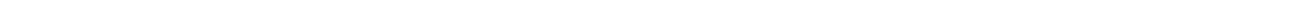


**Far North Queensland Hospital Foundation**

**2018-19 Annual Report**



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## Open Data

Annual reporting requirements for expenditure on consultancies, overseas travel and government bodies will be published on the Queensland Government Open Data website, available via: [www.data.qld.gov.au](http://www.data.qld.gov.au)

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The head office and principal place of business of the Far North Queensland Hospital Foundation is:

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## Compliance Letter

4 September 2019

The Honourable Dr Steven Miles MP  
Minister for Health and Minister for Ambulance Services  
GPO Box 48  
BRISBANE QLD 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2018-2019 and financial statements for the Far North Queensland Hospital Foundation.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on pages 13 and 14 of this report.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ken Chapman', written in a cursive style.

Ken Chapman  
Chairman  
**Far North Queensland Hospital Foundation**

## **Introduction**

The Far North Queensland Hospital Foundation was established on 21 March 1997. The Foundation has all of the objects, functions and powers set down in the *Hospital Foundations Act 2018* and various other Acts of Parliament.

The Foundation is a non-profit, charitable organisation that endeavours to assist the activities and services of the Cairns Hospital and Cairns and Hinterland Hospital and Health Service.

## **Vision**

Superior Health Care in Far North Queensland.

## **Mission**

To contribute to improvement in the quality of health care in Far North Queensland through the funding of modern equipment, facilities, education, training and research and through the provision of support services.

## **Principal Activities**

The Foundation's principal activities are to:

- Fund the purchase of state-of-the-art equipment and establishment of first class health related facilities
- Assist in the establishment of Far North Queensland as a centre of excellence in health services by funding, supporting and encouraging education and research
- Provide support services for the patients and staff.

## **Strategic Focus**

The Foundation's key strategic focus is to:

- Seek to support the Queensland Government's objectives for the community by delivering quality frontline services by strengthening our public health system
- Maximise operating profits to provide maximum funds available to be donated to fund state-of-the-art equipment, health facility upgrades, research and education grants to provide better healthcare in the community
- Strong advocacy, alignment and support of the Hospital and Health Service in the quest for the Cairns Hospital to become a full tertiary university hospital
- Maintain and develop relationships and communications with the hospital and clinical community
- Continue to grow the volunteer program to expand on and provide better services available to the patients and staff
- Maintain and improve the Foundation's good governance standards

## **Friends of the Foundation**

Regional fundraising activities are undertaken under the banner of the Friends of the Foundation.

The Friends are active volunteer groups who have an interest in aiding the Foundation in its objective and supporting their local hospital. The Friends have branches in the following locations: Atherton, Cooktown, Cow Bay, Croydon, Gordonvale, Herberton, Innisfail, Mareeba, Mossman and Tully.

## **The Year in Review**

The 2018-19 year proved to be another solid year for the Foundation with grant funding in excess of \$3 million; the second largest annual contribution in the Foundation's proud 22-year history. This now takes the Foundation's total grant funding contribution since its inception to over \$19 million.

The Foundation contributed \$1.4 million towards a second cardiac catheter laboratory at Cairns Hospital which was commissioned in May 2019, and means that patients will no longer have to travel to Townsville or Brisbane for cardiology treatment.

During the year the Foundation continued with the Chairman's lunch initiative. This proved to be a very worthwhile program which not only saw several large donations come from invitees but proved to be a wonderful medium for the Foundation to communicate its support for Cairns Hospital to become a full tertiary university hospital.

In the second half of the year the Foundation launched the capital campaign “*Show us ya guts*” endoscopy appeal. Total funding required is \$409,000 which will provide endoscopy equipment that will supply a new service and elevate the Cairns Hospital Endoscopy Unit to tertiary level. This will also mean that once the equipment is in place, hundreds of patients can have their procedures here in Cairns, rather than having to travel to Brisbane or Townsville. At year-end the Foundation had raised the \$117,300 required to provide and deliver the Oesophageal Manometry equipment to the Endoscopy Unit as part of this campaign.

The Foundation’s fundraising team did a great job throughout the course of the year running activities and events and securing considerable donations that led to total fundraising profit of \$909,633 (fundraising for general purposes); the second largest annual result since the Foundation commenced operation in 1997.

### Summary of Financial Performance

The 2018-19 financial-year was a solid year for the Far North Queensland Hospital Foundation.

The Foundation posted an operating result, before distribution of grants, of \$1.8 million – compared to the previous year’s result of \$2.35 million. Although the result was down on the previous year, it still did represent the second largest operating result in the Foundation’s 22-year history.

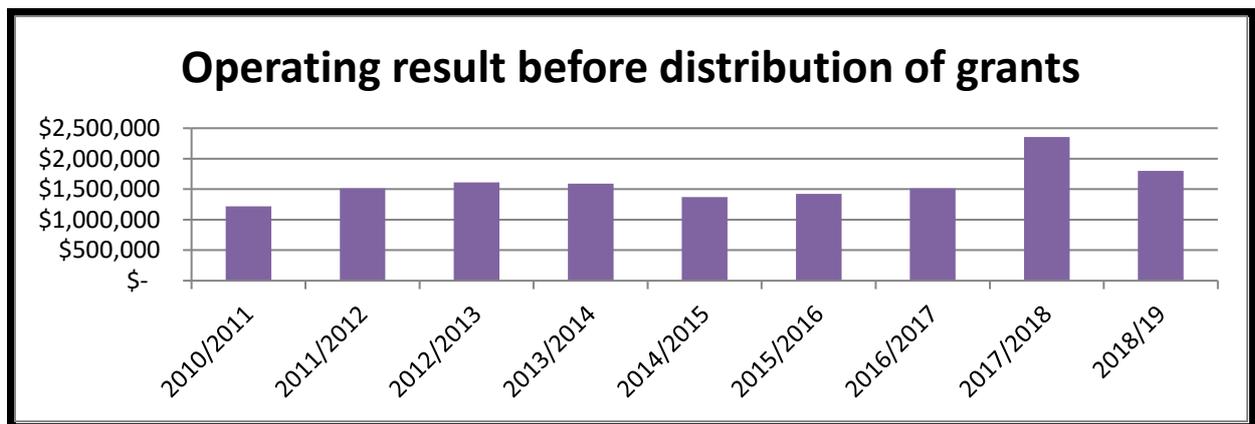
Revenue totalled \$4.68 million compared to the previous year’s \$5.21 million, representing a 10% decline. This unfavourable variance was solely due to a fall in fundraising revenue with last year boosted by the success of the cardiac catheter laboratory fundraising campaign.

Revenue from the Foundation managed cafes on the Cairns Hospital campus totalled \$2.26 million which was an improvement on the previous year’s result of \$2.22 million.

The Block E car park realised revenue of \$559,064 compared to the previous year’s result of \$535,355.

The Foundation’s fundraising efforts realised \$1.6 million (revenue before direct costs) which was below last year’s result of \$2.1 million. The drop in fundraising revenue was simply due to the fact that the results of 2017-18 were not repeated throughout 2018-19. Last year’s fundraising was unprecedented with large donations from several donors. One particular donor donated \$550,000.

Total expenses at \$2.85 million was a mirror image of the previous year’s result and therefore the Foundation did a great job in managing expenses over the course of the year.



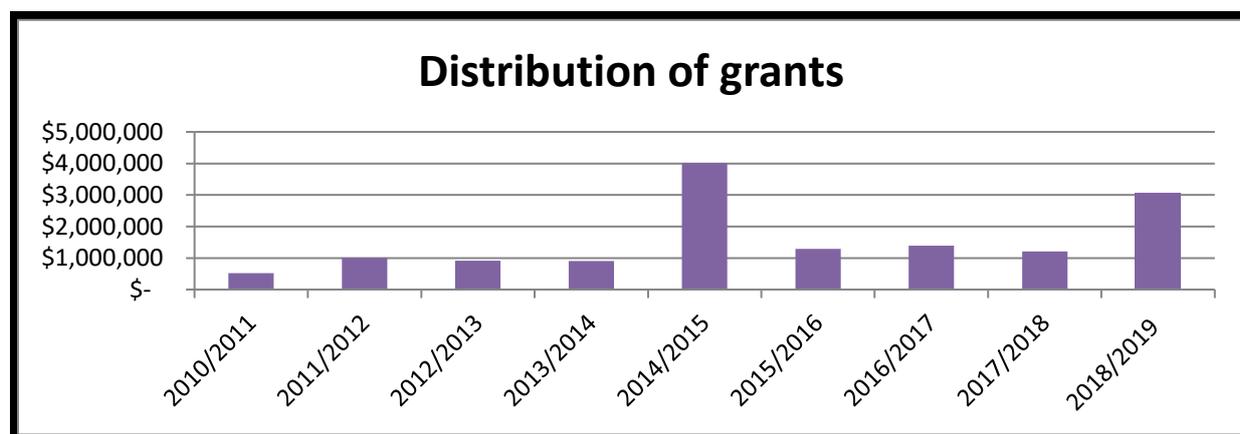
### Grant Funding

The Foundation’s grant funding for the year was in excess of \$3 million which was well above the previous year’s figure of \$1.2 million and was the second largest amount in the Foundation’s history, behind the \$4 million provided in the 2014-15 year.

That sum is made up of:

- \$1.4 million towards a second cardiac catheter laboratory at Cairns Hospital
- \$372,000 for a OPMI PENTERO 800 surgical microscope for the Operating Theatres, Cairns Hospital
- \$206,500 for a Vivid E95 v202 ultrasound system for the Cardiology Unit, Cairns Hospital

- \$117,300 for oesophageal manometry equipment for the Endoscopy Unit, Cairns Hospital
- \$18,200 for a Motomed Letto 2 leg and arm bed-cycle ergometer for the Intensive Care Unit, Cairns Hospital
- \$46,365 for a Compella bariatric bed complete with dynamic pressure relieving mattress with turn assist, IntelliDrive integrated bed mover and nurse call connectivity for the Intensive Care Unit, Cairns Hospital
- \$89,000 for medical imaging and vital signs monitors for the Emergency Department, Cairns Hospital
- \$50,000 for two Panda warmers for the Birthing Unit, Cairns Hospital
- \$18,000 for the supply and installation of digitally printed graphics to walls of the Postoperative area, Day Surgery Unit children's lounge, anaesthetic bay of Theatre 6 and to the floor of the children's lounge to Theatre 6, Cairns Hospital
- \$30,100 for a colposcope kit, colposcope digital camera and a Sony 21" medical grade monitor for the Women's Health Unit, Cairns Hospital
- \$54,800 for two portable Compumedics Grael EEG systems complete with two all-in-one computers for the Neurology Department, Cairns Hospital
- \$21,000 for eight CADD VIP pumps for the Oncology Day Unit, Liz Plummer Cancer Care Centre
- \$27,200 for extensions and redevelopment of the waiting area at the Oncology Day Unit, Liz Plummer Cancer Care Centre
- \$58,200 for an X-Porte ultrasound kiosk system with stand and transducer for the Operating Theatres, Cairns Hospital
- \$18,800 for a Featherweight double endoscopy cart for the Endoscopy Unit, Cairns Hospital
- \$75,000 for a Venue R2 portable ultrasound system for the Emergency Department, Innisfail Hospital
- research grants to the amount of \$75,600 and education & training grants of \$33,000.



### Volunteer Services

The Foundation's Volunteer Program is now in its 30<sup>th</sup> year. Our volunteer team continues to assist with fundraising and commercial activities, support services to patients, visitors and staff at the Cairns Hospital, as well as a number of other hospitals and clinics in the Cairns and Hinterland Hospital and Health Service. We are extremely fortunate to be able to count on these people to donate their time and skills to help the Foundation achieve its vision.

The scope of volunteer activities is truly impressive. Their services at the Cairns Hospital alone include staffing the hospital information desks; assisting in the Cardiac conditioning program; assisting with the Paediatric Playscheme Program in the Paediatric Ward; helping with food and beverage services to patients and visitors in the Liz Plummer Cancer Care Centre; providing clerical and administrative support services; and generally assisting wherever possible.

During the course of 2018-19, around 100 Foundation volunteers contributed 24,000 hours of unpaid labour to the Cairns Hospital. Hundreds more Foundation volunteers lent their support to fundraising events during the year, devoting a total of around 8,370 hours.

The strategic objective of growing the Volunteer Program was achieved with a 12% increase in total volunteer numbers on the previous year.

### Friends of the Foundation

Regional community-based fundraising activities are organised under the banner of the Friends of the Foundation (the Friends). During the year we established new Friends in Atherton, Herberton and Tully.

The Friends are an active and growing network of volunteer groups, with branches in Atherton, Cooktown, Cow Bay, Croydon, Gordonvale, Herberton, Innisfail, Mareeba, Mossman and Tully.

Collectively, the Friends raised \$301,567 towards the improvement of healthcare services in their respective communities. During the year, they funded the purchase of:

- two overnigher loveseats for the Innisfail Hospital
- five FD3P fetal dopplers for Innisfail Hospital
- two RAD-5 handheld oxygen saturation monitors plus accessories and device protection for the Innisfail Hospital
- an MI transporter instrument trolley for the Innisfail Hospital
- an Optiflow Thrive nasal cannula with humidifier, stand and flowmeter for the Innisfail Hospital
- six lightweight economy transit wheelchairs for the Gordonvale Hospital
- a Monarch dual motor lift chair for the Gordonvale Hospital
- ten deluxe pressure cushions and five frail pressure cushions for the Gordonvale Hospital
- a Viva Emerge 5 drawer resuscitation trolley for the Gordonvale Hospital
- a blanket warmer for the Gordonvale Hospital
- a holter monitoring DigiTrak XT holter system for the Mareeba Hospital
- a Norav NBP-24 NG ambulatory 24 hour blood pressure monitor for the Mareeba Hospital
- an EasyOne spirometer plus HP printer for the Mareeba Hospital
- a Progressa bed system Pro885 for the Mossman Hospital
- a Welch Allyn Connex vital signs monitor with mobile stand, ECG module plus docking station and an assortment of cuffs sizes for the Cow Bay Primary Health Centre.

## **Commercial Operations**

The Foundation operates a number of profitable commercial businesses, which enable the organisation to cover its administration and operating expenses, and at the same time maximise the funds available for donation back into healthcare services.

During the past year, the Sea Breeze Café, dCafe, Block E car park and television hire continued to ensure that patients and visitors to the Cairns Hospital received quality services that enhanced their comfort.

Gross profit from our commercial operations totalled \$1.96 million which was an improvement on the previous year's result of \$1.94 million.

- **Sea Breeze Café**

Located in Block B, the Sea Breeze Café provides quality food and retail services to patients, staff and visitors to the Cairns Hospital, from its scenic location opposite the Cairns Esplanade. The café, which boasts both indoor and outdoor dining areas, has indeed become an integral part of the hospital's social life.

- **dCafe**

Located in Block D, the dCafe offers a wide range of nutritious food and drinks in a relaxed and modern outdoor setting overlooking the Cairns Esplanade. Patients, staff and visitors to the Cairns Hospital can enjoy a full selection of hot meals, wraps, rolls, salads, organic coffee, smoothies, juices and tea.

- **Vending Machines**

The Foundation coordinates the placement of a range of food and beverage vending services, including soft drink machines, coffee machines and snack food machines. The Foundation also manages the Automatic Teller Machines located at the hospital.

- **Cairns Hospital Block E Car Park**

The Foundation manages the Block E car park at the Cairns Hospital. With 667 car parking spaces, including 24 spaces reserved for people with a disability, the car park provides a crucial service to both hospital staff, patients and visitors.

A link bridge over Lake Street located on level two of the Block E car park and level two of Block D provides staff, patients and visitors easy access from the car park to the hospital. The car park is equipped with video surveillance which is particularly appreciated by hospital staff that finish their shifts at night or during the early hours.

- **Interactive Patient Station Television Hire Service**

In previous years the Foundation has contributed funding towards the Interactive Patient Station system at Cairns Hospital. As a result of this donation the Foundation now receives an income stream through the hire of the entertainment component of this interactive system.

## **Fundraising**

The Foundation covers all its administration and operating expenses from the profits generated by the organisation's commercial businesses, including the Sea Breeze Café, dCafe, the Block E hospital car park and the television hire. This means that 100 percent of monies donated to the Far North Queensland Hospital Foundation are guaranteed to be used for the purpose intended.

The Foundation has forged a number of strong and rewarding relationships with individuals, local businesses and service organisations that recognise the importance of the Foundation's goals and have been motivated to provide monetary and in-kind donations to help the charity achieve those goals.

## **Achieving Our Aims**

During the past year, the Foundation has pursued its Vision to provide "Superior Health Care in Far North Queensland", through the donation of \$3 million towards healthcare services in this region.

This figure was supplemented by the incalculable value of the many services and tasks undertaken by the Foundation's volunteer team and staff. Many of the services provided by the Foundation have become an integral part of hospital life.

The Foundation's major purchases this year included:

- a Provi Dock 220 mobile transfer cart for the Intensive Care Unit, Cairns Hospital
- a Motomed Letto 2 leg and arm bed-cycle ergometer for the Intensive Care Unit, Cairns Hospital
- a Compella bariatric bed complete with dynamic pressure relieving mattress with turn assist, IntelliDrive integrated bed mover and nurse call connectivity for the Intensive Care Unit, Cairns Hospital
- medical imaging and vital signs monitors for the Emergency Department, Cairns Hospital
- twelve Welch Allyn wall diagnostic sets with macrowview otoscope and standard ophthalmoscope head, locking collars and LED lamps for Paediatric and Adolescent Services, Cairns Hospital
- seven iPad minis for the Paediatric Ward, Cairns Hospital
- three Viva Alloy Compact 5 drawer carts complete with accessories for the Paediatric Ward, Cairns Hospital
- a Viva Proceed 5 drawer cart complete with Viva youth sea decal set, accessory defibrillator shelf, accessory IV pole, accessory multi storage basket and accessory small divider set for the Paediatric Ward, Cairns Hospital
- nine See it Safe anti-microbial curtains printed with Under The Sea on one side and sea life on the back for the Post-Anesthesia Care Unit, Cairns Hospital
- a standard recliner recovery chair for the Operating Theatres, Cairns Hospital
- a Kiddy Cruiser for the Day Surgery Unit, Cairns Hospital
- the supply and installation of digitally printed graphics to walls of the Postoperative area, Day Surgery Unit children's lounge, anaesthetic bay of Theatre 6 and to the floor of the children's lounge to Theatre 6, Cairns Hospital
- two Panda warmers for the Birthing Unit, Cairns Hospital
- a colposcope kit, colposcope digital camera and a Sony 21" medical grade monitor for the Women's Health Unit, Cairns Hospital
- fourteen Giant Talon 29er mountain bikes for Alcohol, Tobacco and Other Drugs early intervention program, Cairns and Hinterland Hospital and Health Service
- contribution towards a second cardiac catheter laboratory for the Cardiology Unit, Cairns Hospital
- a Vivid E95 v202 ultrasound system for the Cardiology Unit, Cairns Hospital
- a Valleylab FT10 Energy Platform diathermy unit for the Cardiology Unit, Cairns Hospital
- two portable Compumedics Graef EEG systems complete with two all-in-one computers for the Neurology Department, Cairns Hospital

- eight CADD VIP pumps for the Oncology Day Unit, Liz Plummer Cancer Care Centre
- extensions and redevelopment of the waiting area at the Oncology Day Unit, Liz Plummer Cancer Care Centre
- an X-Porte ultrasound kiosk system with stand and transducer for the Operating Theatres, Cairns Hospital
- a Featherweight double endoscopy cart for the Endoscopy Unit, Cairns Hospital
- a Latina two seater lounge for the Older Persons Evaluation and Rehabilitation and Assessment Unit, Cairns Hospital
- oesophageal manometry equipment for the Endoscopy Unit, Cairns Hospital
- an OPMI PENTERO 800 surgical microscope for the Operating Theatres, Cairns Hospital
- a Venue R2 portable ultrasound system for the Emergency Department, Innisfail Hospital
- a Progressa Bed System Pro885 for the Mossman Hospital
- an i-STAT analyser wireless complete with downloader recharger kit and rechargeable power pack for the Mossman Hospital
- a Quattro Paediatric Broselow emergency cart for the Mossman Hospital
- an Amplivox Otowave 102-4 handheld tympanometer and a model 116 screening audiometer for the Mossman Hospital
- a Niki T34 syringe pump for the Mossman Hospital
- a McGrath Mac laryngoscope for the Mossman Hospital
- an Ultimate fully motorised scissor lift trolley for the Tully Hospital
- a Caresono HD 5 bladder scanner plus dedicated trolley for the Atherton Hospital
- a Tango M2 cardiac stress blood pressure monitor for the Cardiac/Emergency Department, Atherton Hospital
- two Welch Allyn Connex vital signs monitors complete with mobile stands for the Atherton Hospital

The Foundation also funded the:

- annual Research Grants program with 13 successful submissions sharing in a total funding amount of \$111,796
- annual Education, Training and Professional Development Grants program which realised a total of 72 submissions with 43 successful applicants sharing in a total amount of \$45,252.

## **Board of Members and Governance**

Members of the Foundation, who are appointed by the Governor in Council under section 30 of the *Hospital Foundations Act 2018*, are drawn from the business, community, medical and university fraternities.

The Board of the Foundation has primary responsibility to establish strategic direction, pursue established objectives and monitor business performance. The Board recognises the importance of applying best practice corporate governance principles in fulfilling this responsibility and has committed to the highest level of integrity in the conduct of its operations.

### **Board of Members – Role and Responsibility**

The Board recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the *Hospital Foundations Act 2018*, the *Financial Administration and Audit Act 1977* and the *Public Sector Ethics Act 1994* in serving the interests of the community, as well as the Foundation's employees, volunteers and supporters.

The responsibilities of the Board include:

- developing, reviewing and approving strategic plans, business plans, the annual budget and financial plans, including available resources and major capital expenditure initiatives
- making decisions in relation to matters of a sensitive, extraordinary or strategic nature
- monitoring and assessing management's performance in achieving any strategies and budgets approved by the Board
- ensuring best practice corporate governance
- reviewing and approving applications for significant funding: equipment, facility enhancement, and research and education
- reviewing and approving annual statutory accounts and other reporting and monitoring financial results on an ongoing basis
- providing advice and counsel to management on a periodic and ad hoc basis
- appointing and where appropriate removing the Chief Executive Officer and approving succession plans

- ratifying the appointment and, where appropriate the termination of the direct reports to the Chief Executive Officer
- monitoring the performance of the Chief Executive Officer and senior management and approving remuneration policies and practices for such Chief Executive Officer and senior management
- enhancing and protecting the reputation of the Foundation
- reporting to the Minister for Health
- ensuring appropriate compliance frameworks and controls are in place and are operating effectively
- approving and monitoring the effectiveness of and compliance with policies governing the operations of the Foundation
- monitoring compliance with regulatory requirements and ethical standards
- monitoring the integrity of internal control and reporting systems and the findings of audits undertaken on an annual basis.

### Board of Members – Appointment Criteria

The selection of candidates for membership of the Foundation takes into account the requirements and recommendations of section 30 of the *Hospital Foundations Act 2018*, and any additional requirements of the Minister. The Foundation’s membership currently comprises:

- the nominee of the chairperson of the Cairns and Hinterland Hospital and Health Service Board
- a practising hospital clinician
- senior person from the James Cook University School of Medicine and Dentistry
- the Chief Executive of the Cairns and Hinterland Hospital and Health Service
- members with a strong commercial background
- members with strong accounting and finance skills
- members with strong legal skills
- members with strong community and fundraising expertise
- overall appropriate experience and gender diversity.

### Board of Members – Term and Basis of Appointment

Name	Term	Basis of Appointment
Dr Ken Chapman MB BS (Qld) FAICD, FIML, AFRACMA Chairman	Appointed 18 August 2016 For a term from 11 September 2016 to 30 September 2019	Dr Chapman is the Chairman of Skyrail-ITM and executive director of the Chapman Group of Companies and has experience as a Director and Chairman of a variety of organisations including Director of Event Hospitality and Entertainment Limited.
John Andrejic BCom CA Board Member	Appointed 18 August 2016 For a term from 11 September 2016 to 30 September 2019	Mr Andrejic is Chief Executive Officer of the Cairns Regional Council.
Patricia Bailey Board Member	Appointed 18 August 2016 For a term from 11 September 2016 to 30 September 2019	Ms Bailey is the Operations Manager and special events co-ordinator for the Cairns District Rugby League.
Professor William McBride MBBS, DTM&H, FRACP, FRCPA, PhD Board Member	Appointed 18 August 2016 For a term from 11 September 2016 to 30 September 2019	Professor McBride is Head of James Cook University's School of Medicine clinical campus at the Cairns Hospital. He is an Infectious Diseases Specialist and Clinical Microbiologist.
Dr Edward Strivens MBBS, BSc, FACRRM, FRACP	Appointed 20 October 2017 Expires 30 September 2020	Dr Strivens is the Regional Geriatrician and Clinical Director for Older Person Health Services in Cairns and Hinterland Health Service District in Far North Queensland. He is also an Adjunct Associate Professor with James Cook University School of Medicine and Dentistry.
Clare Douglas BAppSc (Nursing), GDipHlthA, MMgt, GAICD	Appointed 20 October 2017 Expires 30 September 2020	Ms Douglas is the Chief Executive of the Cairns and Hinterland Hospital and Health Service

Steve Russell Board Member	Appointed 20 October 2017 Expires 30 September 2020	Mr Russell is a past member and Chair of the Innisfail and Cairns District Health Councils and is a long term community and health advocate and is currently a Board member of Health Consumers Queensland.
Jodi Peters B Bus GAICD, FIML	Appointed 15 May 2017 as Cairns and Hinterland Hospital and Health Service Board Chairperson's nominee Expires 31 March 2022	Ms Peters is a founder and Managing Director of The 20/20 Group, a North Queensland strategic consultancy specialising in strategic business and marketing planning, international tender writing, and broad governance. She is also presently the Business Manager of Peters Bosel Lawyers.

During the year, six meetings of the Foundation were held.

Name	Number Eligible to Attend	Number Attended
K Chapman	6	6
J Andrejic	6	4
P Bailey	6	5
W McBride	6	6
E Strivens	6	6
C Douglas	6	4
S Russell	6	5
J Peters	6	5

### **Risk Management and Internal Audit Function**

The Hospital Foundation has a robust financial management system and a safe work culture and it continues to work to the objective of maintaining and improving its good governance standards.

The Foundation Board and senior management are committed to mitigating the risk of unacceptable costs or losses associated with the operations of the Foundation and managing the risks that may affect the ability of the Foundation to continue to provide services.

The Foundation Board has deemed it inappropriate to establish an internal audit function due to:

- relatively small size of the Foundation
- the Foundation has well developed financial systems that operate efficiently, effectively and economically
- the existing governance structure and meeting schedule remains adequate
- since inception in 1997 the Foundation has never received a qualified audit

### **Audit, Risk and Remuneration Committee (ARRC)**

The Foundation ARRC observed the terms of its charter during the course of the year.

The ARRC comprises at least three Members of the Board of the Foundation with one of the Members being the Chair of the Foundation.

The Foundation Board appoint Members of the ARRC on an annual basis and identify one of the Members other than the Chair of the Foundation to Chair the ARRC.

During the year, three meetings of the ARRC were held.

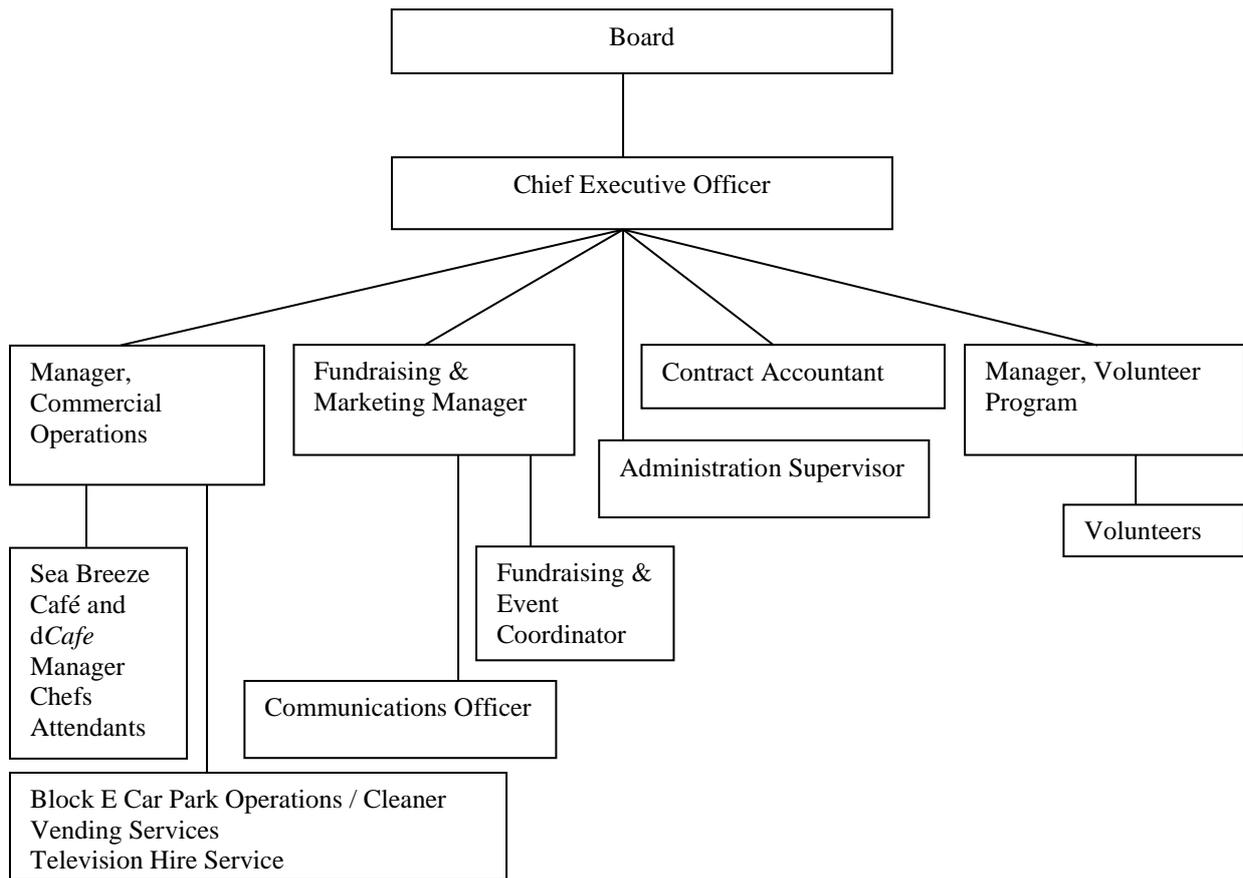
ARRC Members are; Mr John Andrejic (Chair), Dr Ken Chapman and Ms Jodi Peters.

### **Information Systems and Record Keeping**

The Foundation complies with the provisions of the *Public Records Act 2002, Information Standard 40: Record Keeping and Information Standard 31: Retention and Disposal of Public Records*.

## Human Resources

### Foundation Organisational Chart



### Key Management Personnel

#### Tony Franz

Chief Executive Officer – joined the Foundation in February 2004.

Responsibilities: to provide the Foundation with executive and strategic leadership, and operational management, including responsibility for managing progress towards achievement of the Foundation’s vision, objectives and strategic directions.

#### Steve McGuinness

Manager, Commercial Operations – joined the Foundation in June 2009.

Responsibilities: to manage and administer the Foundation’s commercial operations in support of the Foundation’s objectives including the development of strategies and implementation of approved plans so as to advance the profitability of the Foundation’s commercial departments.

#### Glenys Duncombe

Fundraising and Marketing Manager – joined the Foundation in September 2004.

Responsibilities: to develop and maintain relationships with communities, groups and individuals relevant to the Foundation and to develop and manage fundraising and marketing projects and activities that will benefit the Foundation.

#### Anne Chirio

Manager, Volunteer Program – joined the Foundation in June 2003.

Responsibilities: to manage, administer and monitor the Volunteer Program in support of the Foundation’s objectives so as to advance the profile and services provided by the Foundation.

### Workforce

The Foundation has a very committed team comprising of both staff and volunteers who are focused on achieving the Foundation’s vision, mission and strategic objectives. At June 30, 2019, the Foundation had 20 employees employed on a full-time equivalent basis.

To ensure flexible work arrangements for the staff, the Foundation reviews all reasonable requests from employees regarding flexible work requirements. This often involves changes to start and finish times, working from home and taking time off in lieu of additional hours worked outside of normal working hours.

The Foundation is committed to assisting staff balance their work and personal commitments.

## Redundancy

During the 2018-19 year there were no payments made due to redundancy, early retirement or retrenchment.

## Public Sector Ethics Act 1994

The Foundation has established a Code of Conduct which applies to Board members and senior executives of which has been formally approved by the Minister for Health and Minister for Ambulance Services.

Foundation senior managers are signatories of this Code of Conduct.

All other employees are signatories of the Queensland Government Code of Conduct.

<b>Compliance Checklist – Annual Report</b>			
<b>Summary of requirement</b>		<b>Basis for requirement</b>	<b>Annual report reference</b>
<b>Letter of compliance</b>	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7	3
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1	2
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2	2
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	Queensland Government Language Services Policy ARRs – section 9.3	2
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	Copyright Act 1968 ARRs – section 9.4	2
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	QGEA – Information Licensing ARRs – section 9.5	2
<b>General information</b>	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	ARRs – section 10.1	4
	<ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>	ARRs – section 10.2	4-8
	<ul style="list-style-type: none"> <li>Machinery of Government changes</li> </ul>	ARRs – section 31 and 32	N/A
	<ul style="list-style-type: none"> <li>Operating environment</li> </ul>	ARRs – section 10.3	4-8
<b>Non-financial performance</b>	<ul style="list-style-type: none"> <li>Government's objectives for the community</li> </ul>	ARRs – section 11.1	4-6
	<ul style="list-style-type: none"> <li>Other whole-of-government plans / specific initiatives</li> </ul>	ARRs – section 11.2	N/A
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.3	4-5
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.4	N/A
<b>Financial performance</b>	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1	5
	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1	12

<b>Governance – management and structure</b>	• <b>Executive management</b>	ARRs – section 13.2	12
	• <b>Government bodies (statutory bodies and other entities)</b>	ARRs – section 13.3	N/A
	• <b>Public Sector Ethics Act 1994</b>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	13
	• <b>Queensland public service values</b>	ARRs – section 13.5	4
<b>Governance – risk management and accountability</b>	• <b>Risk management</b>	ARRs – section 14.1	11
	• <b>Audit committee</b>	ARRs – section 14.2	11
	• <b>Internal audit</b>	ARRs – section 14.3	11
	• <b>External scrutiny</b>	ARRs – section 14.4	N/A
	• <b>Information systems and recordkeeping</b>	ARRs – section 14.5	11
<b>Governance – human resources</b>	• <b>Strategic workforce planning and performance</b>	ARRs – section 15.1	12
	• <b>Early retirement, redundancy and retrenchment</b>	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs – section 15.2	13
<b>Open Data</b>	• <b>Statement advising publication of information</b>	ARRs – section 16	2
	• <b>Consultancies</b>	ARRs – section 33.1	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• <b>Overseas travel</b>	ARRs – section 33.2	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
	• <b>Queensland Language Services Policy</b>	ARRs – section 33.3	<a href="https://data.qld.gov.au">https://data.qld.gov.au</a>
<b>Financial statements</b>	• <b>Certification of financial statements</b>	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	26
	• <b>Independent Auditor’s Report</b>	FAA – section 62 FPMS – section 50 ARRs – section 17.2	27-29

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

**Far North Queensland Hospital Foundation  
(ABN 42 980 569 986)**

**Financial Statements**  
**For the year ended 30 June 2019**

# **Far North Queensland Hospital Foundation**

**Financial Statements – 30 June 2019**

**Far North Queensland Hospital Foundation**  
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**For the year ended 30 June 2019**

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**Far North Queensland Hospital Foundation  
Statement of Comprehensive Income  
For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
<b>Income</b>			
Revenue from sale of goods and services	2	2,963,791	2,929,294
Revenue from fundraising	3	1,603,455	2,187,427
Other revenue	4	113,599	94,580
<b>Total income</b>		<u>4,680,845</u>	<u>5,211,301</u>
<b>Expenses</b>			
Cost of sales	5	999,264	983,642
Cost of fundraising	6	223,652	230,671
Employee expenses	7	1,288,842	1,303,465
Other supplies and services	8	198,556	185,221
Depreciation	9	104,642	108,200
Other expenses	10	39,044	42,452
<b>Total expenses</b>		<u>2,854,000</u>	<u>2,853,651</u>
<b>Net result for the year before distribution of grants</b>		1,826,845	2,357,650
<b>Grants</b>			
Distribution of grants	11	3,057,732	1,208,374
Net result		(1,230,887)	1,149,276
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>(1,230,887)</u>	<u>1,149,276</u>

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes*

**Far North Queensland Hospital Foundation**  
**Statement of Financial Position**  
**As at 30 June 2019**

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	12	2,523,927	3,771,872
Trade and other receivables	13	27,453	25,867
Inventories	14	30,103	29,641
Prepayments		32,403	28,327
<b>Total current assets</b>		<u>2,613,886</u>	<u>3,855,707</u>
<b>Non-current assets</b>			
Property, plant and equipment	15	454,649	550,757
<b>Total non-current assets</b>		<u>454,649</u>	<u>550,757</u>
<b>Total assets</b>		<u>3,068,535</u>	<u>4,406,464</u>
<b>Current liabilities</b>			
Trade and other payables	16	466,870	565,001
Accrued wages	17	22,866	30,806
Provisions	18	95,215	69,774
<b>Total current liabilities</b>		<u>584,951</u>	<u>665,581</u>
<b>Non-current liabilities</b>			
Provisions	18	13,855	40,267
<b>Total non-current liabilities</b>		<u>13,855</u>	<u>40,267</u>
<b>Total liabilities</b>		<u>598,806</u>	<u>705,848</u>
<b>Net assets</b>		<u>2,469,729</u>	<u>3,700,616</u>
<b>Equity</b>			
Retained surplus	19	2,469,729	3,700,616
<b>Total equity</b>		<u>2,469,729</u>	<u>3,700,616</u>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes*

**Far North Queensland Hospital Foundation  
Statement of Changes in Equity  
For the year ended 30 June 2019**

	Note	Retained surplus \$	Total equity \$
<b>Balance at 1 July 2018</b>	19	3,700,616	3,700,616
Net result		(1,230,887)	(1,259,258)
Other comprehensive income		-	-
Total comprehensive income		<u>(1,230,887)</u>	<u>(1,259,258)</u>
<b>Balance at 30 June 2019</b>	19	<u>2,469,729</u>	<u>2,441,360</u>
<b>Balance at 1 July 2017</b>		<u>2,551,340</u>	<u>2,551,340</u>
Net result		1,149,276	1,149,276
Other comprehensive income		-	-
Total comprehensive income		<u>1,149,276</u>	<u>1,149,276</u>
<b>Balance at 30 June 2018</b>	19	<u>3,700,616</u>	<u>3,700,616</u>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes*

**Far North Queensland Hospital Foundation  
Statement of Cash Flows  
For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Cash receipts from ordinary operations		4,900,884	5,440,570
Interest received		84,619	70,588
GST collected from customers		1,954	2,324
GST input tax credits from ATO		230,857	189,578
<i>Outflows:</i>			
Employee expenses		(1,300,105)	(1,303,465)
Other supplies and services		(1,763,701)	(1,773,932)
Grants		(3,057,732)	(1,208,374)
GST paid to suppliers		(27,528)	(30,893)
GST remitted to ATO		<u>(308,660)</u>	<u>(313,822)</u>
<b>Net cash provided by/(used in) operating activities</b>	21	<u>(1,239,412)</u>	<u>1,072,575</u>
<b>Cash flows from/(used in) investing activities</b>			
Payments for property, plant and equipment		<u>(8,533)</u>	<u>(31,529)</u>
<b>Net cash from/(used in) investing activities</b>		<u>(8,533)</u>	<u>(31,529)</u>
Net increase/(decrease) in cash and cash equivalents		(1,247,945)	1,041,046
Cash and cash equivalents at 1 July		<u>3,771,872</u>	<u>2,730,826</u>
<b>Cash and cash equivalents at 30 June</b>	12	<u><u>2,523,927</u></u>	<u><u>3,771,872</u></u>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes*

**Far North Queensland Hospital Foundation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

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**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 1. Objectives and principal activities of the Far North Queensland Hospital Foundation**

Far North Queensland Hospital Foundation (the Foundation) is a Hospital Foundation established on 21 March 1997 under the *Hospitals Foundation Act 1982* and is a statutory body. The Foundation is a not-for-profit entity.

The Foundation is controlled by the State of Queensland.

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

Ground Floor  
Block E  
Corner Grove & Digger Streets  
CAIRNS QLD 4870

The principal activities of the Foundation are to fund the purchase of state-of-the-art equipment and establishment of first class health related facilities; assist in the establishment of Far North Queensland as a centre of excellence in health services by funding, supporting and encouraging education and research; and provide support services for the patients and staff.

For information in relation to the Foundation's financial statements please call (07) 4226 6634, email [ceo@fnqhf.org.au](mailto:ceo@fnqhf.org.au) or visit the Foundation's website [www.fnqhf.org.au](http://www.fnqhf.org.au)

	2019 \$	2018 \$
<b>Note 2. Revenue from sale of goods and services</b>		
Café	2,263,949	2,219,646
Car park	559,064	535,355
Telephone	125	280
Television	82,923	104,831
Vending machines	<u>57,730</u>	<u>69,182</u>
	<u>2,963,791</u>	<u>2,929,294</u>

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

**Note 3. Revenue from fundraising**

Fundraising for general purposes	1,102,164	1,861,325
Fundraising for specific purposes	439,201	264,797
Volunteer service	<u>62,090</u>	<u>61,305</u>
	<u>1,603,455</u>	<u>2,187,427</u>

Fundraising revenue is recognised when received. The amount and timing of receipts are dependent upon the various fundraising events conducted during the year.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Note 4. Other revenue</b>		
Interest income	84,619	70,588
Other	<u>28,980</u>	<u>23,992</u>
	<u><u>113,599</u></u>	<u><u>94,580</u></u>

Finance income comprises interest on funds invested. Interest income is recognised as it accrues, using the effective interest method.

**Note 5. Cost of sales**

Café	998,629	982,044
Telephone	141	238
Vending machines	<u>494</u>	<u>1,360</u>
	<u><u>999,264</u></u>	<u><u>983,642</u></u>

**Note 6. Cost of fundraising**

Fundraising	192,531	199,504
Volunteer service	<u>31,121</u>	<u>31,167</u>
	<u><u>223,652</u></u>	<u><u>230,671</u></u>

**Note 7. Employee expenses**

Wages and salaries	1,152,630	1,156,785
Employer superannuation contributions	108,069	104,228
Workers' compensation	7,381	7,757
Other	<u>20,762</u>	<u>34,695</u>
	<u><u>1,288,842</u></u>	<u><u>1,303,465</u></u>

The number of directly engaged full-time equivalent employees as at 30 June 2019 is 20 (2018: 20).

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

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

Employer superannuation contributions are paid to nominated superannuation schemes. Contributions are expensed in the period in which they are paid or payable.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 8. Other supplies and services</b>		
Banking and merchant fees	39,674	32,809
Cleaning	8,905	7,008
Communications	6,080	5,941
Computer expenses	30,655	26,934
Consultants and contractors	9,000	9,000
Consumables	2,215	2,311
Fees and permits	1,806	1,553
Motor vehicle expenses	8,007	6,980
Staff stored value car parking cards	5,585	5,183
Printing and stationery	24,025	23,413
Repairs and maintenance	54,275	57,624
Security	4,332	4,275
Travel expenses	3,997	2,171
Sundry	-	19
	<u>198,556</u>	<u>185,221</u>

**Note 9. Depreciation**

Leasehold improvement	68,820	68,835
Plant and equipment	25,465	24,811
Furniture and fittings	5,933	5,941
Motor vehicles	<u>4,424</u>	<u>8,613</u>
	<u>104,642</u>	<u>108,200</u>

Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life.

Any expenditure that increases the capacity or service potential of an asset and major components purchased specifically for particular assets are capitalised and depreciated over the remaining useful life of the asset to which they relate.

Depreciation rates used for each asset class are as follows:

<b>Class</b>	<b>Depreciation rates used</b>	<b>Useful lives</b>
Leasehold improvements	10%	10 years
Plant and equipment	10% – 25%	4 – 10 years
Furniture and fittings	7.5%	5 – 13.33 years
Motor vehicles	15%	6.67 years

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Note 10. Other expenses</b>		
Audit fees - audit of the financial statements	9,500	5,000
Insurance	29,544	27,203
Legal costs	<u>-</u>	<u>10,249</u>
	<u><u>39,044</u></u>	<u><u>42,452</u></u>

*Insurance*

The Foundation's property, plant and equipment and other risks are insured and premiums are being paid on a risk assessment basis. In addition, the Foundation pays premiums to Work Cover Queensland in respect of its obligations for employee compensation.

**Far North Queensland Hospital Foundation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

	2019	2018
	\$	\$
<b>Note 11. Distribution of grants</b>		
<b>Cairns and Hinterland Hospital and Health Service</b>		
Emergency medicine	89,980	38,331
Medicine	29,383	26,182
Intensive care	88,341	22,001
Paediatrics	98,319	22,330
Women's health	30,105	354
Medical imaging	54,807	-
Liz Plumber Cancer Centre	2,472	-
Mental health	23,373	57,961
Oncology	49,909	49,311
Cardiology	1,616,884	4,572
Orthopaedics	-	11,495
Diabetes	1,874	9,054
Cairns Hospital	573,133	391,735
Medical 4 clinics	-	1,791
Research	82,570	106,255
Sundry	2,907	20,704
Gordonvale Hospital (Friends of the Foundation)	22,530	28,560
Gordonvale Hospital	160	21,178
Mareeba Hospital (Friends of the Foundation)	11,943	69,179
Mareeba Hospital	-	51,630
Cow Bay Primary Health Centre (Friends of the Foundation)	9,448	4,715
Croydon Primary Health Centre	1,500	8,939
Mossman Hospital	47,438	69,247
Innisfail Hospital (Friends of the Foundation)	23,475	55,482
Innisfail Hospital	75,000	17,077
Atherton Hospital	27,443	29,500
Tully Hospital	12,870	-
Georgetown Primary Health Centre	213	7,150
Professional development and training	33,049	30,766
Coronary care	39,892	23,805
Vascular Unit Trust Fund	7,360	-
<b>Torres and Cape Hospital and Health Service</b>		
TCHHS	-	10,851
Cooktown Hospital (Friends of the Foundation)	-	12,035
Cooktown Hospital	1,354	6,184
	<u>3,057,732</u>	<u>1,208,374</u>

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Note 12. Cash and cash equivalents</b>		
Cash on hand	49,600	20,214
Cash at bank	590,149	296,005
QTC cash funds	<u>1,884,178</u>	<u>3,455,653</u>
	<u><u>2,523,927</u></u>	<u><u>3,771,872</u></u>

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

A deposit is held with the Queensland Treasury Corporation (QTC) reflecting the value of the Foundation's investment account. The value of these deposits as at 30 June 2019 was \$1,884,178 (2018: \$3,455,653) and the annual effective interest rate was 2.38% (2018: 2.41%)

**Note 13. Trade and other receivables**

Trade receivables	27,453	25,867
Less: Allowance for impairment of receivables	<u>-</u>	<u>-</u>
	<u><u>27,453</u></u>	<u><u>25,867</u></u>

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

The collectability of receivables is assessed periodically with provision being made for impairment where necessary. There has been no provision for impairment as at 30 June 2019 (2018: nil) as all receivables are collectable.

*Impairment of receivables*

The Foundation has applied *AASB 9 Financial Instruments* for the first time this financial year. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. As a result, the Foundation has calculated the impairment of receivables in a different way for 2019, using a lifetime expected loss allowance. The change in approach to the calculation of impairment under AASB 9 has had no effect on the allowance for impairment at 30 June 2019 or 30 June 2018. There was no opening balance for impairment, as at 1 July 2018, and at 30 June 2019 there was no impairment for receivables.

**Far North Queensland Hospital Foundation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

**Note 13. Trade and other receivables (continued)**

**Ageing of trade receivables 2019**

	<i>Less than 30 days</i>	<i>31 - 60 days</i>	<i>61 - 90 days</i>	<i>More than 90 days</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Receivables	9,685	12,818	4,950	-	27,453
Allowance for impairment	-	-	-	-	-
<b>Carrying amount</b>	<b>9,685</b>	<b>12,818</b>	<b>4,950</b>	<b>-</b>	<b>27,453</b>

**Ageing of trade receivables 2018**

	<i>Less than 30 days</i>	<i>31 - 60 days</i>	<i>61 - 90 days</i>	<i>More than 90 days</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Receivables	16,567	1,600	5,500	2,200	25,867
Allowance for impairment	-	-	-	-	-
<b>Carrying amount</b>	<b>16,567</b>	<b>1,600</b>	<b>5,500</b>	<b>2,200</b>	<b>25,867</b>

<b>2019</b>	<b>2018</b>
<b>\$</b>	<b>\$</b>

**Note 14. Inventories**

Café	28,645	27,995
Car parking cards	546	806
Telephone system cards	136	57
Vending machine	776	783
	<u>30,103</u>	<u>29,641</u>

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 15. Property, plant and equipment**

	Leasehold improvements \$	Furniture and fittings \$	Plant and equipment \$	Motor vehicle \$	Total \$
Carrying amount at 1 July 2018	417,718	40,024	75,086	17,929	550,757
Additions	-	2,264	6,270	-	8,534
Depreciation expense	(68,820)	(5,933)	(25,465)	(4,424)	(104,642)
Carrying amount at 30 June 2019	<u>348,898</u>	<u>36,355</u>	<u>55,891</u>	<u>13,505</u>	<u>454,649</u>
At cost	697,554	82,389	250,398	61,612	1,091,953
Accumulated depreciation	(348,656)	(46,034)	(194,507)	(48,107)	(637,304)
Carrying amount at 30 June 2019	<u>348,898</u>	<u>36,355</u>	<u>55,891</u>	<u>13,505</u>	<u>454,649</u>
Carrying amount at 1 July 2017	486,486	44,068	70,265	26,542	627,361
Additions	68	1,897	29,632	-	31,597
Depreciation expense	(68,835)	(5,941)	(24,811)	(8,613)	(108,200)
Carrying amount at 30 June 2018	<u>417,718</u>	<u>40,024</u>	<u>75,086</u>	<u>17,929</u>	<u>550,757</u>
At cost	697,554	80,125	244,128	61,612	1,083,419
Accumulated depreciation	(279,836)	(40,101)	(169,042)	(43,683)	(532,662)
Carrying amount at 30 June 2018	<u>417,718</u>	<u>40,024</u>	<u>75,086</u>	<u>17,929</u>	<u>550,757</u>

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out above.

Items of property, plant and equipment with a cost or other value equal to more than \$500, and with a useful life of more than one year, are recognised at acquisition.

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, such as architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Property, plant and equipment is measured at cost net of accumulated depreciation and any impairment in accordance with Queensland Treasury Non-Current Asset Policies for the Queensland Public Sector.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 15. Property, plant and equipment (continued)**

*Plant and equipment*

The Foundation has plant and equipment with a written down value of nil still being used in the provision of services. Most of the items identified were equipment assets used in connection with café operations.

Replacement of other fully depreciated plant and equipment assets will be dependent on age, condition and funding availability.

There are no plant and equipment assets identified as idle or restricted in use.

*Impairment of non-current assets*

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

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

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

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

*Estimation of useful lives of assets*

The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

	2019 \$	2018 \$
<b>Note 16. Trade and other payables</b>		
Trade and other payables	302,808	397,781
Goods and Services Tax	2,565	7,474
Pay as you go withholding	10,796	12,223
Superannuation payable	10,101	25,460
Customer deposits	67,451	63,866
Annual leave payable	63,149	52,697
Accrued expenses	<u>10,000</u>	<u>5,500</u>
	<u>466,870</u>	<u>565,001</u>

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 - 60 days of recognition.

*Annual leave and long service leave*

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

*Superannuation*

Employer superannuation contributions are paid to the employee's nominated superannuation fund, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are payable.

The Foundation's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Foundation's obligations.

Termination benefits are recognised as an expense when the Foundation is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Foundation has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Foundation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Far North Queensland Hospital Foundation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 17. Accrued wages</b>		
Salaries and wages accrued	<u>34,129</u>	<u>30,806</u>
	<u><u>34,129</u></u>	<u><u>30,806</u></u>

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. As the Foundation expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 18. Provisions</b>		
<b>Current</b>		
Long service leave	<u>95,215</u>	<u>69,774</u>
	<u><u>95,215</u></u>	<u><u>69,774</u></u>
<b>Non-current</b>		
Long service leave	<u>13,855</u>	<u>40,267</u>
	<u><u>13,855</u></u>	<u><u>40,267</u></u>
<b>Movement</b>		
Balance at 1 July	110,041	98,764
Long service leave taken	-	-
Additional provision	<u>(971)</u>	<u>11,277</u>
Balance at 30 June	<u><u>109,070</u></u>	<u><u>110,041</u></u>

A provision is recognised if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

**Far North Queensland Hospital Foundation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

	2019 \$	2018 \$
<b>Note 19. Retained surplus</b>		
Unrestricted funds	1,615,175	3,083,707
Restricted funds	<u>843,291</u>	<u>616,909</u>
	<u>2,458,466</u>	<u>3,700,616</u>

Included in the retained surplus are certain amounts raised which are unspent at year end and whose expenditure is restricted for specific purposes, e.g. specific hospital wards, departments, etc.

**Note 20. Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Foundation holds financial instruments in the form of cash, receivables and payables.

*Recognition*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Foundation becomes party to the contractual provisions of the financial instrument.

*Classification*

On 1 July 2018 (the date of initial application), the Foundation re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were some changes to classification, but this did not result in changes to measurement categories (listed below). Carrying amounts were also unchanged.

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at amortised cost
- Receivables - held at amortised cost
- Other financial assets – held at amortised cost
- Borrowings - held at amortised cost

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

The Foundation has the following categories of financial assets and financial liabilities.

	2019 \$	2018 \$
<b>Financial assets</b>		
Cash and cash equivalents	2,523,927	3,771,872
Trade and other receivables	<u>27,453</u>	<u>25,867</u>
<b>Total financial assets</b>	<u>2,551,380</u>	<u>3,797,739</u>
<b>Financial liabilities</b>		
Trade and other payables	<u>466,870</u>	<u>565,001</u>

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

The Foundation is exposed to a variety of financial risks - credit risk, liquidity risk and market risk.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 20. Financial instruments (continued)**

The members of the Foundation are responsible for monitoring and managing the financial risks of the Foundation. They monitor these risks through regular board meetings where monthly management accounts are presented. Any changes identified are communicated to the Chief Executive Officer who implements the changes. The Foundation does not enter into any derivative financial instruments and does not speculate in any type of financial instruments.

<i>Risk exposure</i>	<i>Measurement method</i>
Credit risk	Ageing analysis, cash inflows at risk
Liquidity risk	Monitoring of cash flows by management
Market risk	Interest rate sensitivity analysis

*(a) Credit risk*

Credit risk is the risk of financial loss to the Foundation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Foundation's receivables from customers and other financial assets.

The Foundation's exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar commonwealth bodies or financial institutions in Australia in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by the Foundation.

*Cash and cash equivalents*

The Foundation may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

*Trade and other receivables*

The Foundation assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

The Foundation does not require collateral in respect of trade and other receivables. The Foundation does not have trade receivables for which no loss allowance is recognised because of collateral.

*(b) Liquidity risk*

Liquidity risk is the risk that the Foundation will not have the resources required at a particular time to meet its obligations to settle its financial liabilities. The Foundation is exposed to liquidity risk through its trading in the normal course of business. The Foundation aims to reduce the exposure to liquidity risk by ensuring that sufficient funds are available to meet employee and supplier obligations at all times.

The only financial liabilities which expose the Foundation to liquidity risk are trade and other payables. All financial liabilities are current in nature and will be due and payable within twelve months. As such no discounting of cash flows has been made to these liabilities in the Statement of Financial Position.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 20. Financial instruments (continued)**

	<b>&lt;1 year</b>	<b>Payable in</b>		<b>Total</b>
	<b>\$</b>	<b>1-5 years</b>	<b>&gt;5 years</b>	<b>\$</b>
		<b>\$</b>	<b>\$</b>	
<b>2018</b>				
Trade and other payables	442,938	-	-	442,938
Accrued wages	30,806	-	-	30,806
	<u>473,744</u>	<u>-</u>	<u>-</u>	<u>473,744</u>
<b>2019</b>				
Trade and other payables	326,270	-	-	326,270
Accrued wages	22,866	-	-	22,866
	<u>349,136</u>	<u>-</u>	<u>-</u>	<u>349,136</u>

*(c) Market risk - Interest rate risk*

The Foundation is exposed to interest rate risk as it holds cash deposits in interest bearing accounts. Changes in interest rates will affect the Foundation's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Foundation only holds deposits at call and does not trade in derivatives. The Foundation does not hedge its interest rate risk and is therefore subject to short-term fluctuations in interest rates.

**Interest rate sensitivity analysis**

The following interest rate sensitivity analysis depicts the outcome to net surplus and equity if interest rates were to change by +/- 1% from the year-end rates applicable to the Foundation's financial assets and liabilities. With all other variables held constant, the Foundation would have a surplus and equity increase/(decrease) of \$25,239 (2018: \$37,719). This is predominantly attributable to the Foundation's exposure to variable interest rates on its capital guaranteed cash fund.

	<b>Carrying amount</b>	<b>-1%</b>		<b>+1%</b>	
	<b>\$</b>	<b>Surplus</b>	<b>Equity</b>	<b>Surplus</b>	<b>Equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2019</b>					
Cash and cash equivalents	2,474,327	(24,743)	(24,743)	24,743	24,743
		<u>(24,743)</u>	<u>(24,743)</u>	<u>24,743</u>	<u>24,743</u>
<b>2018</b>					
Cash and cash equivalents	3,751,658	(37,517)	(37,517)	37,517	37,517
		<u>(37,517)</u>	<u>(37,517)</u>	<u>37,517</u>	<u>37,517</u>

*(d) Fair value*

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

**Far North Queensland Hospital Foundation**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

**Note 21. Reconciliation of net surplus to net cash from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net surplus for the year	(1,242,150)	1,149,276
Add: non-cash items:		
Depreciation	104,642	108,200
Amounts set aside to provisions	9,482	1,894
Change in operating assets and liabilities		
Trade and other receivables	(1,587)	(8,061)
Inventories	(463)	(3,581)
Prepayments	(4,075)	(2,178)
Trade and other payables	<u>(105,260)</u>	<u>(172,975)</u>
Net cash provided by/(used in) operating activities	<u>(1,239,412)</u>	<u>1,072,575</u>

**Note 22. Contingent liabilities**

The Foundation has no known material contingent liabilities at reporting date.

**Note 23. Commitments**

The Foundation has no known commitments at reporting date.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 24. Key Management Personnel (KMP) disclosures**

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Foundation. This includes the CEO and members of the management team of the Foundation. The compensation paid, payable or provided by the Foundation for the year ended 30 June 2019 comprises:

	<b>2019</b>	<b>2018</b>
	\$	\$
Short-term employee benefits	406,368	350,365
Post-term employee benefits	35,562	33,750
Long-term employee benefits	<u>5,909</u>	<u>8,006</u>
	<u><u>447,839</u></u>	<u><u>392,121</u></u>

**Note 25. Related parties**

**Members**

The names of each person holding the position of member of the Foundation during the financial year are: Dr Kenneth Chapman (Chairman), Mr John Andrejic, Ms Patricia Bailey, Ms Clare Douglas, Professor William McBride, Ms Jodi Peters, Mr Stephen Russell and Dr Edward Strivens. Ms Peters is the Cairns and Hinterland Hospital and Health Service Board Chairperson's nominee.

Members received no remuneration from the Foundation for their services during the year.

Members may have used the Foundation managed car park or made purchases from the Foundation managed cafés during the year. All such transactions were conducted on an arm's-length basis and on normal commercial terms.

Professor William McBride was employed by James Cook University which is the beneficiary of research grant funding. All grants are awarded on a competitive arm's-length basis.

Ms Jodi Peters is Business Manager at Peters Bosel Lawyers which may provide legal services to the Foundation for which they were paid nil (2018: \$2,020). These services are provided on a normal arm's-length basis.

During the year, the Foundation provided a volunteer service to the Cairns Hospital. This involves the recruiting, coordination and management of a team of volunteers, which provides various services to that hospital and is in line with the objects of the Foundation. For this service the hospital contributed \$39,020 (2018: \$39,020) towards the Foundation's costs in this regard. In addition, the Cairns Hospital received significant benefits by way of equipment donated and benefits sponsored by the Foundation during the year (in accordance with the objects of the Foundation).

Apart from the details disclosed in this note, no member of the Foundation has entered into a material contract with the Foundation since the end of the previous financial year and there were no material contracts involving members' interests subsisting at year-end.

**Note 26. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

**(a) Statement of compliance**

The financial statements:

- have been prepared in compliance with section 62(1) of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009* and the *Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013*;
- are general purpose financial statements prepared on a historical cost basis, except where stated otherwise;
- are presented in Australian dollars;
- have been prepared in accordance with all applicable new and amended Australian Accounting Standards as well as the Queensland Treasury's Minimum Reporting Requirements for the year ended 30 June 2019, and other authoritative pronouncements.

**(b) Issuance of financial statements**

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

**(c) Rounding and comparatives**

Amounts in this report have been rounded off to the nearest dollar, or in certain cases, the nearest dollar.

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

**(d) Goods and Services Tax (GST) and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

The entity is a state body as defined under the *Income Tax Assessment Act 1997* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 26. Significant accounting policies (continued)**

**(e) First Year Application of New Standards or change in Policy**  
*Changes in Accounting Policy*

The Foundation did not voluntarily change any of its accounting policies during 2018-19.

*Accounting Standards Early Adopted*

No Australian Accounting Standards have been early adopted for 2018-19.

*Accounting Standards Applied for the First Time in 2018-19*

AASB 9 *Financial Instruments* has been applied for the first time in 2019. AASB 9 replaces AASB 139. The main impacts of this standard on the Foundation are that they change the requirements for the classification, measurement, impairment and disclosures associated with the Foundation's financial assets. AASB 9 introduces different criteria for whether financial assets can be measured at amortised cost or fair value. Implementing AASB 9 has resulted in a change to the way the Foundation calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses.

AASB 9 must be applied retrospectively but does not require the restatement of comparative figures.

On 1 July 2018 (the date of initial application), the Foundation re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were some changes to classification, but this did not result in changes to measurement categories (listed below). Carrying amounts were also unchanged.

<u>Financial asset/liability</u>	<u>Measurement category (unchanged)</u>
Cash and cash equivalents	Amortised cost
Receivables	Amortised cost
Payables	Amortised cost

Other than AASB 9 *Financial Instruments*, no accounting standards that apply to the Foundation for the first time in 2018-19 have any material impact on the financial statements.

**Far North Queensland Hospital Foundation  
Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 26. Significant accounting policies (continued)**

**(f) New Accounting Standards and Interpretations**

Australian Accounting Standards and Interpretations that are not yet mandatory were not early adopted by the Foundation during 2018-19. The Foundation is not permitted to early adopt accounting standards unless approved by Queensland Treasury.

AASB 16 *Leases* will first apply to the Foundation from 1 July 2019. When applied the standard supersedes AASB 117 *Leases*. AASB 16 *Leases* introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value. Therefore the majority of operating leases will be reported on the Statement of Financial Position under AASB 16 *Leases*. There will be an increase in assets and liabilities for the Foundation for assets that are leased. The right of use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use will give rise to a depreciation expense. The Foundation will be required to reassess the way its leases are classified and will need to record assets and liabilities for the leases of D Café and Seabreeze Café which are leased from Cairns and Hinterland Hospital and Health Service.

The Foundation is the lessee of a number of leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in the Foundation's financial statements. The Foundation does not intend to elect not to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

AASB 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers* will apply to the Foundation from 1 July 2019. These new standards are not expected to have any material impact on the Foundation. The Foundation will review any potential impacts on an annual basis.

There are no other standards effective for future reporting periods that are expected to have a material impact on the Foundation.

**Far North Queensland Hospital Foundation  
Management Certificate  
For the year ended 30 June 2019**

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 43 the *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profits Commission Act 2012 and Regulation 2013* and other prescribed requirements. In accordance with s.62(1)(b) of the Act and s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*, we certify that in our opinion:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards and the *Australian Charities and Not-for-profits Commission Act 2012*, the transactions of Far North Queensland Hospital Foundation for the financial year ended 30 June 2019 and of the financial position of the Far North Queensland Hospital Foundation at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Ken Chapman  
Chairman  
Far North Queensland  
Hospital Foundation

27/08/2019



Tony Franz  
Chief Executive Officer  
Far North Queensland  
Hospital Foundation

27/08/2019

## INDEPENDENT AUDITOR'S REPORT

To the Board of Far North Queensland Hospital Foundation

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Far North Queensland Hospital Foundation.

In my opinion, the financial report:

- a) gives a true and fair view of the foundation's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the foundation in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

#### Other matter

The financial report for the Far North Queensland Hospital Foundation for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that financial report on 28 August 2018.

#### Responsibilities of the Board for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the foundation or to otherwise cease operations.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the foundation.
- Conclude on the appropriateness of the foundation's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Carolyn Dougherty  
as delegate of the Auditor-General

29 August 2019  
Queensland Audit Office  
Brisbane