

CRC Financial Statements



F98/520

15 September 1999

Dr Adam Graycar
Director
Criminology Research Council
74 Leichardt Street
GRIFFITH ACT 2603

Dear Dr Graycar

**Criminology Research Council
1998-99 FINANCIAL STATEMENT AUDIT**

Please find enclosed the following documents:

- original set of the financial statements for the Criminology Research Council; and
- Independent Audit Report on those financial statements.

The Independent Audit Report and a copy of the financial statements have been forwarded to the Attorney-General.

Yours sincerely

Allan M. Thompson
Executive Director



INDEPENDENT AUDIT REPORT

To the Council of the Criminology Research Council

Scope

I have audited the financial statements of the Criminology Research Council for the year ended 30 June 1999. The financial statements comprise:

- Statement by the Council Members
- Operating Statement
- Statement of Assets and Liabilities
- Statement of Cash Flows
- Schedule of Commitments;
- Schedule of Contingencies; 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 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 as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements so as to present a view of the entity 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 Schedule 2 of the Finance Minister's Orders; and
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 2 of the Finance Minister's Orders, of the financial position of the Criminology Research Council as at 30 June 1999 and the results of its operations and its cash flows for the year then ended.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'Allan M Thompson', written in a cursive style.

Allan M Thompson
Executive Director

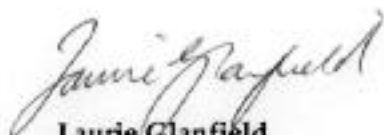
Delegate of the Auditor-General

Canberra
15 September 1999

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

10 September 1999



Adam Graycar
Director

10 September 1999

**CRIMINOLOGY RESEARCH COUNCIL
OPERATING STATEMENT
for the year ending 30 June 1999**

	Note	1999 \$	1998 \$
NET COST OF SERVICES			
Operating expenses			
Research projects		246,400	203,244
Employees	3a	75,649	61,604
Suppliers	3b	60,178	123,852
Total operating expenses		<u>382,227</u>	<u>388,700</u>
Operating revenues from independent sources			
Interest		25,001	24,542
Other		0	0
Total operating revenues from independent sources		<u>25,001</u>	<u>24,542</u>
Net cost of services		<u>(357,226)</u>	<u>(364,158)</u>
REVENUES FROM GOVERNMENT			
Revenues from government			
Parliamentary appropriations received	4a	234,000	236,000
State and Territory Governments	4b	134,000	143,785
Total revenues from government		<u>368,000</u>	<u>379,785</u>
Surplus (deficit) of revenues from government over net costs of services		10,774	15,627
Accumulated surpluses at beginning of reporting period		290,842	275,215
Accumulated surpluses at end of reporting period		<u>301,616</u>	<u>290,842</u>

The accompanying notes form part of these financial statements

CRIMINOLOGY RESEARCH COUNCIL
STATEMENT OF ASSETS AND LIABILITIES
for the year ending 30 June 1999

	Note	1999 \$	1998 \$
PROVISIONS AND PAYABLES			
Suppliers	5a	6,300	6,900
Research Projects	5b	382,674	370,294
Total Provisions and Payables		<u>388,974</u>	<u>377,194</u>
Total liabilities		<u>388,974</u>	<u>377,194</u>
EQUITY			
Capital	6	36,018	36,018
Accumulated surpluses	6	301,616	290,842
Total equity		<u>337,634</u>	<u>326,860</u>
Total liabilities and equity		<u>726,608</u>	<u>704,054</u>
FINANCIAL ASSETS			
Cash	7a	415,154	393,317
Receivables	7b	1,454	737
Investments	7c	310,000	310,000
Total financial assets		<u>726,608</u>	<u>704,054</u>
Total assets		<u>726,608</u>	<u>704,054</u>
Current liabilities		288,724	314,444
Non-Current liabilities		100,250	62,750
Current assets		726,608	704,054
Non-Current assets		—	—

The accompanying notes form part of these financial statements.

**CRIMINOLOGY RESEARCH COUNCIL
STATEMENT OF CASH FLOWS
for the year ending 30 June 1999**

	Note	1999 \$	1998 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		234,000	236,000
State & Territory Government Contributions		134,000	143,785
Interest		24,285	24,551
Other		0	0
Total cash received		392,285	404,336
Cash Used			
Suppliers		(136,427)	(185,569)
Research Projects		(234,021)	(200,025)
Total cash used		(370,448)	(385,594)
Net cash from operating activities	8	21,837	18,742
Net increase in cash held		21,837	18,742
Add cash at 1 July		393,317	374,575
Cash at 30 June		415,154	393,317

The accompanying notes form part of these financial statements

**CRIMINOLOGY RESEARCH COUNCIL
SCHEDULE OF COMMITMENTS
for the year ending 30 June 1999**

	Note	1999 \$	1998 \$
BY TYPE			
OTHER COMMITMENTS			
Other Commitments		0	30,281
Total other commitments		<u>0</u>	<u>30,281</u>
Total commitments payable		0	30,281
Commitments receivable		0	0
Net commitments		<u>0</u>	<u>30,281</u>
BY MATURITY			
One year or less		0	10,281
From one to two years		0	20,000
Net commitments		<u>0</u>	<u>30,281</u>

SCHEDULE OF CONTINGENCIES

	Note	1999 \$	1998 \$
Contingent losses	10	0	0

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 1999**

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 1998–99

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 1998–98 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.

	1999	1998
	\$	\$
Salaries relating to administrative grant	<u>75,649</u>	<u>61,604</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.

	1999	1998
	\$	\$
Administrative expenses relating to administrative grant	24,351	38,396
Project expenses	<u>35,827</u>	<u>85,456</u>
Total Suppliers Expenses	<u>60,178</u>	<u>123,852</u>

4. Revenues from Government**4a. Parliamentary appropriations**

	1999	1998
	\$	\$
Attorney-General's Department Division 126 Appropriation Act No. 1	<u>234,000</u>	<u>236,000</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.

	1999	1998
	\$	\$
New South Wales	46,130	51,340
Victoria	33,847	33,757
Queensland	25,091	27,513
Western Australia	13,248	13,324
South Australia	10,848	12,375
Tasmania	3,453	3,971
Northern Territory	1,383	1,505
	<u>134,000</u>	<u>143,785</u>

5. Provisions & Payables**5a. Suppliers**

	1999	1998
	\$	\$
Trade creditors	<u>6,300</u>	<u>6,900</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 1999.

	1999	1998
	\$	\$
Current Liabilities Research projects	282,424	307,544
Non-Current Liabilities Research projects	100,250	62,750
Total	<u>382,674</u>	<u>370,294</u>

6. Equity

Item	Capital	Accumulated results	TOTAL EQUITY
Balance 1 July 1998	36,018	290,842	326,860
Surplus/(Deficit)	<u>0</u>	<u>10,774</u>	<u>10,774</u>
Balance 30 June 1999	<u><u>36,018</u></u>	<u><u>290,842</u></u>	<u><u>337,634</u></u>

7. Financial Assets7a. Cash

	1999	1998
	\$	\$
Cash at bank and on hand	<u><u>415,154</u></u>	<u><u>393,317</u></u>

7b. Receivables

	1999	1998
	\$	\$
Other Debtors	<u><u>1,454</u></u>	<u><u>737</u></u>

7c. Investments

	1999	1998
	\$	\$
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

	1999	1998
Net cost of services	(357,226)	(364,158)
Revenues from governments	<u>368,000</u>	<u>379,785</u>
Operating surplus/(deficit)	<u>10,774</u>	<u>15,627</u>
Increase in research projects	12,380	3,218
Decrease in trade creditors	(600)	(113)
(Increase)/ Decrease in receivables	<u>(717)</u>	<u>10</u>
Net cash provided by operating activities	<u><u>21,837</u></u>	<u><u>18,742</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	27.5.99
Mr Peter Harmsworth Secretary, Department of Justice, Victoria	27.5.99	
Dr. Ken Levy Deputy Director-General, Department of Justice and Attorney-General, 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 Denbigh Richards Deputy Secretary, Department of Justice and Industrial Relations, Tasmania	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 1999.

11. Executive Remuneration

There are no executive appointments on the Criminology Research Council.

12. Auditor's Remuneration

	1999	1998
	\$	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period	6,300	6,900

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

13. Financial Instruments

13a. 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 Insitute's bank, maturing in 1998–99 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 (1998–99: 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 extend that the goods or services have being received (and irrespective of having being 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	
		1999	1998	1999	1998	1999	1998	1999	1998
		\$	\$	\$	\$	\$	\$	%	%
Financial Assets (Recognised)									
Cash	7a	415,154	393,317	—	—	415,154	393,317	2.5	2.5
Receivables	7b	—	—	1,454	737	1,454	737	n/a	n/a
Investments	7c	310,000	310,000	—	—	310,000	310,000	2.5	3.15
Total Financial Assets (Recognised)		725,154	703,317	1,454	737	726,608	704,054		
Financial Liabilities (Recognised)									
Research Projects	5b	—	—	382,674	370,294	382,674	370,294	n/a	n/a
Suppliers	5a	—	—	6,300	6,900	6,300	6,900	n/a	n/a
Total Financial Liabilities (Recognised)		—	—	388,974	377,194	388,974	377,194		

13c. Net Fair Values of Financial Assets and Liabilities

Financial Instrument	Note	1999		1998	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate fair val
		\$	\$	\$	
Financial Assets (Recognised)					
Cash	7a	415,154	415,154	393,317	39
Receivables	7b	1,454	1,454	737	
Investments	7c	310,000	310,000	310,000	31
Total Financial Assets (Recognised)		726,608	726,608	704,054	70
Financial Liabilities (Recognised)					
Research Projects	5b	382,674	382,674	370,294	37
Suppliers	5a	6,300	6,300	6,900	
Total Financial Liabilities (Recognised)		388,974	388,974	377,194	37

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 recognise financial assets is the carrying amount of those assets as indicated in the Statement of Assets and Liabilities.

The economic entity has no significance exposures to any concentrations of credit risk.