

GLOSSARY OF TERMS

Accrual Accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Accrual Output Budgeting (AOB)	A process through which agencies are funded and monitored on the basis of delivery (performance) of outputs which have been costed on a full accrual basis. Queensland's model of AOB, <i>Managing for Outcomes</i> , is a fully integrated planning, budgeting and performance management framework.
Administered Items	Assets, liabilities, revenues and expenses which an agency administers on behalf of the Government without discretion.
Agency	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or organisations established by Executive decision rather than legislation.
Appropriation	Represents Parliamentary authority for the Treasurer to issue funds to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed outputs • administered items • adjusting the Government's equity in agencies.
Capital	A term used to refer to the stock of assets, including property, plant and equipment, intangible assets and inventories, that an agency owns and/or controls, and uses in the delivery of services, and capital grants made to other entities.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments, in that they relate directly to the departmental operational objectives and which arise at the discretion and direction of the department concerned.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a particular period of time.

Equity Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the agency’s accumulated surpluses/losses, capital injections and any reserves.

Equity Injection An increase in the investment of the Government in a public sector agency.

Equity Return A periodic return on equity reflecting the opportunity cost to the Government of its investment in agencies.

Financial Statements Collective description of the Statement of Financial Position (Balance Sheet), the Statement of Financial Performance, the Statement of Cash Flows.

Outputs Discrete services or products for external customers or consumers produced by agencies with funding from the Government.

Own-Source Revenue Revenue generated by an agency, generally through the sale of goods and services but may also include approved Commonwealth Specific Purpose Payments.

Statement of Cash Flows A financial statement which reports the inflows and outflows of cash for a particular period for the operating, investing and financing activities undertaken by an agency or the Government as a whole.

Statement of Financial Performance A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.

Statement of Financial Position A financial statement that reports the assets, liabilities and equity of an entity as at a particular date. Also referred to as a “Balance Sheet”.

For a more detailed Glossary of Terms, please refer to the Reader’s Guide available on the Budget website at www.budget.qld.gov.au.