



office for  
children  
annual report

2008  
- 2009

## contents

### office for children

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## About the Office for Children

The Office for Children provides administrative and financial support to the Commission for Children and Young People and the Children's Guardian.

During 2008–2009, the focus was on consolidating the provision of corporate service functions for both the Commission for Children and Young People and the Children's Guardian into a single unit.

## Results

- Implemented corporate service efficiencies and service improvements by establishing one corporate services unit.
- Developed a business plan that identifies key projects and activities to achieve the key business results of:
  - meeting statutory reporting requirements
  - business services maximises others capacity and
  - our work is understood by others.

## What is planned for the future

Recent public sector reforms, aimed at improving services to the people of New South Wales resulted in the separate statutory service groups of the Commission for Children and Young People and the Children's Guardian now coming under Communities NSW.

The Office for Children is working with Communities NSW to implement the necessary administrative changes.



## Organisation and Management

### Establishment

The Office for Children was established on 3 April 2006. The Director-General of the Office for Children, John Lee, is responsible to the Hon Graham West MP, Minister for Juvenile Justice, Minister for Volunteering and Minister for Youth and Minister Assisting the Premier on Veterans' Affairs.

However, the statutory functions of the Children's Guardian relate to the Community Services portfolio and the Children's Guardian reports to the Hon Linda Burney MP, Minister for Community Services.

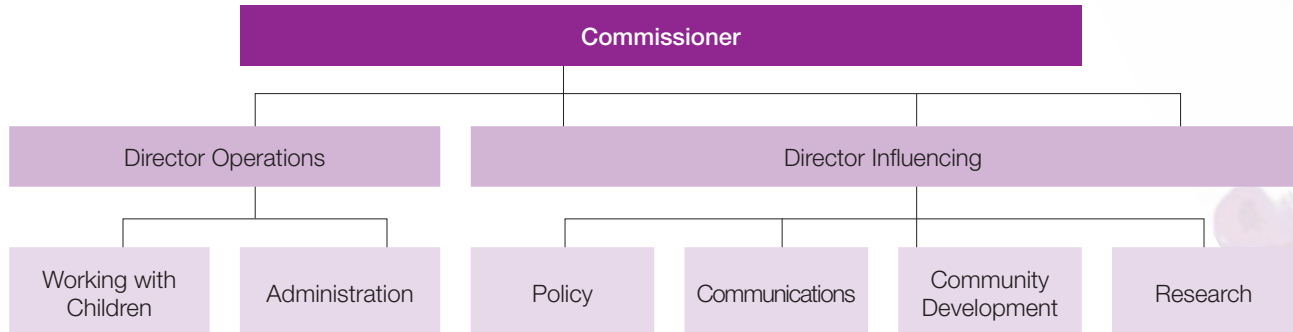
### Structure

The Office for Children provides administrative and financial support for the Commission for Children and Young People and the Children's Guardian. The organisational structures are set out in the organisational charts below.

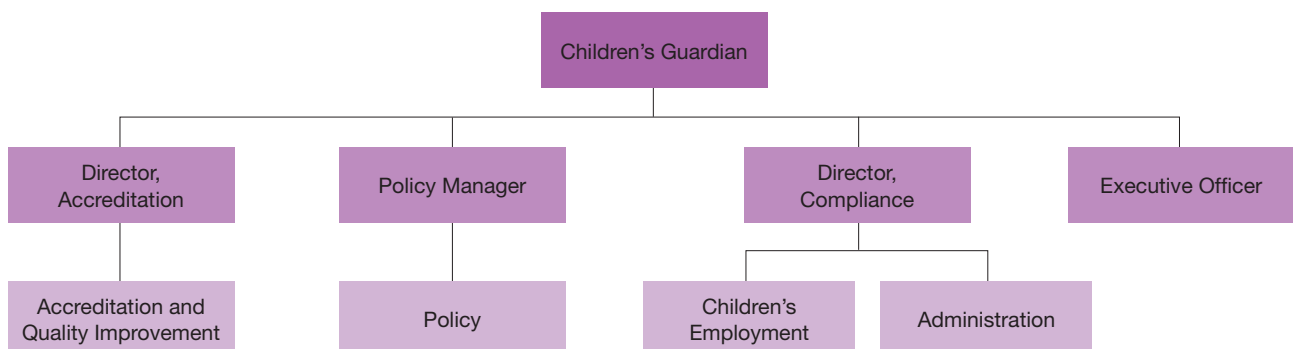
During 2008–2009, the focus was on consolidating the provision of corporate service functions for both the Commission for Children and Young People and the Children's Guardian into a single unit.

### Organisational structures

#### Commission for Children and Young People



#### Children's Guardian



### Chief and Senior Executive Officers

Bands	30 June 2006	30 June 2007	30 June 2008	30 June 2009
Level 6	0	0	0	0
Level 5	0	0	0	0
Level 4	2	2	2	2
Level 3	0	0	0	0
Level 2	0	0	0	0
Level 1	0	0	0	0
Total	2	2	2	2

### Numbers of female executive officers

CES/SES staff 30 June 2006		CES/SES staff 30 June 2007		CES/SES staff 30 June 2008		CES/SES staff 30 June 2009	
Total staff	Women	Total staff	Women	Total staff	Women	Total staff	Women
2	2 (100%)	2	2 (100%)	2	2 (100%)	2	2 (100%)

### Performance statements

John Lee  
Director-General  
SES Level 8

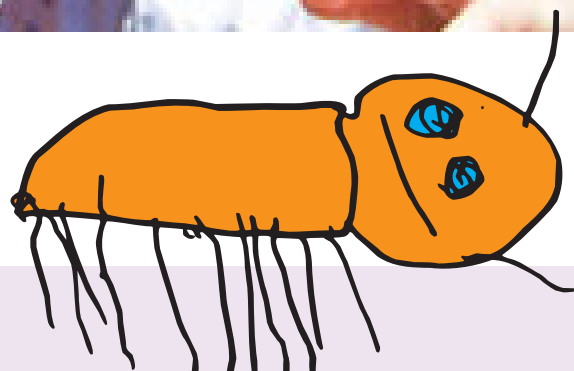
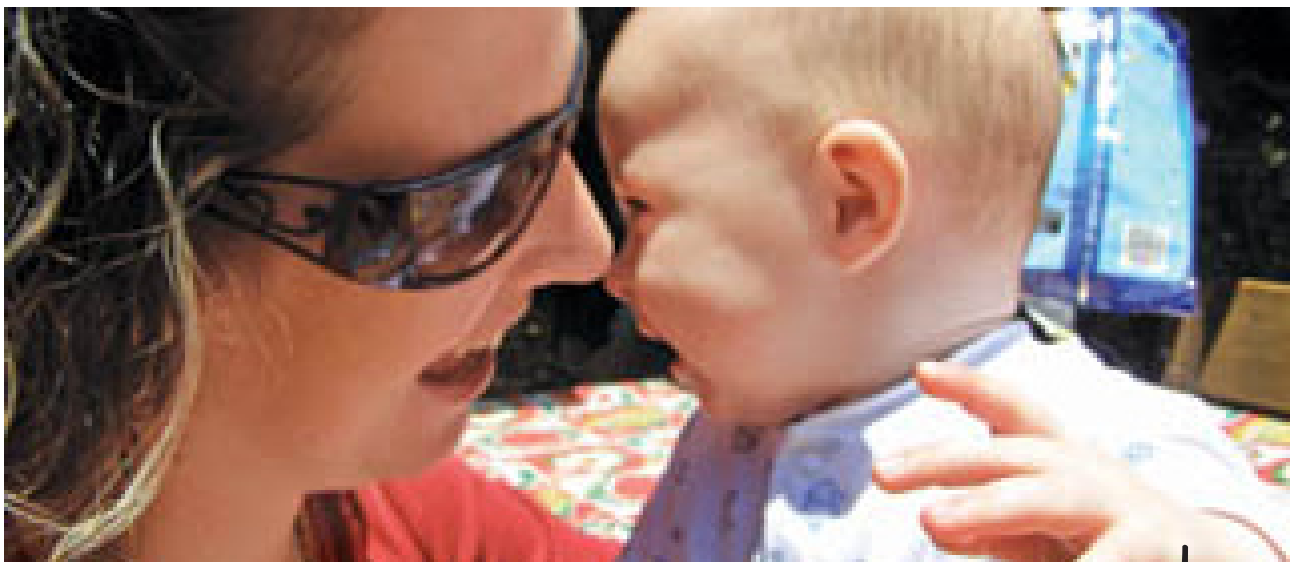
(Mr Lee is not included in the above statistics as the position of Director General is attached to the NSW Department of Premier and Cabinet)

### Function

The Commission for Children and Young People and the Children's Guardian roles and functions are set out on page 8 of the Commission for Children and Young People Annual Report and page 49 of the Children's Guardian Annual Report.

### Management and activities

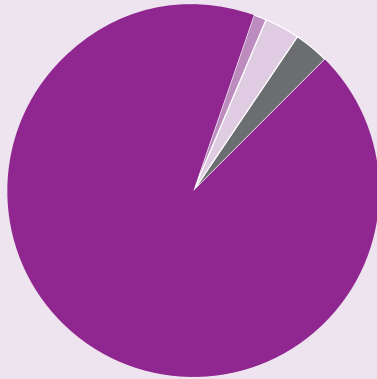
The Office for Children has a Results and Services Plan. Key performance indicators have been developed. These are monitored through quarterly and annual reports to management.



## Financial summary

### Financial Summary – Office for Children

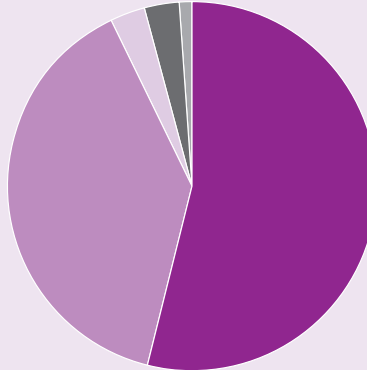
Where the money came from



- Recurrent appropriation \$11,890,000 (93%)
- Capital appropriation \$99,000 (1%)
- Other Crown funding \$395,000 (3%)
- Retained revenue \$346,000 (3%)

**Total Revenue \$12,730,000**

How the money was spent



- Employee related \$7,096,000 (54%)
- Other Operating Expenses \$5,088,000 (39%)
- Grants and subsidies \$389,000 (3%)
- Depreciation \$380,000 (3%)
- Capital \$166,000 (1%)

**Total Expenditure \$13,119,000**





## Governance

### Committees

#### Internal Audit and Risk Management Committee

Ms Gillian Calvert, Commissioner, Chair to November 2008

Ms Helen L'Orange, Independent Chair from November 2008

Ms Di Leckie (from May 2009) (Independent)

Ms Donna Rygate, Executive Director, Strategy, Communications and Governance, NSW Department of Community Services (Independent)

Ms Kerryn Boland, Children's Guardian

Mr Stephen Kent, Director, Assurance and Advisory Service, IAB (Observer)

Mr Jack Kheir, Director Financial Audit Services, Audit Office (to February 2009) (Observer)

Ms Gordana Trajcevski, Audit Leader, Audit Office to (February 2009) (Observer)

Mr Scott Stanton, Director Financial Audit Services Audit Office (from May 2009)

Ms Michele Martin, Audit Leader Audit Office (from May 2009)

#### Commission for Children and Young People

##### Executive Group

Ms Gillian Calvert, Commissioner

Ms Virginia Neighbour, Director, Operations

Mr Stephen Robertson, Director, Influencing

#### Staff Management Committee

Ms Virginia Neighbour, Director

Ms Louise Coes, Manager, Working With Children

Mr Gary O'Rourke, Working With Children Administration Support Officer

Mr Nate Brayne, Trainee, Research

Mr Will De Monchaux, Trainee, Policy

#### Children's Guardian

##### Executive Team

Ms Kerryn Boland, Children's Guardian

Mr Tom Kenny, Director Compliance

Ms Susan Nicolson, Acting Policy Manager

Ms Wendy Lawson, Acting Director Accreditation

#### Names and positions of staff as members of significant statutory and interdepartmental bodies

Refer to Commission for Children and Young People Annual Report, page 29 and the Children's Guardian Annual Report, page 71.

### Code of conduct

The Commission for Children and Young People and the Children's Guardian have Codes of Conduct. Separate Codes of Conduct have been retained to reflect the Commission's independent statutory function. The Codes of Conduct are substantially the same except where the Commission's role requires a level of independence.

### Guarantee of service

The Commission for Children and Young People has developed two service guarantees. The first is a Commitment to Service for the Commission's Working With Children background checking, developed in conjunction with the Approved Screening Agencies. The Commission's employer clients have been advised in writing about the Commitment to Service. The second Guarantee of Service applies to all other service standards in the Commission. Both documents are available on the Commission's website at [kids.nsw.gov.au](http://kids.nsw.gov.au).

The Children's Guardian Guarantee of Service is available on its website at [www.kidsguardian.nsw.gov.au](http://www.kidsguardian.nsw.gov.au).

### Consumer response

#### Commission for Children and Young People

The Commission for Children and Young People did not receive any complaints in 2008–2009.

The Commission's Complaints Handling Policy and Complaints Handling Procedures are on its website at [kids.nsw.gov.au](http://kids.nsw.gov.au).

#### Children's Guardian

The Children's Guardian did not receive any complaints in 2008–2009.

### Departures from Subordinate Legislation Act 1989

The Office for Children did not undertake any activity that departed from the requirements of this legislation.

### Legal change

Refer to the Commission for Children and Young People's Annual Report on page 27 and the Children's Guardian Annual Report on page 67.

### Privacy Management Plan

The Commission for Children and Young People and the Children's Guardian have Privacy Management Plans in accordance with Section 33 of the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. The privacy management plans set out how we manage our obligations under this legislation.

During 2008–2009 no complaints were received alleging a breach of privacy.



## Research and development

Refer to the Commission for Children and Young People's Annual Report on page 30.

## Risk management and insurance

### Risk management

Risk Management in the Office for Children extends to all areas of management accountability, including staff performance, project and budget management, fraud control and the statutory operations.

The Office uses a number of tools to identify and manage risks consistent with the Australian Standard AS/NZS 4360:2004 Risk Management. Risk assessment is undertaken annually as part of our corporate planning processes and identifies key business risks. Strategies and treatments for these risks are included in our corporate business plan and inform the annual audit plan.

The key risk areas for the Office for Children are:

- a high level of dependency on key staff and a lack of backup due to the small size of the agency
- a reliance on third parties for key corporate services, information technology and other specialist services.

The Office for Children Risk Control Plan addresses our statutory responsibilities, internal operations, external accountability and stakeholder relations. The Risk Control Plan identifies additional strategies to be implemented to minimise our risk exposure. The Office for Children's Audit Committee monitors the implementation of the strategies contained in the Risk Control Plan.

There has been no report of any fraud or corrupt conduct in the Office for Children under the *Protected Disclosures Act 1994*.

### Audit and Risk Management Committee and Internal audits

The Office for Children Audit and Risk Management Committee oversees business risks and governance issues including:

- financial reporting practices
- management and internal controls
- internal audit

Internal audits help the Office for Children to maximise efficiency and effectiveness in specific programs and processes and to identify, analyse and assess our risk management practices. Internal audits are used to review our operations in high risk areas and to develop additional internal control mechanisms to minimise risk. The Office appoints independent auditors to undertake internal audit reviews.

### Commission for Children and Young People

The focus of the Commission for Children and Young People audit program was monitoring the Working With Children Check and maintaining certification to the International Standard ISO/IEC 27001:2005 for Information Security.

During 2008–2009, the Internal Audit Bureau also conducted a Review of our compliance with Child Protection Policies and Procedures and a Mystery Shopper Review to assess customer responsiveness.

The Commission aims to implement 85% of the recommendations arising from internal reviews within 12 months of the receipt of the final reports and 95% within 18 months. As at 30 June 2009, the Commission had either met or exceeded these targets with 85% of recommendations implemented within 12 months and 100% within 18 months.

### Children's Guardian

The Independent Audit Bureau conducted a review for the Children's Guardian of compliance with annual reporting requirements of NSW Treasury.

The Children's Guardian commissioned Acquataine Business Solutions (ABS) to audit systems for compliance with the international information security standard ISO27001, as required by the NSW Government Chief Information Officer. During 2008–2009 ABS conducted an initial review of existing information security systems and risk management methodology, and a workshop to update the Children's Guardian's risk register. ABS subsequently undertook specific operational reviews in the areas of children's employment, monitoring of case files held by accredited out-of-home care providers, and services acquired by the Children's Guardian under agreements with external providers.





## External reviews

External reviews provide the Office for Children with an independent assessment of our performance. The Audit Office of NSW is the Office's official external auditor and conducts comprehensive audits of our annual financial accounts and associated financial systems.

There were no specific reviews of the Office's activities in 2008–2009 undertaken by the Audit Office of NSW.

## Insurance

The NSW Treasury Managed Fund provides insurance cover for the Office for Children's motor vehicles, public liability, property and miscellaneous items. Workers compensation coverage is provided through Allianz Pty Ltd with GIO General Ltd providing insurance cover for the remaining categories.

The total premiums paid in 2008–2009 by the Office for Children were \$33,460 (ex GST) compared to: \$34,970 in 2007–2008; \$37,340 in 2006–2007; \$35,741 in 2005–2006; \$31,175 in 2004–2005; and \$32,549 in 2003–2004.

## Disability Action Plan

### Summary of 2008–2009 outcomes

- A prerequisite for accreditation of providers of out-of-home care and adoption services is that the Children's Guardian requires applicants to be responsive to the needs of children and young persons with disabilities.
- The Commission partnered with National Disability Services (NDS) to deliver six Child-safe Child-friendly training workshops targeting employers in the disability sectors.
- The Commission continued to provide accommodation services to the Disability Council for their monthly meetings.

### Office for Children Disability Action Plan Priorities for 2009–2010

- Continue to provide reasonable assistance and adaptations to accommodate the needs of employees and visitors with disabilities.

- Encourage employees to identify as a person with a disability in the Office's HRMIS database.
- Provide targeted support for employers in the disability sector as part of the Commission's Child-safe Child-friendly program.
- Develop a new three-year Disability Action Plan based on the NSW Governments new Guidelines for Disability Action Planning.

## Ethnic Affairs Priority Statement

The *Community Relations Commission and Principles of Multiculturalism Act 2000* requires all government agencies to report on their key initiatives. Following amendments to the *Annual Reports (Departments) Act and Regulations* and the *Annual Reports (Statutory Bodies) Act and Regulations* agencies with an equivalent full-time staff of less than 200 are now required to report on their EAPS on a triennial basis.

The Office for Children is next required to report in 2009–2010.





## Human resources

The Office for Children provides personnel services to the Commission for Children and Young People and the Children's Guardian.

### Employees by classification

The numbers reported are equivalent full-time (EFT) employees as 30 June 2008.

#### Personnel Services provided to the Commission for Children and Young People

	EFT 30 June 2006	EFT 30 June 2007	EFT 30 June 2008	EFT 30 June 2009
Clerk Grade 1/2	1.6	4.2	3.2	4
Clerk Grade 3/4	6.5	4.5	2	7
Clerk Grade 5/6	5	4	5	4
Clerk Grade 7/8	14.2	11.6	7.4	6
Clerk Grade 9/10	7.8	9.2	9.4	9.8
Clerk Grade 11/12	4.6	6.6	5.2	7.4
Legal Officer Grade IV	0.6	0.6	0.6	0.6
Senior Officer	2	2	2	2
Senior Executive Service	1	1	1	1
<b>Total</b>	<b>43.3</b>	<b>43.7</b>	<b>35.8</b>	<b>41.8</b>



#### Personnel services provided to the Children's Guardian

	EFT 30 June 2006	EFT 30 June 2007	EFT 30 June 2008	EFT 30 June 2009
Clerk Grade 1/2	0	0	0	0
Clerk Grade 3/4	2	1	1	1
Clerk Grade 5/6	0	2	1.5	1.5
Clerk Grade 7/8	9	9	9	5
Clerk Grade 9/10	3	7.6	5.7	6.8
Clerk Grade 11/12	2	2	1.6	3.2
Legal Officer Grade IV	0	0	0	0
Senior Officer	3	3	3.4	2.4
Senior Executive Service	1	1	1	1
<b>Total</b>	<b>20</b>	<b>25.6</b>	<b>23.2</b>	<b>20.9</b>

#### Office for Children

	EFT 30 June 2006	EFT 30 June 2007	EFT 30 June 2008	EFT 30 June 2009
<b>Total Office for Children employees</b>	<b>63.3</b>	<b>69.3</b>	<b>62</b>	<b>62.7</b>





## Executive Officers

The position of Director General is not recorded in these statistics as the position forms part of the NSW Department of Premier and Cabinet.

SES LEVEL	EFT 30 June 2006	EFT 30 June 2007	EFT 30 June 2008	EFT 30 June 2009
8	0	0	0	0
7	0	0	0	0
6	0	0	0	0
5	0	0	0	0
4	2	2	2	2
3	0	0	0	0
2	0	0	0	0
1	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

## Office for Children Staff

During 2008–2009, the Office for Children recruited 18 staff and 18 staff left. Of the staff that left 8 (44%) completed their period of contract employment, five (29%) resigned, three (17%) transferred to other government agencies, one retired (5%) and one accepted a voluntary redundancy (5%).

There were no exceptional movements in salaries during the year. Consistent with the provisions of the Crown Employees (Public Sector Salaries 2008) Award staff were paid a 4% salary increase from July 2008. Senior Executive Service Officers were also paid a 2.5% increase in accordance with the determination of the Statutory and Other Officers Remuneration Tribunal.

There were no industrial disputes involving the Office for Children during 2008–2009.

During 2008–2009, average sick leave taken by Office for Children staff was 5.78 day per EFT compared with 5.67 days in 2007–2008 and 5.49 days in 2006–2007.

## Employee assistance scheme

The Office for Children continues to provide a free confidential counselling service to employees, committee members and their immediate family using Davidson Trahaire. The Commission for Children and Young People also provides specialist counselling for research staff working with the Child Death Review Team.

## Policies and procedures

The following policies and procedures were either reviewed or implemented during 2008–2009:

- Grievances Policy and Procedures
- Credit Cards Policy and Procedures
- Purchased Leave Scheme Policy
- Network Drive Access Policy

## Industrial relations policies and practices

The Commission for Children and Young People has a Staff Management Committee to maintain strong consultative workplace practices.

The Committee held two meetings during 2008.

The Committee is made up of representatives from Management and staff. Despite a number of

opportunities to nominate there were insufficient staff nominees in 2009 to form a quorum.

## Performance development

All staff of the Office for Children, including temporary employees and trainees are supported by the Performance Development Policy.

The performance development plans link strategic and business objectives to the responsibilities and performance targets of individual staff members. As a result staff are accountable for delivering results of strategic and business objectives.

During 2008–2009, 98% of the Commission's planned twice yearly reviews took place.

The performance development plans also include Learning and Development Plans. The plan addresses training and personal development needs that complement the competency of individual staff and assist them performing in their positions. In 2008–2009 Commission staff participated in a total of 490 learning and development hours.

## Action plan for women

The NSW Government Action Plan for Women is a whole-of-government approach to improving the economic and social participation of women in NSW. The Office supports the plan by having policies and practices in place that provides a flexible, equitable and safe environment to encourage a high representation of women in its workplace.

Women comprised 77% of the Office for Children staff as at 30 June 2009 compared with the government benchmark of 50%.

Women participate at all levels of our agency. Women from rural New South Wales and from a range of ethnic backgrounds are represented on the Commission for Children and Young People's advisory groups and committees.

## Equal Employment Opportunity (EEO)

Summary of 2008–2009 outcomes:

- Equal Employment Opportunity strategies are included in SES performance agreements and all role statements.
- One female was successful in being accepted into the NSW Premier's Department Executive Development program.
- There was an increase in part-time working arrangements and staff working from home. At 30 June 2009, there were 18 staff working part-time (16 female and 2 males).

## Occupational health and safety

The Office for Children is committed to maintaining the best possible standards for occupational health and safety for everyone working and visiting our workplaces. The Office places a strong emphasis on the prevention of accidents, the early notification of injuries and the supportive management of claims to facilitate a speedy return to work.

There were no reported incidents in 2008–2009. During 2008–2009, the Office for Children continued to provide staff with free influenza vaccinations.

The Office continued to ensure the safety of staff by training staff in emergency evacuation and first aid. Specific training was provided for Fire Wardens and First Aid Officers.

The Office for Children was not prosecuted, fined or served an improvement notice under the Occupational Health and Safety Act 2000 during the reporting period.

## Overseas visits

There were no overseas visits by Office staff in 2008–2009.

### Trend in the representation of EEO groups (note 1)

EEO Group	Benchmark or target	% of Total Staff (note 2)			
		2006	2007	2008	2009
Women	50%	78%	77%	78%	77%
Aboriginal people and Torres Strait Islanders	2%	1.3%	0%	0%	1.4%
People whose first language was not English	20%	27%	10%	11%	10%
People with a disability	12%	8%	6%	5%	5%
People with a disability requiring work-related adjustment	7%	1.3%	1.4%	2.3%	1.6%

### A. Trend in the distribution of EEO groups (note 1)

EEO Group	Benchmark or target	% of Total Staff (note 3)			
		2006	2007	2008	2009
Women	100	n/a	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	97	n/a	n/a	n/a
People with a disability	100	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

### Notes

1. Staff numbers at 30 June 2009.
2. Excludes casual staff.
3. A distribution of 100 indicates the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels compared to other staff. The more pronounced this tendency is the lower the index will be. In some cases the index may be more than 100, indicating the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20. This is indicated by 'n/a'.

During 2008–2009, the Office for Children employed four trainees through a training company. Their details are not included in the tables at left.



## Financial information

### After balance date events

There were no after balance date events having a significant effect in 2008–2009.

### Consultants

During 2008–2009, the Office for Children engaged the following any consultants whose cost was either equal to or more than \$30,000 (excluding GST).

Consultant
BSR Solutions
Project title
Employment Screening System Upgrade
Project description
Development of the business case to support the Commission's proposal to fund a new Employment Screening System
Cost
\$49,500.00

Four consultants were engaged during the year to provide expert management or specialist advice at a total cost of \$14,907 (ex GST).

### Controlled entities

The Office for Children does not have any controlling interests in other entities.

### Cost of annual report

The total cost of producing the Annual Report 2008–2009 was \$18,770. The annual report is also available from the Office for Children's websites at [kids.nsw.gov.au](http://kids.nsw.gov.au) and [www.kidsguardian.nsw.gov.au](http://www.kidsguardian.nsw.gov.au).

### Credit card usage

The Commissioner for Children and Young People and the Children's Guardian certify that credit card usage in the Office for Children has met the best practice guidelines in accordance with Premier's Memoranda and Treasury Guidelines.

### Economic and other factors affecting achievement of operational objectives

There were no significant economic or other factors affecting the achievement of the Office for Children's operational objectives.

### Funds granted to non-government community organisations

The Catholic Commission for Employment Relations received funds totaling \$389,314.91 (ex GST) in 2008–2009 towards their costs in undertaking Working With Children Check activities as an Approved Screening Agency.

### Major assets

The major assets held by the Office for Children are leased motor vehicles, office equipment, computers, furniture and fittings.

The Office had no major works in progress at 30 June 2009.

### Payment of accounts

The payment of accounts is closely monitored to ensure accounts are paid in accordance with Section 18 of the *Public Finance and Audit (General) Regulation 1995* and Treasurer's Direction TD219.01. The Office for Children did not incur any penalty interest for the late payment of accounts.

During 2008–2009 there were no instances where penalty interest was paid in accordance with Section 18 of the *Public Finance and Audit (general) regulation 1995*.

There were no significant events that affected payment performance during the reporting period.

### Price determination

There were no pricing determinations made by the Office for Children during the reporting period.

#### Aged analysis at the end of each quarter:

Quarter	Current (i.e. within due date) \$	Less than 30 days overdue \$	Between 30 and 60 days overdue \$	Between 60 and 90 days overdue \$	More than 90 days overdue \$
September	255,064	0	0	0	0
December	146,841	0	0	0	0
March	13,718	0	0	0	0
June	206	0	0	0	0

#### Accounts paid on time within each quarter:

Quarter	Total Accounts Paid on Time		Total Amount Paid	
	Target %	Actual %	\$	\$
September	95	97	1,212,381	1,220,910
December	95	94	1,410,295	1,433,029
March	95	95	1,386,376	1,405,035
June	95	95	2,326,254	2,379,971





## Utilities

### Electronic service delivery

The Commission for Children and Young People and the Children's Guardian met their commitment to the NSW Government to make all appropriate transactional services available online by 31 December 2001.

In meeting the targets, all publications, tender information, and a number of transactional-based processes are available through the Office's websites. The Office has also implemented e-procurement through the introduction of NetExpress and Smart-Buy. The Office also uses document scanning to better capture and send information electronically.

In 2009–2010 the Commission has been funded \$1.5 million over two years to replace the legacy Employment Screening System that has been in operation for 10 years. The 2009–2010 budget amount is \$1 million.

The new Working With Children Check System will provide:

- an on-line automated checking system to replace current manual processes
- allow employers on-line access to check results
- integrate a number of different systems into the one application
- improved reporting capabilities.

### Energy management

The Office for Children has continued to meet its requirements to manage its energy use.

### Commission for Children and Young People

A self assessment of the Commission for Children and Young People's premises at 407 Elizabeth Street in Surry Hills has been undertaken using the ABGR self assessment tool giving a tenancy rating of three stars which

meets the industry best practices of three stars or better.

During 2008–2009 the Office for Children continued to purchase 6% of its energy from renewable energy sources. Action will be taken in 2009–2010 to increase this percentage.

### Land disposal

The Office for Children does not own any properties. The Office did not dispose of any properties during 2008–2009.

### Waste Reduction Policy and Purchasing Plan

The Office for Children has continued its commitment to the NSW Government's Waste Reduction and Purchasing Policy. The Waste Reduction and Purchasing Policy Plan is designed to help staff reduce the

generation of waste, treat waste as a potential resource and increase the use of recycled materials.

The outcomes for 2008–2009 included:

- where appropriate, documents are forwarded and filed electronically to reduce paper use
- used our website as the main means of publication
- used laser and photocopy paper – 100% of paper purchased was manufactured from 50% recycled de-inked pulp and 50% virgin fibre plantation timber pulp (Commission for Children and Young People)
- paper used for draft documents is recycled for notebooks
- returned 100% of empty printer toner cartridges for reuse
- recycled all waste paper
- reused package wrapping
- purchased printer toner cartridges with a recycled component.







## Freedom of Information

### Documents held by the Office for Children and how to obtain them

The Office for Children holds documents for the Commission for Children and Young People and the Children's Guardian. While many documents are available for inspection or purchase, the production of some documents may require an application under the *Freedom of Information Act 1989*, the *Privacy and Personal Information Act 1998* or the *Health Records and Information Privacy Act 2002*.

### Freedom of Information requests

Under the *Freedom of Information Act 1989*, members of the public have the right to access personal, policy and administrative documents held by the Office for Children except for certain types of information for which the *Freedom of Information Act 1989* allows an exemption. The Act also allows for applications to be lodged for amendments of records where they are "incorrect, misleading or out of date".

Section 43 of the *Commission for Children and Young People Act 1998* extends Freedom of Information to cover all non-government organisations involved in child-related employment. Any person for whom relevant completed disciplinary proceedings have been undertaken is entitled, under the *Freedom of Information Act 1989*, to access any documents of an organisation which contain relevant disciplinary proceedings information in relation to them. The right exists irrespective of whether the employer is a public or private sector employer.

There are no costs charged for any person seeking information in relation to these arrangements.

Formal requests made under the *Freedom of Information Act 1989* for access to documents held by the Office for Children should be

accompanied by a \$30.00 application fee and directed to the FOI/Privacy Officer by phoning 9286 7267 or in writing to Level 2, 407 Elizabeth Street, Surry Hills, NSW 2010.

Application forms are available at [kids.nsw.gov.au](http://kids.nsw.gov.au) or [www.kidsguardian.nsw.gov.au](http://www.kidsguardian.nsw.gov.au). A 50% reduction in fees and charges is available in some circumstances. Children and young people aged under 18 years are granted Freedom of Information access free of charge.

### Privacy applications

The *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002* regulate the way the Office for Children deals with personal and health information and gives people a legally enforceable right of access to their information. Applications can be made for personal information that may be held by the Office for Children. Applications may also be made to amend personal information that may be incomplete, incorrect, misleading or out of date. People who believe that the Office for Children has breached their privacy can ask the Commission for Children and Young People or the Children's Guardian to investigate what occurred.

Inquiries can be made in person, in writing or by telephone. Contact the FOI/Privacy Officer by phoning 9286 7276 or writing to Level 2, 407 Elizabeth Street, Surry Hills, NSW 2010.

### Policy documents and publications

A list of policy documents called the Summary of Affairs is published each June and December in the *Government Gazette* and on our websites. Publications issued by the Commission for Children and Young People and the Children's Guardian may be obtained from their offices. The websites of the Commission for Children and Young People and the Children's Guardian contain lists of publications for sale or for downloading.

## Freedom of Information statistics

### Commission for Children and Young People

During 2008–2009, there were seven Freedom of Information requests relating to the operations of the Commission for Children and Young People compared with nine in 2007–2008; nine in 2006–2007 and seven in 2005–2006.

Four of these requests were granted in full within the required timeframe and one was granted in full outside of the 21 day timeframe. Two requests were granted in part and completed outside the required timeframe due to the need to access documents from archive. Some of the information was not released as it was considered exempt under Schedule 1 of the *Freedom of Information Act 1989*. No requests were refused. There were no outstanding requests at 30 June 2009.

The Commission for Children and Young People provided six requests free of charge, as required by section 43 of the *Commission for Children and Young People Act 1998*.

Total fees collected for Freedom of Information requests not made under section 43 of the *Commission for Children and Young People Act 1998* were \$30.00

There were no requests for internal reviews in 2008–2009 or the previous reporting period.

### Children's Guardian

During 2007–2008 the Children's Guardian received two applications under the *Freedom of Information Act 1989*. Both were determined within the statutory time limits. Some information that was requested in the first application was not released because it was determined as exempt in accordance with Schedule 1 of the Act. The same applicant made the second application, for release of the information that was determined as exempt previously. All material on the Children's Guardian's files that was within the scope of the second application was disclosed. The total amount of fees collected was \$60.00.



## Publications

### Commission for Children and Young People

A list of publications published in 2008–2009 is included in the Commission for Children and Young People's Annual Report.

Available from the Commission in hardcopy or online at 30 June 2009.

#### Annual reports

- *New South Wales Commission for Children and Young People Annual Report from 1999–2000 to 2007–2008*
- *Child Death Review Team Annual Report and Summary Report 1998–1999, 1999–2000, 2001–2002, July–December 2002, then January–December 2003 to 2006*

#### Children's issues reports

- *Report of an Inquiry into the best means of assisting Children & Young People with no-one to turn to*
- *A Head Start for Australia – An Early Years Framework* (full and summary reports)
- *Children at Work*
- *What about the kids?: Policy Directions for Improving the experiences of infants and young children in a changing world* (full and summary discussion papers)
- *Children at Work Recommendations*
- *Report on paid maternity leave poll*
- *A world fit for children – summary*
- *Child-friendly community indicators*
- *Making the working world work better for kids*
- *Involving children and young people in research*
- *built 4 kids – A good practice guide to creating child-friendly built environments*

#### For children and young people

- *Feedback* annually from 2000 to 2007
- *Your Voice – information brochure for primary school children*
- *Your Voice Activity Book*
- *Babysitting guide*
- *Feedback Mag* online e-zine, March, July, September, December 2008; March, June 2009.

#### Child Death Review Team

- *Fatal Assault of Children and Young People* (full and summary reports)
- *Suicide and Risk-taking Deaths of Children and Young People* (full and summary reports)
- *Fatal Assault and Neglect of Children and Young People*
- *Sudden Unexpected Deaths in Infancy: the New South Wales Experience* (full and summary reports)
- *Trends in the fatal assault of children in NSW: 1996–2005*
- *Trends in Child Deaths in New South Wales 1996–2005*

#### TAKING PARTicipation Seriously

- *Sharing the Stage*
- *Conferences and Events*
- *Meeting together – deciding together*
- *All aBoard!*
- *Checking the Scoreboard*
- *Count me in!*
- *Sharing Our Journey*

#### Information sheets and guidelines

- *Including children and young people*
- *Listening to children*
- *Raising children*
- *Child protection is everyone's business*
- *Reporting abuse and neglect*
- *Child sexual assault*
- *Involving kids in staff selection*
- *Child-Safe Child-Friendly*
  - Checklist
  - Finding your risks
  - A Parent's Guide to Choosing Child-Safe and Child-Friendly Programs
  - Child-Safe and Child-Friendly Policy
  - Developing Codes of Conduct
  - Developing Codes of Conduct: for kids, with kids
  - Recruitment and Selection Checklist
  - Suitability for Working with Kids Checklist
  - Job Description
  - Application Form
  - Interview Schedule
  - Interview Questions
  - Referee Schedule
  - Induction: Welcoming new members to your team
  - Guide to Monitoring and Supervising Staff, Volunteers and Students
  - Staff, Volunteers and Students: Tips for Supporting your Team
  - The Feedback and Reflection Process
  - Developing a complaints process
  - Complaint record form
- *Employer Guidelines – Working With Children Check*
- *Why children need at least 12 months paid parental leave*





## Ask the Children

- *Prescription and Over-the-counter medication*
- *Prescription and Over-the-counter medication – General Practitioners*
- *Prescription and Over-the-counter medication – Pharmacists*
- *Prescription and Over-the-counter medication – Sports Coaches*
- *Prescription and Over-the-counter medication – Teachers and School Staff*
- *Children and young people speak about getting help*
- *Kids speak out about immigration detention experiences*
- *Young people talk alcohol*
- *Children and young people speak about the issues important to them*
- *Young people talk about driving*
- *Children and young people speak about education*
- *Young people talk about their experiences at work*
- *Overview of children's understandings of well-being*
- *Children and young people talk about health*
- *Children and young people speak about the built environment*
- *Children speak about being at school*
- *Kids speak out about mobile phones*
- *I want to work*

## Children's Guardian

Available from the Children's Guardian in hardcopy or online at 30 June 2009.

- Annual reports
- Apology and message of commitment
- Code of conduct and ethics
- Guarantee of service
- Submission to the Special Commission of Inquiry into Child Protection Services in NSW (February 2008)

## Out-of-home care accreditation and quality improvement

- Accreditation for New Organisations
- Appointment of Authorised Carers
- NSW Out-of-Home Care Standards
- Benchmark Policies
- Accreditation and Quality Improvement Guide for Organisations
- Accreditation Application Form
- Application for variation of accreditation condition which precludes the provision of residential care to children under the age of 12 years
- Self Study Record Book
- Stakeholder Feedback Resource
- Case File Audit Tool
- Out-of-Home Care (OOHC) Accreditation and the DoCS. Expression of Interest (Eol) Process

## Adoption accreditation

- Adoption benchmark policies
- Accreditation Manual for Organisations
- Statement of Contemporary Adoption Practice
- Developing a Code of Conduct
- Adoption Accreditation Application Form
- Adoption Self Study Report
- NSW Adoption Standards

## Brochures

- Caring for Kids in Care Brochure (also available in Arabic and Vietnamese)

## Children's employment

- *Children and Young People (Care and Protection – Child Employment) Regulation 2005*
- Children's Employment Requirements in NSW
- Application for authority to employ children in NSW
- Pre-Employment Notification

## Fact sheets

- NSW Office of the Children's Guardian Fact Sheet (also available in Arabic and Vietnamese)

## Guidelines

- Guidelines on the exercise of care responsibility by authorised carers
- Guidelines on religious instruction for children and young persons in out-of-home care by authorised carers
- Guidelines for the review of a child or young person in out-of-home care pursuant to a court order
- Guidelines for designated agencies for developing a behaviour management policy
- Statutory guidelines for designated agencies on disclosing out-of-home-care placement information to parents and other significant people

## Issues papers

- Developing a Critical Event Management Policy
- Panels of Consultants for Adoption Service Providers
- Monitoring the Provision of Adoption Services in NSW
- An Outline of the Differences between Parental Responsibility and Care Responsibility under the *Children and Young Persons (Care and Protection) Act 1998*
- Information about Conducting Research involving Children and Young People in Out-of-Home Care
- Permanency Planning

## Other publications

- Caring for Aboriginal and Torres Strait Islander Kids
- Aboriginal Policy Statement
- Review of Foster Care Research



## Financial Statements

### OFFICE FOR CHILDREN

#### Statement by the Director General, Communities NSW

Pursuant to Section 45F of the Public Finance and Audit Act 1983, I state that to the best of my knowledge and belief:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2000*, the Financial Reporting Code for Budget Dependant General Government Sector Agencies and Treasurer's Directions.
- (b) the financial statements exhibit a true and fair view of the financial position of the Office for Children as at 30 June 2009 and for the operations for the year then ended;
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



**Carol Mills**  
Director General

Dated: 19 October 2009



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### OFFICE FOR CHILDREN

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Office for Children (the Office), which comprises the balance sheet as at 30 June 2009, the operating statement, statement of recognised income and expense, cash flow statement, service group statements and a summary of compliance with financial directives for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Office as at 30 June 2009 and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

#### Director General's Responsibility for the Financial Report

The Director-General is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 controls relevant to the Office's preparation and fair presentation of the financial report 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 Office's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director-General, as well as evaluating the overall presentation of the financial report.



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

My opinion does *not* provide assurance:

- about the future viability of the Office,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

#### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Scott Stanton  
Director, Financial Audit Services

20 October 2009  
SYDNEY

**Office for Children  
Operating statement  
for the year ended 30 June 2009**

	Notes	Actual 2009 \$'000	Budget 2009 \$'000	Actual 2008 \$'000
<b>Expenses excluding losses</b>				
Operating expenses				
Employee related expenses	2(a)	7,096	6,908	6,660
Other operating expenses	2(b)	5,088	4,778	4,905
Depreciation and amortisation expenses	2(c)	380	359	374
Grants and subsidies	2(d)	389	385	375
<b>Total expenses excluding losses</b>		<b>12,953</b>	<b>12,430</b>	<b>12,314</b>
<b>Revenue</b>				
Sale of goods and services	3(a)	138	120	144
Investment revenue	3(b)	81	71	104
Grants and contributions	3(c)	125	-	180
Other revenue	3(d)	2	-	47
<b>Total revenue</b>		<b>346</b>	<b>191</b>	<b>475</b>
<b>Gain / (loss) on disposal</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cost of Services</b>	18	<b>(12,607)</b>	<b>(12,239)</b>	<b>(11,839)</b>
<b>Government contributions</b>				
Recurrent appropriations	4	11,890	11,685	11,373
Capital appropriations	4	99	99	67
Acceptance by the Crown Entity of employee benefits and other liabilities	5	395	396	360
<b>Total Government contributions</b>		<b>12,384</b>	<b>12,180</b>	<b>11,800</b>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>(223)</b>	<b>(59)</b>	<b>(39)</b>

The accompanying notes form part of these financial statements.

**Office for Children**  
**Statement of recognised income and expense**  
**for the year ended 30 June 2009**

		Actual 2009 \$'000	Budget 2009 \$'000	Actual 2008 \$'000
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>				
Surplus / (Deficit) for the year	Notes	(223)	(59)	(39)
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>	14	<u>(223)</u>	<u>(59)</u>	<u>(39)</u>

The accompanying notes form part of these financial statements.

**Office for Children  
Balance sheet  
as at 30 June 2009**

	Notes	Actual 2009 \$'000	Budget 2009 \$'000	Actual 2008 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	1,261	1,508	1,280
Receivables	8	280	343	428
<b>Total current assets</b>		<b>1,541</b>	<b>1,851</b>	<b>1,708</b>
<b>Non-current assets</b>				
Property, plant and equipment	9			
- Leasehold Improvements	9	304	304	507
- Plant and Equipment	9	183	169	167
Total Property, plant and equipment	9	487	473	674
Intangible assets	10	272	191	250
<b>Total non-current assets</b>		<b>759</b>	<b>664</b>	<b>924</b>
<b>Total assets</b>		<b>2,300</b>	<b>2,515</b>	<b>2,632</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	11	397	397	398
Provisions	12	795	661	705
Other	13	-	191	191
<b>Total current liabilities</b>		<b>1,192</b>	<b>1,249</b>	<b>1,294</b>
<b>Non-current liabilities</b>				
Provisions	12	189	183	196
<b>Total non-current liabilities</b>		<b>189</b>	<b>183</b>	<b>196</b>
<b>Total liabilities</b>		<b>1,381</b>	<b>1,432</b>	<b>1,490</b>
<b>Net assets</b>		<b>919</b>	<b>1,083</b>	<b>1,142</b>
<b>EQUITY</b>				
Accumulated funds	14	919	1,083	1,142
<b>Total Equity</b>		<b>919</b>	<b>1,083</b>	<b>1,142</b>

The accompanying notes form part of these financial statements.

**Office for Children  
Cash Flow Statement  
for the year ended 30 June 2009**

	Notes	Actual 2009 \$'000	Budget 2009 \$'000	Actual 2008 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee related		(6,630)	(6,566)	(6,155)
Grants and subsidies		(389)	(385)	(375)
Other		(5,620)	(5,286)	(5,347)
<b>Total Payments</b>		<b>(12,639)</b>	<b>(12,237)</b>	<b>(11,877)</b>
<b>Receipts</b>				
Sale of goods and services		260	2	66
Interest received		112	71	75
Other		669	707	694
<b>Total Receipts</b>		<b>1,041</b>	<b>780</b>	<b>835</b>
<b>Cash Flows From Government</b>				
Recurrent appropriation	4	11,890	11,685	11,532
Capital appropriation (excluding equity appropriations)	4	99	99	99
Cash transfers to the Consolidated Fund		(191)	-	-
<b>Net Cash Flows From Government</b>		<b>11,798</b>	<b>11,784</b>	<b>11,631</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	18	<b>200</b>	<b>327</b>	<b>589</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of plant and equipment and infrastructure systems		(219)	(99)	(67)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(219)</b>	<b>(99)</b>	<b>(67)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>(19)</b>	<b>228</b>	<b>522</b>
Opening cash and cash equivalents		1,280	898	758
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	7	<b>1,261</b>	<b>1,126</b>	<b>1,280</b>

The accompanying notes form part of these financial statements.



**Office for Children**  
**Service group statements**  
**for the year ended 30 June 2009**

AGENCY'S EXPENSES AND INCOME	Commission for Children and Young People *		Office for Children Guardian *		Not Attributable		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses excluding losses</b>								
Operating expenses								
• Employee related	4,717	4,230	2,379	2,430	-	-	7,096	6,660
• Other operating expenses	4,270	4,085	818	820	-	-	5,088	4,905
	8,987	8,315	3,197	3,250	-	-	12,184	11,565
Depreciation and amortisation	283	278	97	96	-	-	380	374
Grants and subsidies	389	375	-	-	-	-	389	375
<b>Total expenses excluding losses</b>	<b>9,659</b>	<b>8,968</b>	<b>3,294</b>	<b>3,346</b>	<b>-</b>	<b>-</b>	<b>12,953</b>	<b>12,314</b>
<b>Revenue</b>								
Investment revenue	61	91	20	13	-	-	81	104
Sales of goods and services	-	-	138	144	-	-	138	144
Grants and contributions	125	180	-	-	-	-	125	180
Other revenue	2	47	-	-	-	-	2	47
<b>Total Revenue</b>	<b>188</b>	<b>318</b>	<b>158</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>346</b>	<b>475</b>
Gain / (loss) on disposal	-	-	-	-	-	-	-	-
<b>Net Cost of Services</b>	<b>9,471</b>	<b>8,650</b>	<b>3,136</b>	<b>3,189</b>	<b>-</b>	<b>-</b>	<b>12,607</b>	<b>11,839</b>
Government contributions ****					12,384	11,800	12,384	11,800
<b>NET EXPENDITURE / (INCOME)</b>	<b>9,471</b>	<b>8,650</b>	<b>3,136</b>	<b>3,189</b>	<b>(12,384)</b>	<b>(11,800)</b>	<b>223</b>	<b>39</b>
<b>FOR THE YEAR</b>								

**Office for Children  
Service group statements  
for the year ended 30 June 2009**

**Service group statements (cont'd)**

OFC	Commission for Children and Young People ** 2009	2008***	Office for Children Guardian ** 2009	2008***	Not Attributable 2009	2008***	Total 2009	2008
AGENCY'S ASSETS & LIABILITIES	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>								
Cash and cash equivalents	-	-	-	-	1,261	1,280	1,261	1,280
Receivables	112	230	57	111	111	87	280	428
<b>Total current assets</b>	112	230	57	111	1,372	1,367	1,541	1,708
<b>Non-current Assets</b>								
Property plant and equipment	107	107	76	60	-	-	183	167
Lease Incentive	131	270	173	237	-	-	304	507
Intangible assets	249	215	23	35	-	-	272	250
<b>Total non-current assets</b>	487	592	272	332	-	-	759	924
<b>TOTAL ASSETS</b>	599	822	329	443	1,372	1,367	2,300	2,632
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current liabilities</b>								
Current Liabilities - Payables	327	304	65	73	5	21	397	398
Provisions	456	529	339	176	-	-	795	705
Liability to con fund	-	-	-	-	-	191	-	191
<b>Total current liabilities</b>	783	833	404	249	5	212	1,192	1,294
<b>Non-current liabilities</b>								
Provisions	149	157	40	39	-	-	189	196
<b>Total non-current liabilities</b>	149	157	40	39	-	-	189	196
<b>TOTAL LIABILITIES</b>	932	990	444	288	5	212	1,381	1,490
<b>NET ASSETS</b>	(333)	(168)	(115)	155	1,367	1,155	919	1,142

**Office for Children  
Service group statements  
for the year ended 30 June 2009**

**Service group statements (cont'd)**

\* NSW Budget Paper No. 3 has replaced program statements with service group statements. Service group statements focus on the key measures of service delivery performance.

\*\* The names and purposes of each service group are summarised in Note 6.

\*\*\* Comparative amounts have been reclassified to align with the change in focus from programs to service groups.

\*\*\*\* Appropriations are made on an agency basis and not to individual service groups. Consequently, government contributions must be included in the 'Not Attributable' column.

**Office for Children**  
**Summary of compliance with financial directives**  
**for the year ended 30 June 2009**

	2009			2008		
	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000
<b>ORIGINAL BUDGET APPROPRIATION / EXPENDITURE</b>						
• Appropriation Act	11,890	11,890	99	99	11,532	67
<b>Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)</b>	11,890	11,890	99	99	11,532	67
<b>Amount drawn-down against Appropriation</b>		11,890		99		99
<b>Liability to Consolidated Fund*</b>		-		-		(32)

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

\* The "Liability to Consolidated Fund" represents the difference between the "Amount drawn against Appropriation" and the "Total Expenditure / Net Claim" on Consolidated Fund.

Financial Statements

## 1 Summary of Significant Accounting Policies

### (a) Reporting entity

The Office for Children (the Office), was established on 3 April 2006 to combine the activities of the former agencies of Commission for Children and Young People (CCYP), and Office of the Children's Guardian (OCG) under the Public Sector Employment and Management (Children and other matters) Order 2006.

The Office, as a reporting entity, comprises the activities of the Commission for Children and Young People. The Commission is a reporting entity under Commission for Children and Young People Act 1998, and is listed in Schedule 2 of the Public Finance and Audit Act 1983. Activities of the Commission are shown in Note 6.

The Office's financial report includes the value of services provided free of charge to the Commission.

The Office is a NSW government department. The Office is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The financial statements for the year ended 30 June 2009 have been authorised for issue by the Director General on 19 October 2009.

### (b) Basis of preparation

The Office's financial statements are a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

#### (i) Parliamentary appropriations and contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income when the Office obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

- Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund. The liability is disclosed in Note 13 as part of 'Current liabilities - Other'. The amount will be repaid and the liability will be extinguished next financial year.



## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (ii) Sale of goods and services

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

### (iii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

### (iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

## (e) Employee benefits and other provisions

### (a) Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

### (b) Long service leave and superannuation

The Office's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Office accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

### (c) Other provisions

Other provisions exist when: the Office has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (f) *Insurance*

The Office's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

### (g) *Accounting for the Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Office as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

### (h) *Acquisitions of assets*

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Office. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 1(r)).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

### (i) *Capitalisation thresholds*

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

### (j) *Revaluation of property, plant and equipment*

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 Property.

Plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

### (k) *Impairment of property, plant and equipment*

As a not-for-profit entity with no cash generating units, the Office is effectively exempted from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

### (l) *Depreciation of property, plant and equipment*

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Office.

All material separately identifiable components of assets are depreciated over their shorter useful lives.

Depreciation Rates	% Rate
<b>Plant &amp; Equipment</b>	
Office furniture and fittings	10
Computer equipment and software	25
Leasehold improvements	Over the term of the lease

(m) *Restoration costs*

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(n) *Maintenance*

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(o) *Leased assets*

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

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(p) *Intangible assets*

The Office recognises intangible assets only if it is probable that future economic benefits will flow to the Office and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Office's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Office's intangible assets are amortised using the straight line method over a period of 4 years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the Office is effectively exempted from impairment testing.

(q) *Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(r) *Equity transfers*

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies are designated as a contribution by owners are recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Interpretation 1038 1(d)(i) are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

(s) *Payables*

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(t) *Budgeted amounts*

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s 21A, s 24 and / or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the operating statement and the cash flow statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the balance sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts; i.e. per the audited financial statements (rather than carried forward estimates).

(u) *Comparative information*

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(v) *New Australian Accounting Standards issued but not effective*

The following new accounting standards have not been applied and are not yet effective. It has been determined that these new accounting standards will have no material impact on the financial statements in the period of initial application.

AASB 3 (March 2008), AASB127 and AASB 2008 3 regarding business combinations

AASB 8 and AASB 2007 3 regarding operations segments

AASB 101 (Sept 2007), AASB 2007 8 and AASB 2007 10 regarding presentations of financial statements

AASB 123 (June 2007) and AASB 2007 6 regarding borrowing

AASB1039 regarding concise financial reports

AASB 2008 1 regarding share based payments

AASB 2008 2 regarding puttable financial instruments



## 2 Expenses Excluding Losses

	2009 \$'000	2008 \$'000
<b>(a) Employee related expenses</b>		
Salaries and wages (including recreation leave)	5,859	5,610
Superannuation - defined contribution plans	380	339
Superannuation - defined benefit plans	174	221
Long service leave	210	127
Workers compensation insurance	23	23
Payroll tax and fringe benefit tax	417	340
Redundancy Payments	33	-
	<u>7,096</u>	<u>6,660</u>
<b>(b) Other operating expenses include the following:</b>		
Auditor's remuneration - audit of the financial reports	17	44
Insurance	8	10
Corporate services fees to ServiceFirst	727	754
Consultancy costs	64	20
Contractors	189	357
Cost of sales	476	374
Travel related	83	73
Data Processing	62	75
Events Management	22	42
Motor vehicle expenses	24	25
Operating lease rental expense - minimum lease payments	729	629
Postage	15	34
Conference and seminars	35	24
Media monitoring	3	4
Stores & stationery	117	86
Storage	17	19
Board	56	3
Printing	50	77
Publication and advertising	139	70
Employment screening	1,720	1,720
Data services	90	106
Telephone	49	69
Other	271	209
Maintenance expenses	125	81
	<u>5,088</u>	<u>4,905</u>
<i>* Reconciliation - Total maintenance</i>		
Maintenance expense - contracted labour and other (non-employee related), as above	125	81
Total maintenance expenses included in Note 2(a) + 2(b)	<u>125</u>	<u>81</u>
<b>(c) Depreciation and amortisation expense</b>		
Depreciation		
Plant and Equipment	90	96
Total Depreciation	<u>90</u>	<u>96</u>
Amortisation		
Leasehold improvements	202	193
Software	88	85
Total Amortisation	<u>290</u>	<u>278</u>
Total Depreciation / Amortisation	<u>380</u>	<u>374</u>



**(d) Grants and subsidies**  
Grants and subsidies

<b>389</b>	<b>375</b>
<b>389</b>	<b>375</b>

### 3 Revenues

**2009**      **2008**  
**\$'000**      **\$'000**

**(a) Sale of goods and services**  
Sale of Goods and Services

<b>138</b>	<b>144</b>
<b>138</b>	<b>144</b>

**(b) Investment revenue**  
Interest

<b>81</b>	<b>104</b>
<b>81</b>	<b>104</b>

**(c) Grants and contributions**  
Other grants

<b>125</b>	<b>180</b>
<b>125</b>	<b>180</b>

**(d) Other revenue**  
Sundry income

<b>2</b>	<b>47</b>
<b>2</b>	<b>47</b>

### 4 Appropriations

**2009**      **2008**  
**\$'000**      **\$'000**

**Recurrent appropriations**

Total recurrent draw-downs from NSW Treasury (per Summary of Compliance)  
Less: Liability to Consolidated Fund (per Summary of Compliance)

<b>11,890</b>	<b>11,532</b>
<b>-</b>	<b>159</b>
<b>11,890</b>	<b>11,373</b>

Comprising:

Recurrent appropriations (per Operating Statement)

<b>11,890</b>	<b>11,373</b>
<b>11,890</b>	<b>11,373</b>

**Capital appropriations**

Total capital draw-downs from NSW Treasury (per Summary of Compliance)  
Less: Liability to Consolidated Fund (per Summary of Compliance)

<b>99</b>	<b>99</b>
<b>-</b>	<b>32</b>
<b>99</b>	<b>67</b>

Comprising:

Capital appropriations (per Operating Statement)

<b>99</b>	<b>67</b>
<b>99</b>	<b>67</b>

## 5 Acceptance by The Crown Entity of Employee Benefits and Other Liabilities

The following liabilities and / or expenses have been assumed by the Crown Entity or other government agencies:

	2009 \$'000	2008 \$'000
Superannuation – defined benefit	174	221
Long Service Leave	211	127
Payroll tax	10	12
	<u>395</u>	<u>360</u>

## 6 Service Groups of The Agencies

The Office for Children combines the activities of:-

### (a) Commission for Children and Young People

To provide research and advice to government and non-government agencies on issues relating to children's wellbeing. It promotes the participation of children and young people in decisions that affect them. It also helps employers become child-safe and child-friendly through a variety of initiatives, including the Working With Children Check.

### (b) Office for Children Guardian

To cover regulations of the provision of out-of-home care, adoption services and the prescribed employment of children under 15 in New South Wales.

## 7 Current Assets - Cash and Cash Equivalents

	2009 \$'000	2008 \$'000
Cash at bank and on hand	1,261	1,280

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash at bank, cash on hand, short term deposits and bank overdraft.

Cash and cash equivalent assets recognised in the Balance sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:

Cash and cash equivalents (per Balance sheet)	<u>1,261</u>	<u>1,280</u>
Closing cash and cash equivalents (per Cash Flow Statement)	<u>1,261</u>	<u>1,280</u>

Refer Note 19 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

## 8 Current / Non-Current Assets - Receivables

	2009 \$'000	2008 \$'000
<b>Current Receivables</b>		
Sale of goods and services	59	158
Goods and Services Tax recoverable from ATO	111	87
Interest	30	61
Other	12	30
Prepayments	68	92
	<u>280</u>	<u>428</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are included in Note 19.

## 9 Non-Current Assets – Property, Plant and Equipment

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
<b>At 1 July 2008 - fair value</b>			
Gross carrying amount	1,536	1,005	2,541
Accumulated depreciation	(1,029)	(838)	(1,867)
Net carrying amount	<u>507</u>	<u>167</u>	<u>674</u>
<b>At 30 June 2009 - fair value</b>			
Gross carrying amount	1,535	1,108	2,643
Accumulated depreciation	(1,231)	(925)	(2,156)
Net carrying amount	<u>304</u>	<u>183</u>	<u>487</u>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
<b>Year ended 30 June 2009</b>			
Net carrying amount at start of year	507	167	674
Additions	-	106	106
Depreciation expense	(203)	(90)	(293)
Net carrying amount at end of year	<u>304</u>	<u>183</u>	<u>487</u>

<b>At 1 July 2007- fair value</b>			
Gross carrying amount	1,535	976	2,511
Accumulated depreciation	(835)	(743)	(1,578)
Net carrying amount	<u>700</u>	<u>233</u>	<u>933</u>

<b>At 30 June 2008 - fair value</b>			
Gross carrying amount	1,536	1,005	2,541
Accumulated depreciation and impairment	(1,029)	(838)	(1,867)
Net carrying amount	<u>507</u>	<u>167</u>	<u>674</u>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below.

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
<b>Year ended 30 June 2008</b>			
Net carrying amount at start of year	700	233	933
Additions	-	14	14
Depreciation expense	(193)	(95)	(288)
Net carrying amount at end of year	<u>507</u>	<u>152</u>	<u>659</u>

## 10 Intangible Assets

	Software \$'000	Total \$'000
<b>At 1 July 2008 - fair value</b>		
Cost (gross carrying amount)	722	722
Accumulated amortisation and impairment	(472)	(472)
Net carrying amount	250	250
<b>At 30 June 2009- fair value</b>		
Cost (gross carrying amount)	832	832
Accumulated amortisation and impairment	(560)	(560)
Net carrying amount	272	272
<b>Year ended 30 June 2009</b>		
Net carrying amount at start of period	250	250
Additions	114	114
Disposals	(4)	(4)
Amortisation	(88)	(88)
Net carrying amount at end of year	272	272
	Software \$'000	Total \$'000
<b>At 1 July 2007- fair value</b>		
Cost (gross carrying amount)	670	670
Accumulated amortisation and impairment	(387)	(387)
Net carrying amount	283	283
<b>At 30 June 2008- fair value</b>		
Cost (gross carrying amount)	722	722
Accumulated amortisation and impairment	(472)	(472)
Net carrying amount	250	250
<b>Year ended 30 June 2008</b>		
Net carrying amount at start of year	283	283
Additions	52	52
Amortisation (recognised in depreciation and amortisation)	(85)	(85)
Net carrying amount at end of year	250	250

## 11 Current Liabilities - Payables

	2009 \$'000	2008 \$'000
Accrued salaries, wages and on-costs	110	124
Creditors	<u>287</u>	<u>274</u>
	<u>397</u>	<u>398</u>

## 12 Current/ Non-Current Liabilities - Provisions

	2009 \$'000	2008 \$'000
<b>Employee benefits and related on-costs</b>		
Recreation leave	578	579
Long service leave	106	55
Payroll tax	<u>103</u>	<u>67</u>
	<u>787</u>	<u>701</u>
<b>Other provisions</b>		
Lease incentive	<u>8</u>	<u>4</u>
	<u>8</u>	<u>4</u>
	<u>795</u>	<u>705</u>
<b>Non-current</b>		
<b>Employee benefits and related on-costs</b>		
Long service leave	4	4
Payroll tax	<u>3</u>	<u>2</u>
	<u>7</u>	<u>6</u>
<b>Non-current</b>		
<b>Lease Incentive</b>		
Restoration costs	156	156
Rent Incentive	<u>26</u>	<u>34</u>
	<u>182</u>	<u>190</u>
	<u>189</u>	<u>196</u>
<b>Aggregate employee benefits and related on-costs</b>		
Provisions - current	787	701
Provisions - non-current	7	6
Accrued salaries, wages and on-costs (Note 11)	<u>110</u>	<u>124</u>
	<u>904</u>	<u>831</u>

### Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits are set out below:

	2009 \$'000
Carrying amount at the beginning of financial year	38
Amounts used	<u>(4)</u>
Carrying amount at end of financial year	<u>34</u>



### 13 Current/ Non-Current Liabilities - Other

	2009 \$'000	2008 \$'000
Liability to consolidated fund	-	191
	<u>-</u>	<u>191</u>

### 14 Changes in Equity

	Accumulated Funds		Total Equity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at the beginning of the year	1,142	1,181	1,142	1,181
<b>Changes in equity - other than transactions with owners as owners</b>				
Surplus / (deficit) for the year / period	(223)	(39)	(223)	(39)
Total	<u>(223)</u>	<u>(39)</u>	<u>(223)</u>	<u>(39)</u>
Balance at the end of the financial year	919	1,142	919	1,142

### 15 Commitments for expenditure

	2009 \$'000	2008 \$'000
<b>(a) Operating Lease Commitments</b>		
Future non-cancellable operating lease rentals not provided for and payable		
Not later than one year	619	602
Later than one year and not later than five years	1,242	1,233
Total (including GST)	<u>1,861</u>	<u>1,835</u>

Operating Lease commitments include \$169,182 of GST (\$125,690 for 2008) recoverable from the Australian Tax Office.

### 16 Contingent Liabilities and Contingent Assets

There are no known contingent assets and contingent liabilities as at 30 June 2009 (Nil at 30 June 2008)

### 17 Budget Review

#### Net cost of services

Net cost of services was \$368k above budget. This was largely to an increase in employees related expenses of \$188k, an increase in operating expenses of \$310k and depreciation expenses of 21k and \$4k increase in grant expenditure, offset by an increase in revenues of \$155k.

#### Assets and liabilities

Current assets were \$310k below budget mainly due to a decrease in cash of \$247k and \$63k in receivables

Non-current assets were above budget by \$95k due to an increase of \$81k in intangible assets and \$14k in plant and equipment.

10

Current liabilities were \$57k below budget due to the fact that there is no liability to con-fund (\$191k in 2008) in spite of an increase in provisions of \$134k

**Cash flows**

Cash flows from operating activities differed from budget by \$127k made up of an increase in payments of \$402K and an additional capital purchases of \$120K offset by an increase in receipts of \$275k

## 18 Reconciliation of Cash Flows from Operating Activities to Net Cost of Services

	2009 \$'000	2008 \$'000
Net cash used on operating activities	200	589
Cash flows from Government / Appropriations	(11,798)	(11,631)
Acceptance by the Crown Entity of employee benefits and other liabilities	(395)	(360)
Depreciation	(380)	(374)
Decrease / (increase) in provisions	(83)	(62)
Increase / (decrease) in prepayments and other assets	(148)	30
Decrease / (increase) in creditors	1	(31)
Adjustment to prior year asset	(4)	-
Net cost of services	<u>(12,607)</u>	<u>(11,839)</u>

## 19 Financial Instruments

The Office's principal financial instruments are outlined below. These financial instruments arise directly from the Office's operations or are required to finance the Office's operations. The Office does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Office's main risks arising from financial instruments are outlined below, together with the Office's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Director-General has overall responsibility for the establishment and oversight of risk management and reviews and agrees on policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Office, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Internal auditors on a continuous basis.

### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2009 \$'000	Carrying Amount 2008 \$'000
<b>Class:</b>				
Cash and cash equivalents	7	N/A	1,261	1,280
Receivables*	8	Loans and receivables	71	188
<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount 2009 \$'000</b>	<b>Carrying Amount 2008 \$'000</b>
<b>Class:</b>				
Payables**	11	Accrued Salaries and creditors	397	528

#### Notes

\* Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

\*\* Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

### (b) Credit Risk

Credit risk arises when there is the possibility of the Office's debtors defaulting on their contractual obligations, resulting in a financial loss to the Office. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Office, including cash, receivables and authority deposits. No

collateral is held by the Office. The Office has not granted any financial guarantees.

Credit risk associated with the Office's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

#### *Cash*

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury, in para (d) below.

#### *Receivables - trade debtors*

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30.day terms.

The Office is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the balance sheet.

	Total	\$'000 Past due but not impaired	Considered impaired
<b>2009</b>			
< 3 months overdue	10	10	-
	Total	\$'000 Past due but not Impaired	Considered impaired
<b>2008</b>			
< 3 months overdue	188	188	-

#### **(c) Liquidity risk**

Liquidity risk is the risk that the Office will be unable to meet its payment obligations when they fall due. The Office continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There was no penalty interest paid in 2009 (2008 - Nil).

The table below summarises the maturity profile of the Office's financial liabilities, together with the interest rate exposure.

## 19 FINANCIAL INSTRUMENTS (cont'd)

### *Maturity Analysis and interest rate exposure of financial liabilities*

	Interest Rate Exposure	Maturity Dates	
		Nominal Amount	< 1 yr
<b>2009</b>			
<i>Payables:</i>			
Accrued salaries, wages and on-costs	110	110	110
Creditors	287	287	287
	397	397	397
<b>2008</b>			
<i>Payables:</i>			
Accrued salaries, wages and on-costs	124	124	124
Creditors	274	274	274
	398	398	398

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Office's exposures to market risk are primarily through interest rate risk on the Office's borrowings and other price risks associated with the movement in the unit price of the Hour Glass investment facilities. The Office has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Office operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2008. The analysis assumes that all other variables remain constant.



**19 FINANCIAL INSTRUMENTS (cont'd)**

	Carrying Amount	-1% Profit	\$'000 Equity	+1% Profit	Equity
<b>2009</b>					
<i>Financial assets</i>					
Cash and cash equivalents	1,261	(13)	(13)	13	13
Receivables	71	-	-	-	-
	<u>1,332</u>	<u>(13)</u>	<u>(13)</u>	<u>13</u>	<u>13</u>
<b>2008</b>					
Cash and cash equivalents	1,280	(13)	(13)	13	13
Receivables	188	-	-	-	-
	<u>1,468</u>	<u>(13)</u>	<u>(13)</u>	<u>13</u>	<u>13</u>

**(e) Fair Value**

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of many of the financial instruments.

**20 After Balance Date Events**

The Office for Children is to be transferred to Communities NSW under the Public Sector Employment and Management (Departmental Amalgamations) Order 2009, effective 1 July 2009.

End of audited financial statements.

### Acknowledgements

Our thanks to the children and young people who agreed to appear in photographs, or who created artwork, included in this report, and to those who told us about their experiences and gave us their views on many of the topics discussed in this report.

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