent liability against the Criminology Research Council as at 30 June 1998.

11. Executive Remuneration

There are no executive appointments on the Criminology Research Council.

12. Auditor's Remuneration

	1998	1997
	\$	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period	6,900	6,900

No other services were provided by the Auditor-General during the reporting period.

13. Financial Instruments13a. Terms, conditions and accounting policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Term Deposit	7c	The deposit is recognised at cost. Interest is accrued as it is earned.	The deposit is with the Institute's bank, maturing in 1997-98, and earns an effective rate of interest at the prevailing daily rate.
Receivables for goods and services	7b	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are net 7 days (1996-97: 7 days)
Financial Liabilities		Financial Liabilities are recognised when a present obligation to another party is entered into and the amount of the Liability can be reliably measured.	
Trade creditors	5a	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received. (and irrespective of having been invoiced).	Settlement is usually made net 30 days.

13b. Interest Rate Risk

Financial Instrument	Note	Floating Interest Rate			Non-Interest Bearing			Total		Weighted average effective interest rate	
		1998	1997	1998	1997	1998	1997	1998	1997	1998	1997
		\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial Assets (Recognised)											
Cash	7a	393,317	374,575	-	-	-	393,317	374,575	2.5	2.5	
Receivables	7b	-	-	737	747	-	737	747	n/a	n/a	
Investments	7c	310,000	310,000	-	-	-	310,000	310,000	2.5	3.15	
Total Financial Assets (Recognised)		<u>703,317</u>	<u>684,575</u>	<u>737</u>	<u>747</u>	<u>-</u>	<u>704,054</u>	<u>685,322</u>			
Financial Liabilities (Recognised)											
Research Projects	5b	-	-	370,294	367,076	-	370,294	367,076	n/a	n/a	
Suppliers	5a	-	-	6,900	7,013	-	6,900	7,013	n/a	n/a	
Total Financial Liabilities (Recognised)		<u>-</u>	<u>-</u>	<u>377,194</u>	<u>374,089</u>	<u>-</u>	<u>377,194</u>	<u>374,089</u>			

13c Net Fair Values of Financial Assets and Liabilities

Financial Instrument	Note	1998		1997	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$	\$	\$	\$
Financial Assets (Recognised)					
Cash					
Receivables	7a	393,317	393,317	374,575	374,575
Investments	7b	737	737	747	747
	7c	310,000	310,000	310,000	310,000
Total Financial Assets (Recognised)		<u>704,054</u>	<u>704,054</u>	<u>685,322</u>	<u>685,322</u>
Financial Liabilities (Recognised)					
Research Projects	5b	370,294	370,294	367,076	367,076
Suppliers	5a	6,900	6,900	7,013	7,013
Total Financial Liabilities (Recognised)		<u>377,194</u>	<u>377,194</u>	<u>374,089</u>	<u>374,089</u>

Financial assets

The net fair values of cash, deposits, on call and non-interest-bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values for trade creditors are approximated by the carrying amounts.

13d Credit Risk Exposures

The economic entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Assets and Liabilities.