



ANNUAL REPORT

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ICAC·OPI

Independent Commissioner
Against Corruption

SOUTH AUSTRALIA

Office for Public Integrity



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ICAC (SA) and OPI Annual Report
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LETTER OF TRANSMITTAL

THE HONOURABLE THE PRESIDENT OF THE LEGISLATIVE COUNCIL

THE HONOURABLE THE SPEAKER OF THE HOUSE OF ASSEMBLY

In accordance with section 45 of the *Independent Commissioner Against Corruption Act 2012* I present the second annual report of the Independent Commissioner Against Corruption and the Office for Public Integrity for the year ended 30 June 2015.

Yours sincerely



The Honourable Bruce Lander QC
INDEPENDENT COMMISSIONER AGAINST CORRUPTION

30 September 2015



LETTER OF TRANSMITTAL

THE HONOURABLE JOHN RAU MP
DEPUTY PREMIER
ATTORNEY-GENERAL

In accordance with section 12(1) of the *Public Sector Act 2009* I present the second annual report of the Independent Commissioner Against Corruption and the Office for Public Integrity for the year ended 30 June 2015.

Yours sincerely



The Honourable Bruce Lander QC
INDEPENDENT COMMISSIONER AGAINST CORRUPTION

30 September 2015



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COMMISSIONER'S FOREWORD

THE HON. BRUCE LANDER QC

This Annual Report marks the first report on a full year of operations. We have learned a great deal since my office and the Office for Public Integrity (OPI) commenced on 2 September 2013. Many of our policies and processes have changed as a result of our experience. We have listened carefully to any suggestions for improvement we have received; we have reflected on the way we discharge our responsibilities; and we have challenged everything we do. In many respects, we operate very differently to the way in which we operated when we started.

However, one thing has not changed.

We are, and always will be fiercely independent.

My office and the OPI have been established to safeguard public integrity. As my title suggests, one of my core responsibilities is to identify and investigate corruption in public administration. This annual report sets out a number of statistics relevant to the discharge of that responsibility.

I have however a number of other statutory functions. They include assisting inquiry agencies and public authorities to identify and deal with misconduct and maladministration in public administration; evaluating the practices, policies and procedures of inquiry agencies and public authorities; and conducting or facilitating educational programs designed

to prevent or minimise corruption, misconduct or maladministration in public administration. All of these statutory functions are critical to achieving our overarching objective of ensuring the highest level of integrity in South Australian public administration. My staff work together to fulfil all of these functions.

We are a busy office. We have expanded our staffing to cater to more sophisticated, complex and protracted investigations. However, we must still rely on other services, such as South Australia Police (SAPOL) and our interstate counterparts, to provide specialist investigative support and additional resources when required. I envisage that that reliance will continue for the foreseeable future.

We continue to focus on efforts to raise awareness within public administration about our role and reporting obligations. In order to gauge the level of understanding amongst public officers about my office and the OPI, and to better understand perceptions of integrity within public administration, I commissioned an online survey in May 2015 directed towards public officers in state and local government. More than 7,500 public officers responded.

The survey found that the vast majority of respondents were aware of my office but a lower percentage of public officers were aware of the OPI. Interestingly, levels of awareness were higher amongst respondents in management or executive positions, and lower in front line, office or field staff roles. This is a matter of concern because we had adopted a 'top down' education methodology, whereby we had focussed on educating senior public officers with the expectation that that learning would be passed down. The survey responses suggest this has not worked as well as was hoped.

The survey also revealed that more than half of all respondents considered corruption, misconduct or maladministration in public administration to be either a 'big problem' or 'somewhat of a problem'. Of particular concern was that 41% of respondents indicated there had been corruption, misconduct or maladministration in their workplace.

The survey has been most instructive. We now have a better understanding of public officers' own perceptions of integrity within public administration and we will use these results to assess how we might improve our education program.





I was surprised to hear that some have questioned the appropriateness of the survey being forwarded to a certain group of public officers. Those criticisms are unfortunate and, in my view, misguided. Regrettably, a group of public officers who fall within my jurisdiction and have the same mandatory reporting obligations as other public officers, have not been given the opportunity to participate.

In the future I would hope that similar objections would be raised directly with me in a constructive way.

I am pleased with the way my staff have carried out their duties this year. I think my office and the OPI have made good progress in less than two years of operation.

I express my gratitude to the management team and every member of my office and the OPI. I particularly wish to thank the Chief Executive Officer, Mrs Patricia Christie, whose tireless work ensures the office functions smoothly and effectively. Much of the success of my office and the OPI is attributable to Mrs Christie's hard work and dedication.

CEO'S FOREWORD

PATRICIA CHRISTIE

The Commissioner's office and the Office for Public Integrity have evolved significantly since the publication of our first annual report 12 months ago. When both offices opened in September 2013 our major challenge was ensuring we were operational in terms of our statutory functions whilst still being very much in establishment phase organisationally.

Nineteen months on we have become a more established, experienced and mature organisation. We have learned, we have grown as an organisation and we have adapted. Although the element of surprise still exists, much of our work now has a more familiar quality to it. This means we deal with things more quickly and efficiently.

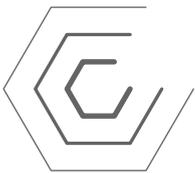
However, our organisation will not fall into the trap of doing things a particular way simply because that is the way we have always done them. We are a learning organisation and when we learn we respond by improving what we do. As a result we have refined our systems, our procedures, our structure and the way we interact with our stakeholders. This evolution will be a continuous process for us.

We are an organisation committed to being digital by default and using digital technology to transform our practices. All operational matters are recorded, tracked and internally communicated and processed using our electronic complaint management system. Our investigative capabilities have been enhanced significantly by improving our digital systems. We have built a new website that is more intuitive, accessible and mobile ready. Likewise we have redesigned our complaint and report form to make it more intelligible and responsive for the benefit of the end user.

Recruitment has remained a focus this year. As a people driven organisation, getting the right people into the right positions is paramount. We have welcomed impressive people to what we think is an already impressive team. Of course, as an organisation that has grown quickly we have had to ensure we have focussed on integrating new staff and ensuring that they understand

our culture and expectations. I am proud of how our new staff have accepted the challenges we have given them and adopted both our values and our work practices.

This year also saw our organisation take another important step in further reinforcing our independence. In October 2014 we migrated off of the Attorney-General's Department ICT environment and onto our own independent and secure ICT network. This was a massive undertaking and could not have been achieved as successfully as it was without immense effort on the part of our ICT team and those with whom they worked.





The accommodation challenges I spoke of last year continued well into this reporting period and had a significant impact on our operations. We simply ran out of room. Whilst there is a lot to be said for the concept that work is a thing you do, not a place you go, as a high security organisation usual solutions to a problem of this nature, such as remote access, were not generally appropriate. Consequently, we had to put several projects and plans on hold because we did not have the space to accommodate or staff them. We gained access to more accommodation in March 2015. Although this was much later than originally anticipated, the extra space has already made a significant difference.

With the completion of our additional accommodation we have embarked upon a number of significant procurement processes to build our capabilities further. As appears to be the norm with large

government procurement processes, these have been very time consuming. They have extended into the new financial year. On their completion they will have a significant positive impact on our document management, forensic and intelligence analysis capabilities.

As I mentioned last year, our organisation has both the privilege and responsibility of being an independent oversight office. As an organisation with an oversight role it is incumbent upon us to ensure we maintain a focus on our own governance. We have further developed our governance structures this year as we have evolved and grown.

We are committed to building an organisation that strives for excellence. Hence, we look inwardly at how we can be the best that we can be, at the same time that we look outwardly in the exercise of our statutory functions.

Independence, integrity, impartiality, accountability, excellence and respect are our core values. We continue to strive to live those values internally and in the exercise of our statutory functions.

I take pride in the type of organisation that the Independent Commissioner Against Corruption and the Office for Public Integrity has become. We are independent, we are not afraid to take difficult decisions and we strive for excellence.

I take this opportunity to thank all our staff for their hard work and for their commitment to our values.



SNAPSHOT

REPORTING PERIOD — 1 JULY 2014 TO 30 JUNE 2015

COMPLAINTS & REPORTS

COMPLAINTS 453

REPORTS 474

TOTAL 927

OF WHICH

ISSUES

ISSUES IDENTIFIED AND ASSESSED 1525

CORRUPTION INVESTIGATIONS

NEW INVESTIGATIONS COMMENCED 82

CORRUPTION REFERRALS

MATTERS REFERRED TO SAPOL, THE POLICE OMBUDSMAN OR ANOTHER LAW ENFORCEMENT AGENCY FOR INVESTIGATION 74

INQUIRY AGENCY REFERRALS

MATTERS REFERRED
TO AN INQUIRY
AGENCY 89

PUBLIC AUTHORITY REFERRALS

MATTERS REFERRED
TO A PUBLIC
AUTHORITY 120

EXERCISE POWERS OF INQUIRY AGENCY

MATTERS IN WHICH
THE COMMISSIONER
EXERCISED
THE POWERS
OF AN INQUIRY
AGENCY 12

EDUCATION & PREVENTION

EDUCATION
SESSIONS 96

ATTENDEES
MORE THAN 4300

NO FURTHER ACTION

MATTERS IN WHICH THE
COMMISSIONER DETERMINED
TO TAKE NO FURTHER ACTION

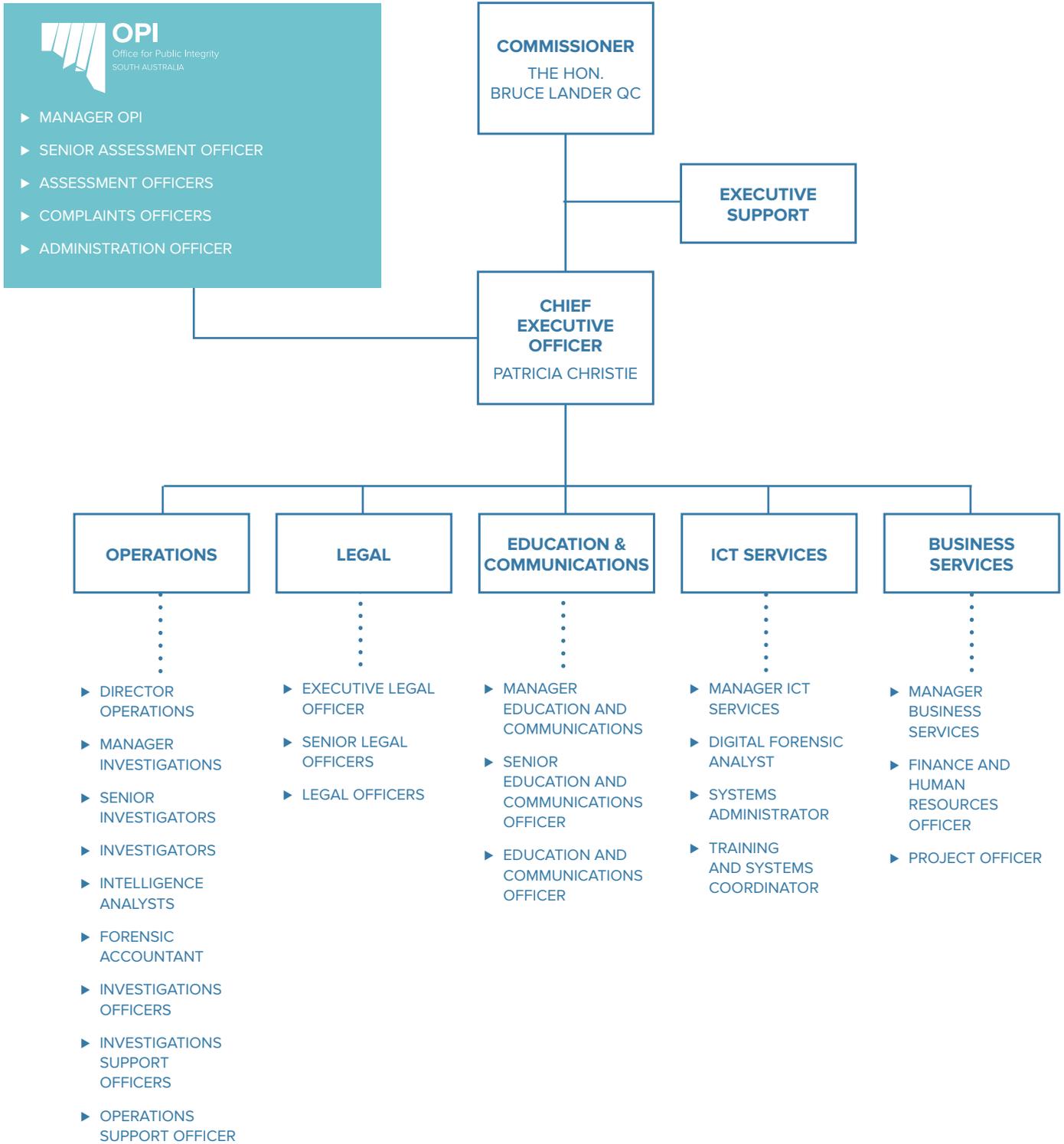
COMPLAINTS 342

REPORTS 186

OUR ORGANISATION



ORGANISATIONAL CHART



PEOPLE AND STRUCTURE

The Commissioner has responsibility for both the OPI and his own office. The Commissioner is assisted by the Chief Executive Officer and a management team comprised of senior staff from both offices.

The structure and staffing of the OPI and the office of the Commissioner has evolved during this reporting period. While there has been some enhancement in support services, the main focus has been the expansion of operational resources.

Effective recruitment of appropriately skilled and experienced employees has remained a focus. During the period nine employees separated from the organisation and 12 employees commenced.

STRATEGIC GOALS AND PRIORITIES

In April 2014, the Commissioner approved a strategic plan for his office and the OPI. In finalising the strategic plan the Commissioner acknowledged it would require revisiting as the organisation evolved. Accordingly, the plan was reviewed and updated in December 2014.

The plan focusses on improving governance and ethical standards in public administration through the performance of key statutory functions, which are:

- ▶ receiving and assessing complaints and reports of alleged corruption, misconduct and maladministration in public administration;
- ▶ identifying and investigating corruption in public administration and referring serious or systemic misconduct or maladministration in public administration to the relevant body; and
- ▶ developing education and prevention resources and programs designed to prevent or minimise corruption, misconduct and maladministration in public administration.

The Commissioner's strategic plan includes the following overarching goals:

- ▶ **GOAL 1** – Deal with all matters before us in an effective and efficient manner.
- ▶ **GOAL 2** – Increase awareness of the ICAC, OPI and the *Independent Commissioner Against Corruption Act 2012* (ICAC Act) and the obligations and responsibilities they place on public authorities and public officers in South Australia.
- ▶ **GOAL 3** – Assist public authorities in the prevention or minimisation of corruption, misconduct and maladministration in public administration.

VALUES



VALUES AND BEHAVIOURS

The Commissioner has identified six organisational values to guide his staff. These values are embedded in the way all employees work and the way they engage with others.

The organisational values and associated behaviours are strongly enshrined in the recruitment and induction process and are continuously reinforced.

The Commissioner believes it is important that his independent office maintains its own values and that every employee adheres to those values.

As a part of an ongoing review, the organisational values were considered against South Australian Public Sector Values published in February 2014, and were found to align well.

GOVERNANCE

The Commissioner holds a unique position in public administration. With broad oversight over the conduct and practices of public officers and public authorities, it is important every staff member conducts himself or herself with the highest standards of integrity.

Individual workplace conduct is guided by the Code of Ethics for the South Australian Public Sector, the ICAC/OPI strategic goals and values and by individual job and person specifications, which detail the purpose of the role, key responsibilities and required skills and experience.

Organisational behaviour is guided by a suite of policies which address financial and resource management, human resources, information communications and technology, information management, operations, risk management and work health and safety.

Operational policies are supported by standard operating procedures which have been developed in accordance with the requirements of the ICAC Act.

MAJOR PROJECTS

In line with the Commissioner's commitment to progression towards a digital by default environment, major ICT projects aimed at improving efficiency, effectiveness and security commenced during this reporting period.

On opening in September 2013, the office of the Commissioner and the OPI operated on the Attorney-General's Department ICT system. Significant investments in technology hardware and software were made in order to establish a new network that provides the office of the Commissioner and the OPI with an independent, dedicated and tailored high security ICT environment. Migration from the Attorney-General's Department system to the new ICAC network was completed in October 2014.

In September 2014 the Commissioner embarked on a major project to scope and procure an Enterprise Content Management System. This project is due for completion during the 2015-2016 reporting period and will provide a sophisticated and secure records management system applicable to all areas of work undertaken by the office of the Commissioner and the OPI.

A custom digital forensic laboratory was scoped, designed and built. The laboratory became fully operational once additional accommodation became available in March 2015. The laboratory provides a dedicated and secure resource for the forensic examination of electronic items.

The ICAC website, including the secure online form for lodging complaints and reports, was completely redesigned during the reporting period. The new website became active in October 2014 while the new online form became active in March 2015.

ACCOMMODATION

Within a short time of opening it became evident that there was insufficient physical space to accommodate required staffing levels and facilities. The process of acquiring additional space commenced in late 2013. The expectation was that this space would become available in the first quarter of the reporting period. Project budgets and recruitment plans were based upon this expectation.

A number of delays meant that the accommodation did not become available until March 2015. As a consequence, several projects were delayed as new staff and infrastructure could not be accommodated to resource those project needs.

Since occupying the additional space, planned projects and recruitment have recommenced.

WORKFORCE STATISTICS

TOTAL NUMBER OF EMPLOYEES

TOTAL NUMBER OF EMPLOYEES	2013-14	2014-15
Persons	38.0	41
FTEs	37.6	40.4

RECRUITMENTS AND SEPARATIONS

NUMBER OF PERSONS DURING THE 2014-15 FINANCIAL YEAR	
Recruited to the agency	12
Separated from the agency	9

WORKFORCE DIVERSITY

NUMBER OF EMPLOYEES BY AGE BRACKET AND BY GENDER

AGE BRACKET	MALE	FEMALE	TOTAL	% OF TOTAL	2014 WORKFORCE BENCHMARK
15-19	0	0	0	0.0%	5.5%
20-24	0	3	3	7.3%	9.7%
25-29	1	11	12	29.2%	11.2%
30-34	1	3	4	9.8%	10.7%
35-39	0	2	2	4.9%	9.6%
40-44	6	3	9	22.0%	11.4%
45-49	2	2	4	9.8%	11.1%
50-54	0	2	2	4.9%	11.4%
55-59	2	1	3	7.3%	9.1%
60-64	1	0	1	2.4%	6.7%
65+	1	0	1	2.4%	3.6%
TOTAL	14	27	41	100%	100%

TOTAL NUMBER OF EMPLOYEES WITH DISABILITIES (ACCORDING TO COMMONWEALTH DDA DEFINITION)

MALE	FEMALE	TOTAL	% OF AGENCY
0	0	0	0%

EXECUTIVES

EXECUTIVES BY GENDER, CLASSIFICATION AND STATUS

CLASSIFICATION	TERM TENURED		TERM UNTENURED		TOTAL				
	M	F	M	F	M	%	F	%	TOTAL
CONAGD	0	0	1	2	1	34%	2	66%	3
INV4	1	0	0	0	1	100%	0	0%	1
INV3	1	0	0	0	1	100%	0	0%	1
LEC5	1	0	0	0	1	100%	0	0%	1
TOTAL	3	0	1	2	4	66%	2	34%	6

LEAVE MANAGEMENT

AVERAGE DAYS LEAVE PER FULL-TIME EQUIVALENT EMPLOYEE

LEAVE TYPE	2013-14 (PARTIAL YEAR)	2014-15
Sick Leave	2.2 days per FTE	3.7 days per FTE
Family Carer's Leave	0.3 days per FTE	0.9 days per FTE
Miscellaneous Special Leave	0.7 days per FTE	0.8 days per FTE

Note averages for the period 2013-14 were calculated over a 10 month period as opposed to the 12 month period 2014-15.

PERFORMANCE DEVELOPMENT

DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

EMPLOYEES* WITH ...	% TOTAL WORKFORCE
A review within the past 12 months	100%
Last review older than 12 months	0%
No review	0%

* Does not include Statutory Appointment (Commissioner)

LEADERSHIP AND MANAGEMENT DEVELOPMENT

LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

TRAINING AND DEVELOPMENT	TOTAL COST	% OF TOTAL SALARY EXPENDITURE
Total training and development expenditure	\$38,744.08	0.93%
Total leadership and management development expenditure	\$1,444.30	0.03%

EMPLOYMENT OPPORTUNITY PROGRAMS

The Commissioner is an equal opportunity employer, encouraging people from diverse backgrounds to apply for employment vacancies advertised.

WORK HEALTH AND SAFETY AND INJURY MANAGEMENT

WORK HEALTH AND SAFETY PROSECUTIONS, NOTICES AND CORRECTIVE ACTION TAKEN

NUMBER OF NOTIFIABLE INCIDENTS PURSUANT TO WHS ACT PART 3	0
NUMBER OF NOTICES SERVED PURSUANT TO WHS ACT SECTION 90, SECTION 191 AND SECTION 195 (PROVISIONAL IMPROVEMENT, IMPROVEMENT AND PROHIBITION NOTICES)	0
NUMBER OF PROSECUTIONS PURSUANT TO WHS ACT PART 2 DIVISION 5	0
NUMBER OF ENFORCEABLE UNDERTAKINGS PURSUANT TO WHS ACT PART 11	0

AGENCY GROSS WORKERS COMPENSATION EXPENDITURE FOR 2014-15 COMPARED WITH 2013-14

EXPENDITURE	2014-15 (\$)	2013-14 (\$)	VARIATION (\$) + (-)	% CHANGE + (-)
Hospital	0	0	0	0%
Income maintenance	0	0	0	0%
Investigations	0	0	0	0%
Legal expenses	0	0	0	0%
Lump Sum	0	0	0	0%
Other	0	0	0	0%
Registered Medical	0	0	0	0%
Rehabilitation	0	0	0	0%
Travel	0	0	0	0%
TOTAL CLAIM EXPENDITURE	0	0	0	0%

DISABILITY ACCESS AND INCLUSION PLANS

People with disabilities are encouraged to apply for positions at the ICAC and OPI. Any person with special access needs will have those needs assessed and accommodated wherever possible.

WHISTLEBLOWERS PROTECTION ACT 1993

There have been no occasions on which public interest information has been disclosed to the responsible officer of the agency under the *Whistleblowers Protection Act 1993*.

PUBLIC COMPLAINTS

CATEGORY OF COMPLAINTS BY SUBJECT 2014-15	NUMBER
Service quality/delivery	0
Behaviour of staff	1
Service access/processes/procedures	1
Other complaints	0
TOTAL COMPLAINTS	2

The above table does not include complaints made by people that may be aggrieved with a decision or outcome in relation to his or her complaint. It includes only complaints that express dissatisfaction with the service received, or the conduct of employees or contractors working for the organisation.

FRAUD

NATURE OF FRAUD	NUMBER OF INSTANCES	STRATEGIES TO CONTROL AND PREVENT
Number of instances of fraud detected within the ICAC	0	-

The Commissioner has approved a Fraud and Corruption Control Policy for employees of ICAC.

CONSULTANTS

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL \$
Info-Osmosis	Consulting and providing advice during the procurement of a new Enterprise Content Management System (ECMS).	\$13,800.00

OVERSEAS TRAVEL

There has been no overseas travel in the reporting period.

OUR OPERATIONS



OFFICE FOR PUBLIC INTEGRITY

The OPI plays a critical role in this State's integrity system. As the public face of the agency, the OPI prioritises customer service excellence as a core value. The OPI strives to ensure that all interactions with members of the public and public officers are professional and courteous.

OPI FUNCTIONS

Section 17 of the ICAC Act established the OPI with the following functions:

- ▶ to receive and assess complaints about public administration from members of the public;
- ▶ to receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies, public authorities and public officers;
- ▶ to make recommendations as to whether and by whom complaints and reports should be investigated; and
- ▶ to perform other functions assigned to the OPI by the Commissioner.

In addition to its core function of receiving and assessing complaints and reports, OPI staff support the Commissioner in various other ways. They handle all correspondence in relation to assessments and determinations by the Commissioner and they facilitate the referral of matters to inquiry agencies, public authorities and public officers.

The OPI manages the dedicated complaints and report telephone line and the general enquiries line, bringing it into contact with a large and diverse group of people.

OPI staff also provide assistance with investigations, such as transcribing records of interview and reviewing electronic evidence. Staff contribute to whole of agency projects such as tender evaluations, education and communications initiatives, legislative reviews and learning and development planning.

STRUCTURE AND STAFFING

The OPI has undergone minor staffing and structural changes during this reporting period. At year end, the office consisted of a manager, a senior assessment officer, four assessment officers, three complaints officers and an administrative support officer.

DIRECTIONS AND GUIDELINES

In accordance with section 20 of the ICAC Act, the Commissioner has issued Directions and Guidelines governing the making of reports to the OPI about matters that an inquiry agency, public authority or public officer reasonably suspects involve corruption, misconduct or maladministration in public administration.

The Directions and Guidelines are updated from time to time but the mandatory reporting obligations have remained largely unchanged. The most recent version of the Directions and Guidelines was published in June 2015.

In general terms, an inquiry agency, public authority or public officer is required to report a matter that is reasonably suspected of involving corruption in public administration, or serious or systemic misconduct or maladministration in public administration (see Figure 1).

There are some exceptions to the reporting obligations and members of SAPOL are subject to different reporting obligations. All public officers are encouraged to familiarise themselves with the Directions and Guidelines.

The Directions and Guidelines are available on the Commissioner's website: www.icac.sa.gov.au

OPERATIONS

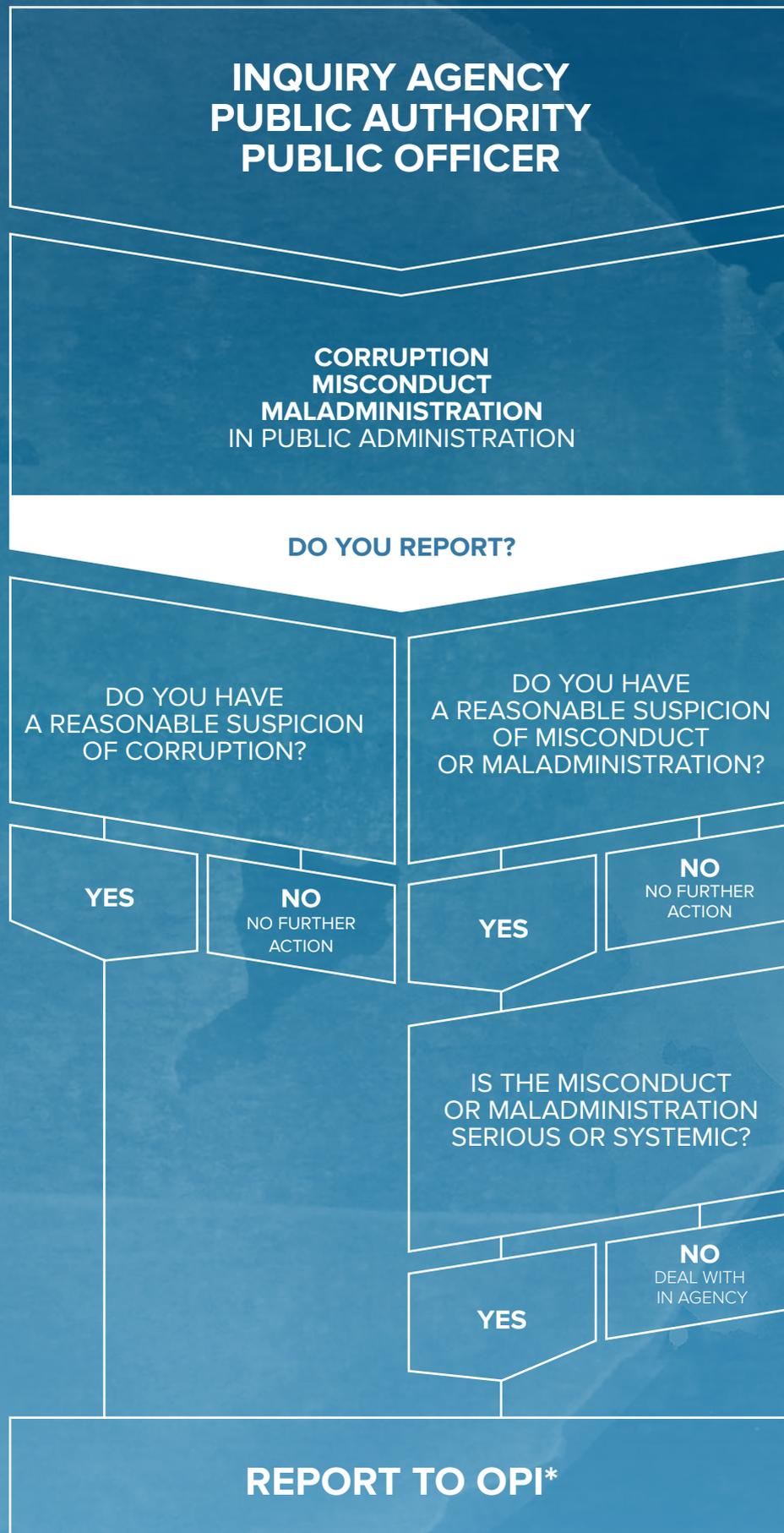
As the public face of the Commissioner's office, the OPI is the starting point for all complaints and reports that are dealt with under the ICAC Act.

Once received by the OPI, complaints and reports are dealt with in the same way. Upon registration a formal acknowledgement letter is prepared and sent to the complainant or reporter. In this reporting period a complaint or report remained in registration for an average of 1.94 business days, equating to a 21% improvement on the average of 2.47 business days in the previous reporting period.

A complaints officer plays an important role as the first staff member that a complainant or reporter will have contact with. They are not only responsible for receiving complaints and reports, but also for assisting a person in the making of a complaint or report and for managing his or her expectations.

REPORTING WORKFLOW DIAGRAM

FIGURE 1



**Unless previously reported (corruption to the OPI, or misconduct and maladministration to the OPI or an inquiry agency).*

In some instances the nature of the complaint or report is not immediately clear. Complaints officers are skilled listeners and are trained to assist a complainant or reporter to provide as much relevant information as possible.

The work of a complaints officer can be difficult. On occasion a complaint or report will contain information or evidence that can be confronting and emotionally challenging. Complainants and reporters will on occasion become upset, agitated or aggressive while making a complaint or report. Where appropriate a complaints officer will provide a complainant or reporter with contact details for services that may be able to assist his or her wellbeing.

Managing the expectations of a person making a complaint or report is important. Many people who make contact with the OPI do not understand its role, the role of the Commissioner or the process involved in the making of a complaint or report.

Complaints officers, all of whom are legally qualified, are often called upon to clarify the Commissioner's role and to explain what the Commissioner can and cannot do in respect of a complaint or report.

It is not uncommon for a complainant or reporter to express gratitude to a complaints officer for the time taken to understand his or her matter and for the professional manner in which the complaint or report is received.

All matters are triaged by a complaints officer to determine whether the complaint or report is urgent or sensitive. In such cases, the Manager OPI and, where appropriate, the Director Operations, are immediately advised of the matter.

Complaints officers will also consider whether a matter may be a duplicate of an existing complaint or report, or whether it should be cross referenced with another matter.

In order to maximise accessibility, the OPI will receive complaints and reports by way of an online form on the ICAC website, by email, letter, telephone and in person. Complaints and reports can be lodged at any time through the ICAC website or a message can be left on the dedicated complaints line for an OPI complaints officer to call the complainant or reporter back during opening hours. The OPI is open to the public between 9:00am and 4:30pm Monday to Friday (excluding public holidays).

To enhance the efficiency of referrals between the OPI, the Ombudsman and the Police Ombudsman, an electronic transfer system is in place that allows for matters to be transferred securely between agency systems.

In the reporting period, complaints and reports were received by the following means:

Website	41%
Telephone	33%
Electronic Transfer*	2%
Letter	13%
Email	9%
In Person	2%

**Reports from the Ombudsman and Police Ombudsman only*

ASSESSMENT PROCESS

Once a complaint or report has been received and registered on the complaints management system, it is allocated to an assessment officer for assessment in accordance with the ICAC Act.

Many complaints and reports raise multiple issues, all of which require careful consideration of the evidence, legislation, codes of conduct and the policies and procedures of agencies.

If a matter is considered particularly sensitive, complex or urgent the matter will be allocated to the senior assessment officer for assessment.

All assessment officers carry a heavy caseload of assessments as well as other tasks, such as matters requiring referral or notification of outcomes.

Where possible, an assessment will be made on the basis of the information provided with the complaint or report. However, on occasions further information may be sought from a complainant or reporter, or an agency, in order to properly assess the issues raised and to determine what action, if any, is required. In some cases, a matter is assessed differently because the further information obtained by the OPI sheds a different light on the allegations.

An OPI assessment must be rigorous and thorough. There have been occasions where an assessment officer has identified issues that were not raised in the original complaint or report. In addition, there have been occasions when the assessment officer has become aware of other issues within an agency, resulting in a decision to exercise the own initiative powers under the ICAC Act to assess the matter. Agencies have also been invited to consider amending their policies and procedures as a result of issues raised as part of the OPI assessment process.

Over the reporting period OPI staff have worked to improve the efficiency with which they carry out assessments, while at the same time ensuring that all assessments and recommendations deal with all of the issues raised, are well considered and properly documented.

The OPI has achieved a 20% improvement in the average time a matter spends in the assessment stage compared to the previous reporting period.

As at 30 June 2015 there were 85 matters awaiting a final determination, comprising 60 matters awaiting assessment by the OPI, and 25 matters in which the Commissioner was awaiting a response from an inquiry agency or public authority before referring a matter. This compares to 146 matters awaiting a final determination as at 30 June 2014.

NUMBER AND GENERAL NATURE OF COMPLAINTS/REPORTS RECEIVED BY THE OPI

Between 1 July 2014 and 30 June 2015 the OPI received 927 complaints and reports.

Complaints	453
Reports	474

The general nature of complaints and reports received by the OPI is shown in Figure 3.

ISSUES RAISED IN COMPLAINTS AND REPORTS

Many complaints and reports raise multiple issues.

Of the 927 complaints and reports received in the reporting period, **1,525** separate issues were identified and assessed.

DUPLICATION

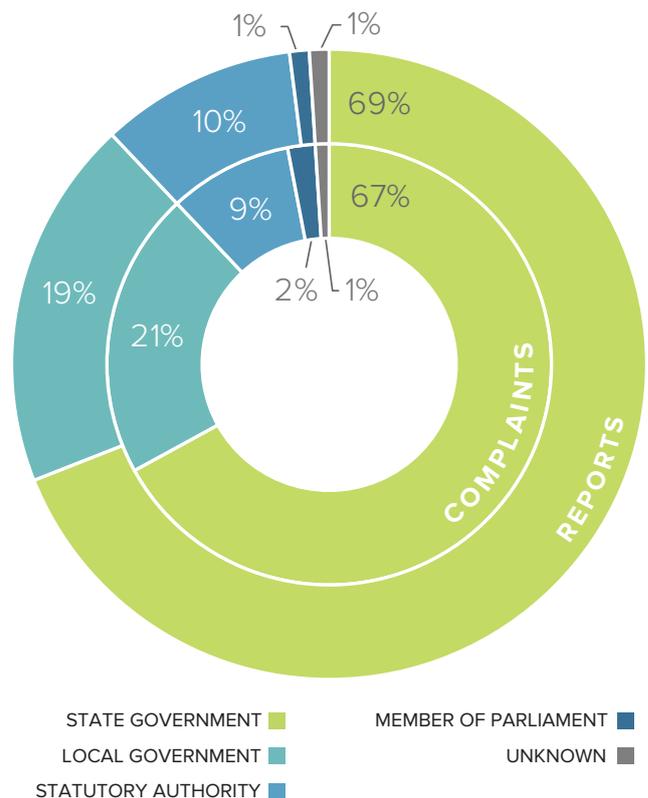
In the previous reporting period the OPI received 86 complaints and reports that duplicated other complaints or reports. This duplication was largely attributed to the strict confidentiality obligations imposed by the ICAC Act. The effect of those obligations was to potentially expose a person to criminal liability if that person disclosed to another person that he or she had made a complaint or report to the OPI.

In November 2014 the ICAC Act was amended to clarify and relax the confidentiality obligations, permitting a person to tell others that he or she had made a complaint or report to the OPI.

In this reporting period the OPI received **34** complaints and reports that were duplicated (3 complaints and 31 reports). This represents a 60% reduction in duplicate complaints and reports. It is anticipated that there will be a further reduction in duplicates in the next reporting period when the amended confidentiality provisions will have been in place for the full year.

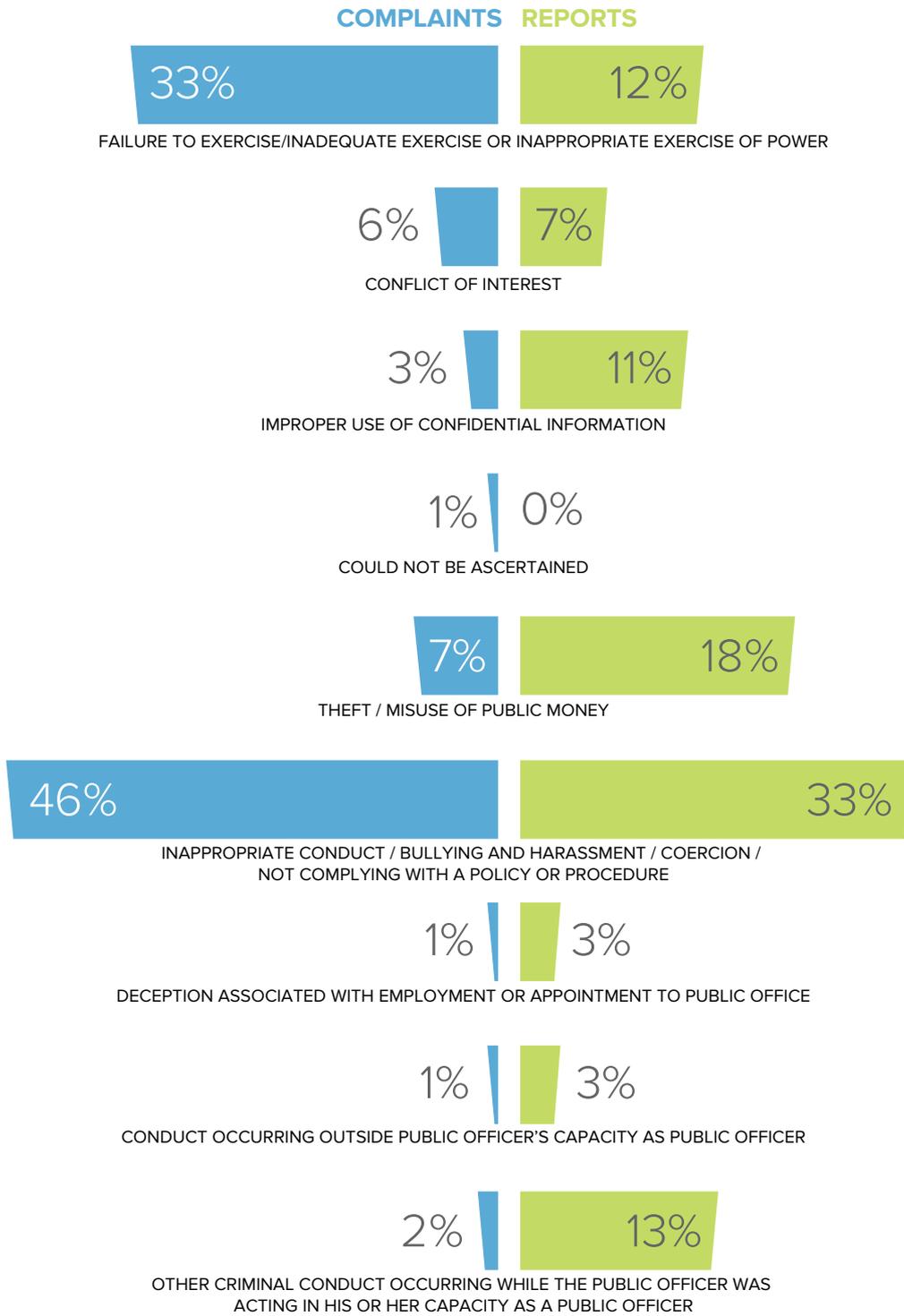
SUBJECT OF COMPLAINTS AND REPORTS BY SECTOR

FIGURE 2



GENERAL NATURE OF COMPLAINTS AND REPORTS

FIGURE 3



OTHER ENQUIRIES

In addition to the receipt and assessment of complaints and reports, the OPI receives a number of other enquiries.

In the reporting period the OPI responded to **289** general enquiries from members of the public and public officers. Those enquiries ranged from enquiries in relation to the operation of the ICAC Act and the reporting obligations contained within the Directions and Guidelines, to seeking information on how to make a complaint or report, or guidance on how an internal government process might impact on an ICAC investigation.

A further **40** contacts related to complaints about entities that fell outside of the jurisdiction of the ICAC Act, such as financial institutions, private schools and interstate or Federal Government agencies. Where such a complaint is received, an OPI officer will endeavour to assist the complainant to ensure that his or her complaint is directed to the most appropriate agency.

ACTION ON ASSESSMENT

Once the OPI has assessed a matter and recommended to the Commissioner whether, and by whom, the matter should be investigated, it is for the Commissioner to determine what action, if any, will be taken. The Commissioner is not bound by the OPI's recommendations and can substitute his own assessment of the matter. In the reporting period the Commissioner accepted the OPI's recommendation in 87% of matters assessed.

Where a matter is assessed as raising a potential issue of corruption in public administration, the Commissioner can determine to investigate the matter himself or refer the matter to the Police Ombudsman, SAPOL or another law enforcement agency for investigation.

If the matter is assessed as raising a potential issue of misconduct or maladministration in public administration, the Commissioner can refer the matter to an inquiry agency for investigation (i.e. the Ombudsman, the Police Ombudsman or the Commissioner for Public Sector Employment). Alternatively, the Commissioner can exercise the powers of an inquiry agency in respect of the matter or refer the matter to the public authority concerned for action. The OPI facilitates the referral of all matters of misconduct and maladministration in public administration.

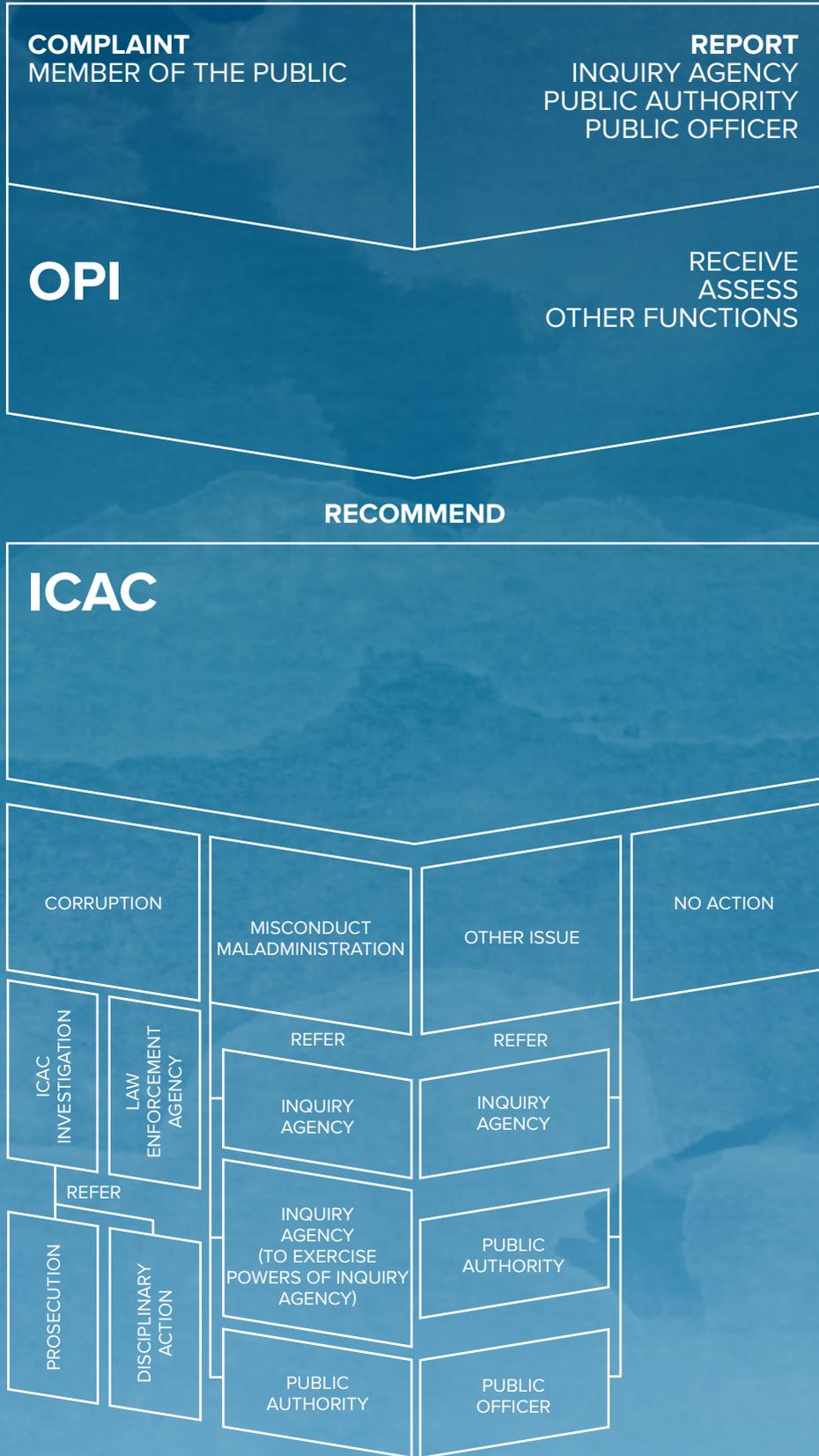
If the matter raises some other issue, the Commissioner can refer the matter, or recommend that the complainant or reporter refer the matter, to the appropriate inquiry agency, public authority or public officer for action.

The Commissioner can also determine to take no further action in respect of the matter if the matter is trivial, vexatious or frivolous, the matter has previously been dealt with by an inquiry agency or public authority and there is no need to re-examine the matter, or there is other good reason why no action should be taken in respect of the matter. The OPI manages this correspondence on behalf of the Commissioner (see Figure 4).

The OPI is committed to a process of continuous improvement and to the discharge of its functions in accordance with the values and expectations of the Commissioner.

COMPLAINT & REPORT PROCESS

FIGURE 4



INVESTIGATIONS

INVESTIGATIONS INTO CORRUPTION IN PUBLIC ADMINISTRATION

The investigation of corruption in public administration is, like many other complex criminal investigations, both challenging and time consuming. Persons who engage in corruption will often take significant steps to hide their activity, cover their tracks and deceive others. Often information of relevance to an investigation is hidden amongst thousands of documents. The increasing reliance upon electronic communications means investigators must be able to identify and access electronic information sources.

In order to properly investigate suspected corruption, investigators must carefully and scrupulously seek and examine all information that may be relevant to an investigation.

The gathering of electronic evidence has been a central feature of many corruption investigations. Investigators have seized many terabytes of electronic data, equating to millions of documents. While investigators have at their disposal electronic tools that assist in filtering through large volumes of material, investigators themselves are ultimately responsible for examining all of the material in order to locate evidence of relevance to the investigation, whether that evidence is inculpatory or exculpatory. This is a time consuming and resource intensive process.

Nevertheless, the investigations team is dedicated to thoroughly and objectively investigating every matter allocated for investigation.

All investigations are aimed at determining the truth. Investigations are conducted without fear or favour and investigators will follow the evidence, wherever that may lead.

The decision to investigate and the investigations themselves will not be influenced by a desire to appease political or media interests.

Section 24(1) of the ICAC Act provides that where a matter is assessed as raising a potential issue of corruption in public administration that could be the subject of a prosecution, the matter must be investigated by the Commissioner or referred to SAPOL, the Police Ombudsman (if the issue concerns a police officer or special constable) or other law enforcement agency.

Corruption in public administration is defined in the ICAC Act to mean conduct that constitutes one of a number of offences, including abuse of public office, demanding or requiring a benefit on the basis of public office, an offence against the *Public Sector (Honesty and Accountability) Act 1995* or an offence against the *Public Corporations Act 1993*. Corruption in public administration also includes any other offence committed by a public officer while acting in his or her capacity as a public officer. This last aspect of the definition captures conduct that might not ordinarily be considered corrupt. In this way the definition of corruption in public administration is wide reaching.

However, unlike legislation in other states, corruption in public administration must amount to a criminal offence. It follows that every corruption investigation conducted by the ICAC is a criminal investigation.

INVESTIGATIONS BY THE COMMISSIONER

The Commissioner determined to investigate 71 complaints and reports that were received in this reporting period and were assessed as raising a potential issue of corruption in public administration that could be the subject of a prosecution (13 complaints and 58 reports).

The Commissioner also assessed, on his own initiative, a further matter as raising a potential issue of corruption in public administration that could be the subject of a prosecution and determined to investigate this matter.

Three of those matters were duplicate reports, meaning a total of 69 investigations were commenced in relation to matters received in the 2014-2015 financial year.

As at 30 June 2015, four matters that were assessed as raising a potential issue of corruption in public administration were awaiting a determination by the Commissioner as to the action to be taken.

In addition to matters received in this reporting period, a further 13 investigations were commenced as a result of a complaint or report received in the previous financial year.

In total, **82** new investigations were commenced in the reporting period. Some of those were joint investigations with SAPOL.

A further 67 investigations were carried over from the previous financial year.

INVESTIGATION OUTCOMES

Four public officers have been charged with criminal offences as a result of ICAC investigations.

A further eight public officers have been charged with criminal offences as a result of joint investigations with SAPOL.

The Commissioner is awaiting the advice of the Director of Public Prosecutions in respect of another two matters.

As a result of ICAC investigations, disciplinary action has been commenced against public officers on 19 occasions.

A brief of evidence has also been provided to the SAPOL Ethical and Professional Standards Branch to consider laying charges against a number of police officers as a result of a joint investigation between the ICAC and SAPOL.

Prosecutions Commenced	12
Disciplinary Action Commenced	19

PERFORMANCE

The investigations team have established three Key Performance Indicators (KPIs) aimed at ensuring investigations are undertaken in a timely manner. They are:

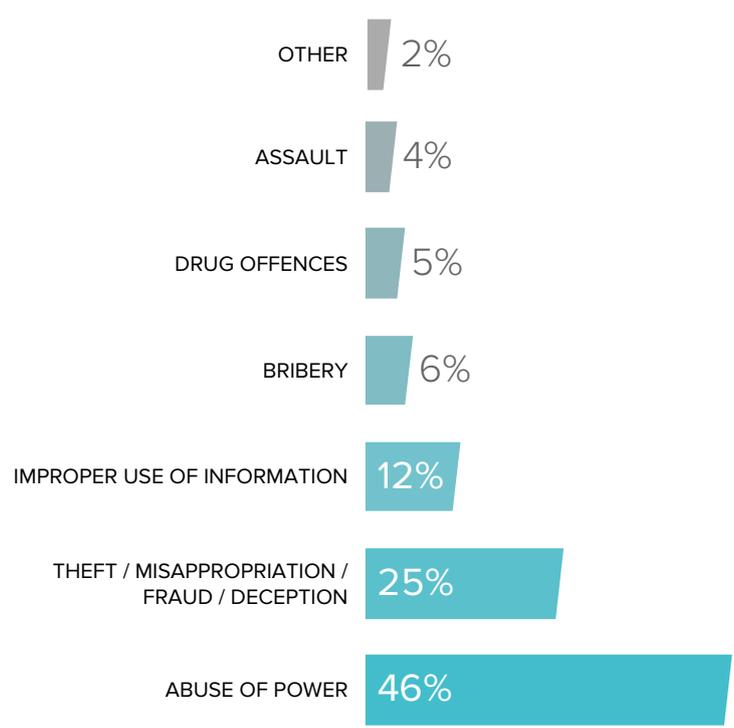
- ▶ 30% of all investigations will be completed within nine months of assessment;
- ▶ 70% of all investigations will be completed within 12 months of assessment; and
- ▶ 95% of all investigations will be completed within 18 months of assessment.

In the reporting period 57% of all investigations were completed within nine months, far exceeding the benchmark. However, only 65% of investigations were completed within 12 months of assessment and 90% of matters were completed within 18 months of assessment.

While it is disappointing not to have reached the second and third benchmarks, in real terms only five investigations have not been completed in the desired timeframe. All five of those investigations are particularly complex and protracted.

GENERAL NATURE OF MATTERS INVESTIGATED BY THE COMMISSIONER

FIGURE 5



EXERCISE OF INVESTIGATIVE POWERS

The ICAC Act provides the Commissioner, examiners and investigators with a range of powers to carry out an investigation into corruption in public administration. Other State and Federal legislation contain additional investigative powers.

SEARCH WARRANTS

Section 31 of the ICAC Act empowers an investigator to apply to the Commissioner or to a judge of the Supreme Court for a warrant to enter and search a place or vehicle.

In November 2014 the ICAC Act was amended to redefine the circumstances in which the Commissioner could issue a search warrant vis-à-vis a judge of the Supreme Court.

In the reporting period, investigators applied for and were issued with 19 search warrants.

Warrants Issued by the Commissioner	15
Warrants Issued by a judge of the Supreme Court	4

EXAMINATIONS

In accordance with Schedule 2 of the ICAC Act, the Commissioner or an examiner may summons a person to appear at an examination.

In the reporting period, five examinations were conducted for the purposes of an investigation into corruption in public administration.

Examinations Conducted	5
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REQUESTS FOR EXAMINATIONS OF ACCOUNTS

Section 39 of the ICAC Act empowers the Commissioner to request the Auditor-General to conduct an examination of accounts in any matter subject to an assessment, investigation or referral under the ICAC Act.

In the reporting period the Commissioner has not requested the Auditor-General to conduct an examination of accounts.

REFERRAL FOR INVESTIGATION

The Commissioner determined to refer 81 complaints and reports that were assessed as raising a potential issue of corruption in public administration that could be the subject of a prosecution to SAPOL, the Police Ombudsman or another law enforcement agency. Of the 81 matters referred, 73 were received in this reporting period and eight were received in the previous reporting period.

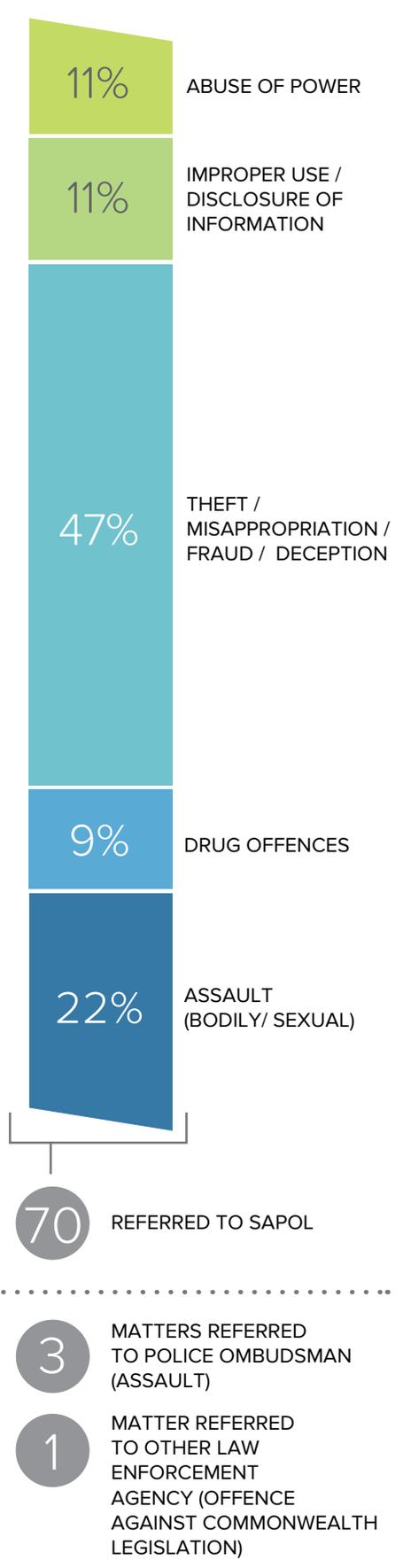
Of the 81 matters referred, seven of those matters were duplicates, meaning 74 separate matters were referred for investigation.

Matters Referred to SAPOL	70
Matters Referred to Police Ombudsman	3
Matters Referred to other Law Enforcement Agency	1

Of the 74 matters referred for investigation, the Commissioner has been advised that 21 public officers have been charged with criminal offences and disciplinary action has been commenced on 14 occasions.

GENERAL NATURE OF MATTERS REFERRED FOR INVESTIGATION

FIGURE 6



REFERRALS

REFERRAL OF MISCONDUCT, MALADMINISTRATION AND OTHER ISSUES

Where a matter is assessed as raising a potential issue of misconduct or maladministration in public administration, the Commissioner must either:

1. refer the matter to an inquiry agency;
2. exercise the powers of an inquiry agency in respect of the matter; or
3. refer the matter to a public authority.

The Commissioner may, when making a referral, issue directions or guidance to the inquiry agency or public authority concerned. While the ICAC Act does not limit the directions or guidance that can be given, the Commissioner has published within the Directions and Guidelines the directions that an inquiry agency or public authority can expect to receive on a referral.

Those 'standard directions' have been issued in respect of every referral of a potential issue of misconduct or maladministration in public administration to an inquiry agency or public authority.

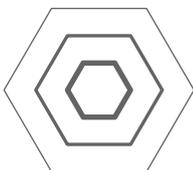
REFERRAL OF MATTERS TO AN INQUIRY AGENCY

The ICAC Act defines an inquiry agency to be the Ombudsman, the Police Ombudsman, the Commissioner for Public Sector Employment or a person declared by regulation to be an inquiry agency.

No persons have been declared by regulation to be an inquiry agency.

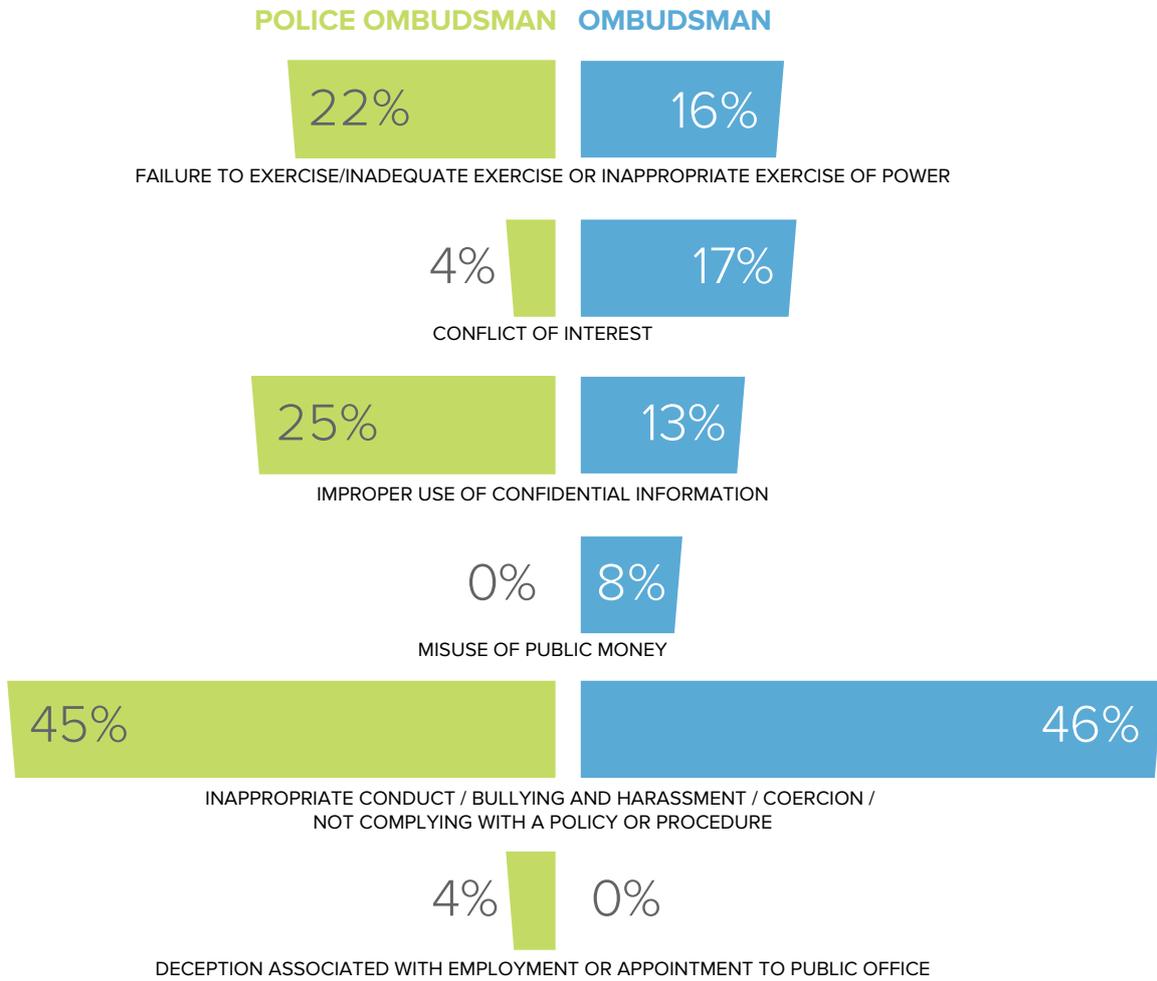
In the reporting period, 56 matters (inclusive of three duplicate matters) that were assessed as raising a potential issue of misconduct and/or maladministration in public administration were referred to an inquiry agency.

A further 36 matters received in the previous financial year were referred to an inquiry agency during the reporting period. In total **89** matters were referred to an inquiry agency.



GENERAL NATURE OF MATTERS REFERRED TO AN INQUIRY AGENCY

FIGURE 7



MATTER REFERRED TO COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT (MISUSE OF PUBLIC MONEY)

REFERRAL OF MATTERS TO A PUBLIC AUTHORITY

The Commissioner referred 97 matters received in this reporting period to a public authority (12 complaints and 85 reports).

A further 23 matters received in the previous reporting period were referred to a public authority during 2014-2015 reporting period. In total **120** matters were referred to a public authority.

REVIEW OF ACTION TAKEN ON REFERRAL

Where the Commissioner has referred a matter raising a potential issue of misconduct or maladministration in public administration to an inquiry agency or public authority, the Commissioner requires the agency or authority to provide a report back to the Commissioner outlining:

- ▶ the issues addressed;
- ▶ the findings made and the reasons for those findings; and
- ▶ the action taken and the reasons for that action, or, if no action was taken, the reason why no action was taken.

If the Commissioner is not satisfied that an inquiry agency or public authority has duly and properly taken action in respect of the referral, the Commissioner must inform that agency or authority of the grounds of the Commissioner's dissatisfaction and give the agency or authority an opportunity to comment. If the Commissioner remains dissatisfied, the Commissioner can raise the matter with the relevant Minister before ultimately preparing a report, which is tabled in both Houses of Parliament, setting out the grounds of the dissatisfaction.

Every report back is assessed to determine whether the investigation undertaken is appropriate in light of the allegations made and the surrounding circumstances. The action taken, or not taken, is assessed to determine whether it is appropriate.

The Commissioner or the Commissioner's delegate may seek further information from the agency or authority concerned in order to determine whether the matter has been dealt with appropriately.

While the Commissioner has not yet prepared a report for Parliament in relation to such matters, feedback is routinely provided to the agency or authority concerned, identifying weaknesses in investigation and decision making processes and suggestions in relation to the practices, policies and procedures of the agency or authority.

EXERCISE OF THE POWERS OF AN INQUIRY AGENCY

The Commissioner may, at his discretion, determine to exercise the powers of an inquiry agency in respect of a matter assessed as raising a potential issue of misconduct or maladministration in public administration.

While the ICAC Act is silent in relation to the circumstances in which the Commissioner may exercise the powers of an inquiry agency, the Commissioner will consider:

- ▶ the seriousness of the allegations;
- ▶ the likely complexity of any investigation;
- ▶ the seniority of public officers allegedly involved; and
- ▶ whether the matter also raises a potential issue of corruption in public administration that warrants investigation.

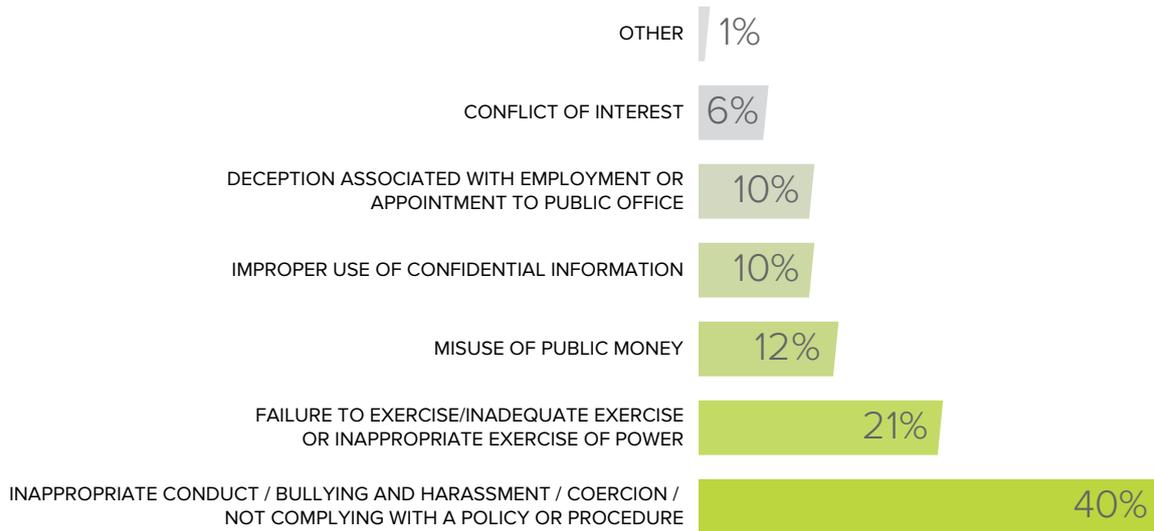
During the 2014-2015 financial year, the Commissioner determined to exercise the powers of an inquiry agency on **12** occasions.

Five of those occasions related to complaints and reports received in the 2014-2015 financial year while the remaining seven occasions related to complaints and reports received in the previous financial year.

Exercise Powers of the Ombudsman	9 Reports 1 Complaint
Exercise Powers of the Police Ombudsman	2 Complaints

GENERAL NATURE OF MATTERS REFERRED TO A PUBLIC AUTHORITY

FIGURE 8



GENERAL NATURE OF MATTERS IN WHICH THE COMMISSIONER HAS EXERCISED THE POWERS OF AN INQUIRY AGENCY

Serious Financial and Resource Mismanagement	68%
Improper Use / Disclosure of Confidential Information	8%
Improper Exercise of Powers	8%
Maladministration in respect of procurement process	8%
Misconduct by Senior Executive	8%

REFERRAL OF OTHER MATTERS

Where a matter is assessed as raising some other issue that should be dealt with by an inquiry agency, public authority or public officer, the matter must be referred, or the complainant or reporting party advised to refer the matter, to the agency, authority or officer.

During this reporting period the Commissioner referred **17** matters raising some other issue to an inquiry agency or public authority.

NO FURTHER ACTION ON COMPLAINTS OR REPORTS

The Commissioner may decide to take no action in respect of a matter that is assessed as:

- ▶ being trivial, vexatious or frivolous;
- ▶ having been dealt with by an inquiry agency or public authority and there is no good reason to re-examine the matter; or
- ▶ there being other good reason for doing so.

During this reporting period the Commissioner determined to take no further action in respect of **342** complaints and **186** reports.

OVERSIGHT AND ACCOUNTABILITY

INDEPENDENT REVIEW

The operations of the Commissioner and the OPI are subject to external oversight.

Section 46 of the ICAC Act provides that an external review is to be undertaken by a person appointed by the Attorney-General for that purpose. The reviewer is required to present a report to the Attorney-General on or before 30 September of each year. That report must then be tabled in both Houses of Parliament.

The Hon. Kevin Duggan AM QC has been appointed by the Attorney-General to carry out a review of the operations of the Commissioner and the OPI.

Mr Duggan is provided full and unfettered access to the complaints and investigations management system, all hardcopy and electronic documents and the evidence collected for the purposes of investigations.

PARLIAMENTARY COMMITTEE

The performance and functions of the Commissioner and the OPI are also the subject of review by the Parliamentary Crime and Public Integrity Policy Committee, established under section 15M of the *Parliamentary Committees Act 1991*. The current members of the Committee are:

- ▶ The Hon. Gerry Kandelaars MLC (Presiding Member);
- ▶ The Hon. Robert Brokenshire MLC;
- ▶ Mr Lee Odenwalder MP;
- ▶ Mr Chris Picton MP;
- ▶ Mr Vincent Tarzia MP; and
- ▶ The Hon. Andrew McLachlan CSC MLC.

On 31 October 2014 the Commissioner and senior members of the Commissioner's staff appeared before the committee to provide evidence on the first 10 months of operations. On Friday 15 May 2015 the Commissioner and senior staff met with the committee at the ICAC offices.

On 30 June 2015 the first report of the committee, entitled 'Annual Review of the Crime and Public Integrity Policy Committee into Public Integrity and the Independent Commissioner Against Corruption' was tabled in both Houses of Parliament.

A copy of the committee's report can be downloaded from the committee's page on the Parliament of South Australia website (www.parliament.sa.gov.au).

INTERNAL REVIEW OF RECONTACTS

While the Commissioner endeavours to ensure all complainants and reporters are advised of the reasons for action being taken, or not being taken, in respect of a complaint or report, it is inevitable that some will be disappointed or dissatisfied with a decision.

Where a complainant or reporter recontacts the OPI in respect of an assessment or determination that the complainant or reporter disagrees with, that recontact is assigned to a complaints officer, who collates all of the information initially relied upon, together with any further information provided by the complainant or reporter and that material is provided to the Commissioner. The Commissioner then reviews that material to determine whether the matter should be re-assessed.



In the reporting period the Commissioner considered 162 recontacts and as a result determined to re-assess 13 matters. In the majority of cases the decision to re-assess the matter was the result of the provision of fresh information by the complainant or reporter.

As occurred in the previous reporting period, the Commissioner has made available to the independent reviewer details of all recontacts.

OTHER STATUTORY OVERSIGHT

The Commissioner must also keep the Attorney-General informed of the general conduct of the functions of the Commissioner and the OPI and, if the Attorney so requests, provide information to the Attorney-General relevant to the performance of the functions of the Commissioner and the OPI (but not information identifying or about a particular matter subject to assessment, investigation or referral under the ICAC Act).

The Commissioner is an interception agency for the purposes of the *Telecommunications (Interception and Access) Act 1979* (Cth) ('TIAA'). In accordance with the corresponding state Act (*Telecommunications (Interception) Act 2012*), an external review agency must, at least once in every six month period, inspect the records of the Commissioner relevant to activities under the TIAA.

The Hon. Kevin Duggan AM QC has been appointed as the review agency for the Commissioner.

The Hon. Kevin Duggan AM QC is also responsible for inspecting the Commissioner's records to ensure compliance with the *Listening and Surveillance Devices Act 1972*.

PREVENTION, EDUCATION & COMMUNICATIONS

One of the Commissioner's key statutory functions is to positively influence the conduct of public officers and public authorities through the development of education programs designed to prevent or minimise corruption, misconduct and maladministration in public administration.

While it is always difficult to quantify the effect that education programs have on achieving this objective, there are a number of things that can be measured.

ICAC AWARENESS

The very existence of the Commissioner's office is likely to act as a deterrent to unacceptable conduct. It follows that the greater the level of awareness within public administration of the Commissioner's office, the greater the impact the office can have in terms of preventing or minimising corruption, misconduct and maladministration.

Awareness of the existence of the Commissioner's office amongst public officers has increased over the past 18 months. Data gathered in December 2013 indicated that 85% of respondents had heard of the ICAC. By May 2015 this figure had increased to 91%.

While most public officers have heard of the Commissioner, that is quite different to understanding the Commissioner's functions and how those functions impact upon public officers and public administration generally.

The Commissioner's education program has continued to focus on improving this general knowledge and understanding, in addition to dispelling many misconceptions about the operations of the office.

Data demonstrates a correlation between education and communications activities (through training and development sessions and media attention) and the number of complaints and reports received by the OPI and the volume of traffic on the ICAC website.

ICAC EDUCATION SESSIONS

The demand for general ICAC education sessions remains high.

Making the office visible through the Commissioner and his staff meeting with and presenting to public officers is an important element of the Commissioner's prevention strategy. The number of education sessions delivered is a key performance indicator. The office aims to deliver 60 education sessions to 2,000 people in each year. As occurred in the previous reporting period, this target has been exceeded.

Between 1 July 2014 and 30 June 2015 the office has delivered **96** education sessions to more than **4,300** people. Fifty-six of these sessions have been delivered by the Commissioner himself, with the remainder being delivered predominantly by the education and legal teams.

Data indicates that attending an ICAC education event significantly increases a participant's understanding of his or her obligations and responsibilities.

But there are challenges.

First, the sheer size, diversity and broad geographical location of public officers within the Commissioner's jurisdiction means that education resources must be delivered strategically to maximise audience numbers while ensuring programs are tailored to suit the target audience.

Secondly, it is important that education sessions deal with misconceptions that have been formed by public officers and members of the public, often through misinformation about the Commissioner's role and his operations.

It was initially intended that the education program be focussed at an executive level, with the expectation being that this information would trickle down throughout agencies.

In July 2014 at the request of the State Government Senior Management Council (SMC), the Commissioner's office completed the rollout of executive governance and ICAC awareness training to South Australian public sector executives. This training, entitled 'Identify, analyse and respond to integrity breaches', was facilitated by the Commissioner, Chief Executive Officer, and Professor Adam Graycar, and began in December 2013.

In July 2014 a further intake accommodated an additional 416 executives. When surveyed, 96% of respondents stated that the content was relevant to them personally and 97% of respondents stated it was relevant to their organisation.

"... [an] informative and interesting session"

QUOTE FROM PARTICIPANT

"pitched perfectly for senior managers in public administration"

QUOTE FROM PARTICIPANT

However, anecdotal evidence indicated that the ‘trickle down’ of ICAC information was not occurring in the fashion that was anticipated. This was confirmed through a survey conducted in May 2015, which showed that public officers employed below management level have both a lower awareness and a lower understanding of the Commissioner and his role.

When the education team became aware of this issue the program was refocused to begin capturing more non-executive and non-management public officers. This has included the introduction of ‘open ICAC awareness sessions’, where the Commissioner presents to public officers from across public administration every six to eight weeks. More than 460 public officers have attended a total of six sessions this reporting year. The education team has also contributed to the ‘Jobs4Youth’ program, delivering eight education sessions to almost 200 government trainees and graduates.

The office has implemented a number of regional outreach initiatives. This year, the Commissioner has taken his education program into a number of regional areas including the Barossa Valley, Port Pirie, Port Augusta, the Clare Valley, Kangaroo Island and the Riverland. Twelve regional sessions have been delivered to a total of 530 public officers.

	Sessions	Attendees
Barossa Valley	1	37
Port Pirie	3	181
Port Augusta	2	125
Clare Valley	1	15
Kangaroo Island	2	37
Riverland	3	135

“Fantastic speaker”

QUOTE FROM REGIONAL PARTICIPANT

“Well-structured presentation”

QUOTE FROM REGIONAL PARTICIPANT

Countering the misconceptions that have circulated since the introduction of the Commissioner’s office remains a challenge.

Some of those misconceptions include an assumption that the Commissioner’s office is a court, and that certain conduct that was acceptable is no longer acceptable because of the existence of the Commissioner’s office. There also remains some misunderstanding of the type of conduct that should be reported to the OPI.

Many of these issues are dealt with in regular education sessions and in other resources created by the Commissioner’s office. However, some confusion arose as a result of information provided by persons advising public authorities, particularly local government. In July 2014, the Commissioner held a forum for consultants and lawyers directly engaged to advise local government, during which the Commissioner addressed many of these matters.

Other major events run by the office this year include the ‘Elected Members Forum’ and ‘ICAC for Contractors’.

With local government elections being held in November 2014, the Commissioner embarked on a program to speak to as many newly elected local government members as possible. In December 2014 more than 130 elected members from around the state attended a presentation delivered by the Commissioner and the Acting Ombudsman.

In addition, the Commissioner has addressed elected members as part of his regional outreach program and engaged directly with metropolitan councils.

As a result of these initiatives the Commissioner has addressed more than one third of all elected members of local government during the reporting period.

A person who is performing contract work for a public authority or the Crown is a public officer for the purpose of the ICAC Act. This is not well known. The education team has worked with public authorities and industry bodies to begin the process of rolling out ICAC awareness to those engaged as contractors. An event held in June 2015 'ICAC for Contractors' attracted 165 people, mostly from the private sector. The feedback from this session confirmed its value, with 98% of attendees rating the session as effective in improving their understanding of the role and functions of the ICAC.

"Events such as this should be held more frequently"

QUOTE FROM PARTICIPANT

"Very important information imparted"

QUOTE FROM PARTICIPANT

The Commissioner and the education team have also contributed to education initiatives facilitated by other agencies including the 'Administrative Decision Making Forum' and the 'Disability SA NGO Forum'. The Commissioner is a regular contributor to programs and initiatives run by the Local Government Association.

EDUCATION RESOURCES

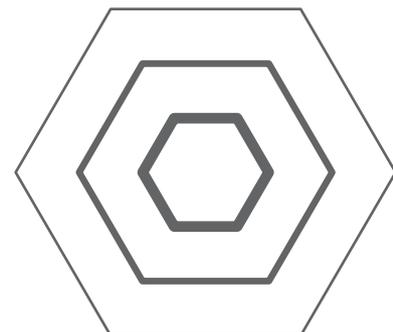
In addition to education programs and initiatives developed and facilitated by the Commissioner's office, it is critical that public authorities and public officers themselves are proactive in ensuring an understanding of the responsibilities created by the ICAC Act and the role the Commissioner plays in public administration.

To assist with individual and agency led education, new resources have been developed and added to the ICAC website. The Commissioner's office provides a range of brochures, posters and fact sheets, in addition to multimedia resources. An online learning system has also been developed and content will be added over the coming year.

In June 2015 an animated video entitled 'ICAC Induction for Public officers' was made available to agencies and self-directed learners to provide an overview of the role and functions of the ICAC.

The introduction of a public newsletter in January 2015 has provided a source of topical information such as an explanation of privacy provisions in the ICAC Act, an analysis of the 'public versus private' debate and updates on operational matters.

The most up to date version of the Directions and Guidelines published by the Commissioner is always available for download from the ICAC website. Printed copies are available on request from the OPI or the education team.



WEBSITE

In October 2014 the Commissioner launched a new website. The website aims to provide information about the functions and processes of both the Commissioner and the OPI, in addition to hosting educational resources and other useful information.

Website traffic increased significantly during this reporting period with more than 20,000 unique users engaging in over 35,000 sessions.

	2014-2015	2013-2014
Session visits	35,340	10,280
Users	20,689	6,680
Page views	100,127	40,017

Note that statistics for the period 2013-2014 were calculated over a 10 month period as opposed to the 2014-2015 12 month period.

Under section 48 of the ICAC Act the website is required to contain content including the Commissioner's standard operating procedures, annual reports and other reports. All of the required content is available on the website.

The website is also the gateway to the secure online complaint and report form, which has been redesigned and streamlined to make it more user friendly.

GENERAL ENGAGEMENT

Continuous engagement and collaboration with stakeholders provides valuable opportunities for ICAC education. This year the education team has worked closely with many public authorities. These have included SA Health, which has distributed ICAC information and resources throughout hospitals and offices in South Australia, the Department for Education and Child Development, which has produced an ICAC webinar and support information for their staff, and the Berri Barmera Council, which posted information about reporting corruption in South Australia to all of its ratepayers.

Articles have been written for agency newsletters and discussion forums, targeted resources and support material have been made available, and contributions have been made to agency produced ICAC resources.

The Local Government Association assists the office by promoting ICAC education events and resources to all South Australian local government bodies via its various communication channels.

The education team has also collaborated with industry bodies, unions and private companies.

In its recently published report, the Crime and Public Integrity Policy Committee found that 'education programs on the operations of public integrity mechanisms in South Australia will need to remain an ongoing priority'¹.

MEDIA

Section 56 of the ICAC Act prohibits the publication of certain types of information relating to complaints, reports, assessments and investigations under the ICAC Act.

The Commissioner cannot investigate breaches of section 56 of the ICAC Act by persons who are not public officers.

Such matters are referred to SAPOL or the Attorney-General for consideration.

¹ — page 89, Crime and Public Integrity Policy Committee, 'Public Integrity and the Independent Commissioner Against Corruption'.

Despite restrictions on publishing matters of an operational nature, the Commissioner makes available a media liaison officer and where practical and appropriate, the Commissioner himself will speak to the media.

In October 2014 the Commissioner addressed the South Australian Press Club.

The Commissioner has issued seven media releases this reporting year and the office has had over 100 interactions with the media.

PUBLIC STATEMENTS

Section 25 of the ICAC Act provides that the Commissioner may make a public statement in connection with a particular matter if, in the Commissioner's opinion, it is appropriate to do so in the public interest.

The Commissioner released five public statements in this reporting period. The Commissioner has released three public statements in relation to an investigation either after an arrest had been made or prior to a first court appearance. In one case the Commissioner released a public statement in respect of the outcome of an investigation to correct the public record in respect of those the subject of that investigation. In another case the Commissioner released a public statement in respect of an investigation being conducted exercising the powers of the Ombudsman.



Those statements are available on the ICAC website.

SURVEY

In May 2015, the Commissioner engaged McGregor Tan Research to conduct a survey on public integrity. All public officers were encouraged to participate in the survey. However, some public officers actively discouraged others from participating.

The survey was available for completion between 29 May 2015 and 15 June 2015.

7,679 people completed the survey (see Figures 9 and 10).

The purpose of the survey was to inform the strategic development of the education program. It was not about gathering operational intelligence on individual agencies or public officers. The survey was anonymous and the organisation conducting the survey on behalf of the

Commissioner complied with the *Privacy Act 1988* (Cth). Survey answers cannot be traced back to individuals who completed the survey.

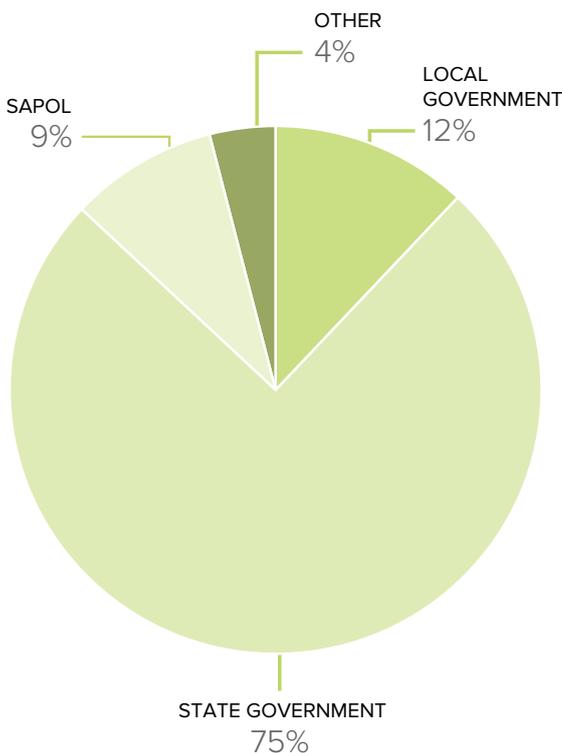
Some of the data gathered in the survey is mentioned in other parts of this report.

The survey found:

- ▶ 75% of respondents perceived the ICAC to be somewhat to very independent from government.
- ▶ 87% of respondents believed that it is important that South Australia has an ICAC.
- ▶ 57% of respondents believed that corruption, misconduct and maladministration was a problem in South Australian public administration. Those employed in senior roles were less likely to think this a problem than non-supervisory office and field staff.
- ▶ 38% of respondents believe their workplace is at risk of corruption, misconduct and maladministration.
- ▶ 73% of respondents indicated that they would be likely or very likely to report corruption, misconduct and maladministration in their organisation. Those who indicated they were reluctant to report such conduct were respondents who also indicated they had the least understanding of the role of ICAC.
- ▶ Of the respondents who indicated they were unlikely to report corruption, misconduct and maladministration, most cited concern about personal repercussions and their job as the main reason they would not report.
- ▶ 75% of respondents indicated they would be more likely to report if they could do so anonymously.
- ▶ 57% of respondents believed that corruption, misconduct and maladministration are under reported.

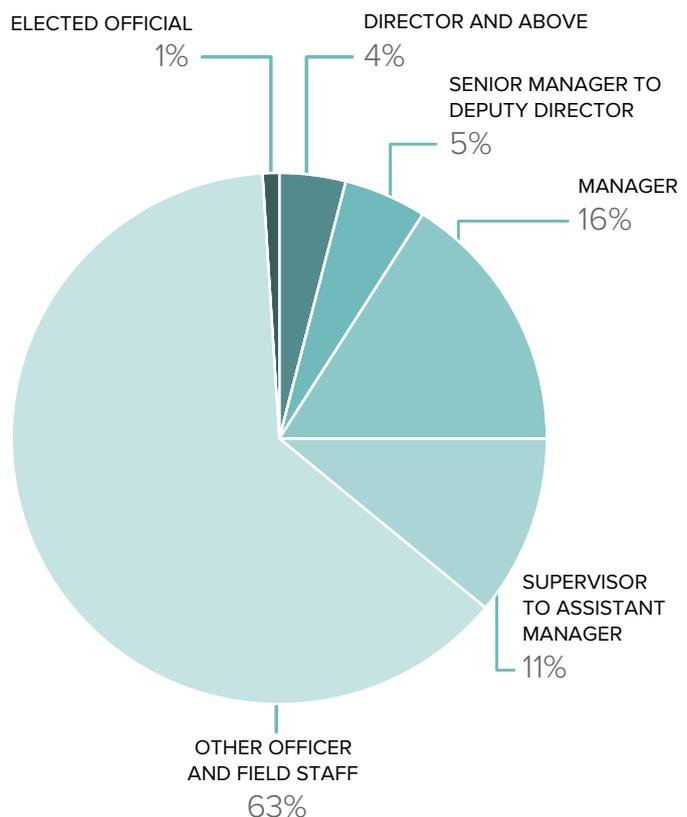
SURVEY RESPONDENTS BY SECTOR

FIGURE 9



SURVEY RESPONDENT PROFILE

FIGURE 10



EVALUATIONS / RECOMMENDATIONS / REVIEWS

EVALUATIONS

On 31 October 2014, the Commissioner announced that he would conduct an evaluation of the practices, policies and procedures of the Police Ombudsman, in accordance with section 40 of the ICAC Act. That evaluation was to coincide with the Commissioner's review of the legislative scheme governing the oversight and management of complaints about police.

In July 2015 the Commissioner's evaluation report was tabled in both Houses of Parliament. The Commissioner stated in his report that he had decided to discontinue the evaluation in light of the recommendations he had made in respect of the Police Ombudsman's enabling legislation and the changes that he had observed in the operations of the office of the Police Ombudsman.

RECOMMENDATIONS

The Commissioner has not made any recommendations in accordance with section 41 of the ICAC Act during the reporting period.

REVIEWS

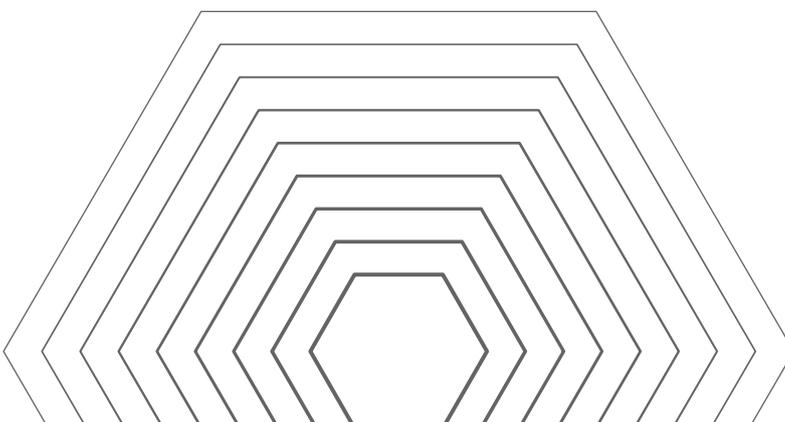
In October 2014 the Commissioner's review of the *Whistleblowers Protection Act 1993* was tabled in both Houses of Parliament.

In June 2015 the Commissioner published his review of the legislative schemes governing:

- ▶ the oversight and management of complaints about police; and
- ▶ the making of complaints and reports about public administration to the Police Ombudsman, the Ombudsman and the OPI.

The Commissioner has also provided comment in relation to the:

- ▶ *Public Sector (Honesty and Accountability) Act 2009*;
- ▶ *Judicial Conduct Commissioner Bill 2015*;
- ▶ draft Lobbyists Bill;
- ▶ *Local Government (Accountability and Governance) Amendment Bill 2015*;
- ▶ *Statutes Amendment (SACAT No 2) Bill 2015*; and
- ▶ *Electoral Regulations 2009*.



COMMISSIONER'S REPORT



In my last annual report I mentioned a number of matters relating to integrity in public administration that were a matter of concern. I am pleased that many of those issues have been acted upon. Other matters have not.

Other issues have emerged in the ensuing 12 months. I intend to revisit some of the matters I raised last year and to identify other issues that warrant further consideration and attention.

INFLUENCE

My office and the OPI have been established to assist in ensuring integrity in public administration. In order to do so, we have been given a range of statutory functions, including the identification and investigation of corruption in public administration, assisting and directing others in relation to alleged misconduct and maladministration in public administration, evaluating practices, policies and procedures and delivering education programs.

All of our functions are designed to influence those engaged in public administration to act with the level of integrity expected by the community. That influence begins with the OPI and its role in receiving and assessing complaints and reports about public administration and in identifying matters of relevance in those complaints and reports.

While the investigation of corruption in public administration continues to be a prominent feature of my work, it is by no means my only focus. At the request of the Government, I have reviewed the legislative schemes governing the making of complaints and reports about public administration, the scheme governing the oversight of complaints about police, the *Whistleblowers Protection Act 1993* and a number of other pieces of legislation or proposed legislation. I have made a range of recommendations aimed at strengthening the integrity regime in public administration.

My staff and I have continued to present training and awareness sessions to public officers and others, reaching more than 4,300 public officers during the financial year. We are developing new training tools to assist public authorities to establish and maintain good governance practices and to effectively deal with misconduct and maladministration.

We provide feedback on investigations undertaken by inquiry agencies and public authorities into suspected misconduct and maladministration, with the aim of improving the manner in which those agencies deal with such issues.

All of these tasks are undertaken in an effort to positively influence the manner in which public officers discharge their duties and the way public authorities carry out their functions.

Of course, given the confidentiality constraints provided for in the ICAC Act, it is often difficult to provide members of the public with details of the work being undertaken.

THE SECRET ICAC

In the last 12 months there has been continued debate about what is said to be the secretive nature by which I go about my functions. Comparisons are often made with other anti-corruption agencies whose model of operation extends to holding public hearings.

I must conduct my investigations in private.

When I investigate corruption in this State, because of the definition of corruption in the ICAC Act, I am necessarily investigating criminal conduct. Corruption in this State is confined to criminal conduct. Investigations into criminal conduct are almost always conducted in private, so as not to jeopardise or impede the investigation. Indeed, many of the investigations I conduct would be undermined if those subject to investigation were prematurely made aware of the investigation.

The ICAC Act provides a range of powers to investigate corruption. One is the power to summons a person to appear for examination into corruption. SAPOL does not have such a power. When I hold an examination, I am obliged by the ICAC Act to conduct it in private. The powers of examination given to me are almost identical to the powers of examination given to the Australian Crime Commission, an agency that also conducts all of its investigations, and its examinations, in private.

I have rarely used the examination power. Indeed, I have only summonsed 10 persons to be examined since I commenced in September 2013. Only one of those persons was suspected of engaging in corruption. The other nine persons were witnesses. I have found that, for the purposes of investigations conducted thus far, more is gained by the exercise of other powers, including covert powers.

Of course, the use of such covert investigative tools would be useless if my investigations were carried out in the public domain.

Recent judicial decisions have highlighted some difficulties associated with the use of examinations in furtherance of criminal investigations. The use of the examination power against a person suspected of a criminal offence can create difficulties in his or her subsequent prosecutions.

For all of these reasons I have used the examination power sparingly.

Besides corruption, I can investigate allegations of serious or systemic misconduct or maladministration in public administration. On the rare occasions that I decide to conduct such investigations, I must do so by exercising the powers of an inquiry agency, such as the Ombudsman or the Police Ombudsman. In the reporting period I exercised the powers of an inquiry agency to investigate 12 separate matters of misconduct or maladministration in public administration. In most cases I have exercised the powers of the Ombudsman. Where I investigate a matter using the powers of the Ombudsman I must do so in accordance with the *Ombudsman Act 1972* which means I am also obliged to conduct that investigation in private.

The Ombudsman has been carrying out investigations in private since 1972.

As can be seen, the scheme under which I operate is geared towards investigation of matters behind closed doors.

I can, however, issue a public statement but I can only issue a public statement when I think it is appropriate to do so in the public interest. In determining whether to make a public statement, I must consider a range of matters prescribed in the ICAC Act. I have made a number of public statements in this reporting period. Not everyone agrees with what I have made public, and perhaps more particularly, what I have not made public. Nevertheless, I will continue to assess every matter against the requirements of the ICAC Act to determine whether I think it appropriate to make a public statement in the public interest.

While I remain of the view that the investigation of corruption should continue to be conducted in private, I think there could be some further relaxing of the secrecy provisions under the ICAC Act, which would not undermine the Parliament's intention that a person who is not prosecuted should not suffer reputational harm.



At present, I am empowered to make a report to Parliament about matters arising in the course of the performance of my functions that I consider to be in the public interest to disclose. However, I am expressly prohibited from reporting to Parliament on anything that might identify or be about a particular matter that is subject to an assessment, investigation or referral. I could not, therefore, make a report to Parliament about a matter of serious maladministration within a government department, or serious misconduct by a senior public officer. Nor could I report to Parliament on systemic issues of corruption if to do so might identify or be about a matter subject to assessment, investigation or referral. In effect, my reports cannot deal with matters arising directly from the discharge of my core functions.

Curiously, a different section of the ICAC Act requires that I make a report to Parliament on recommendations I have made to an inquiry agency or public authority in consequence of an evaluation or in response to issues observed in the course of an investigation or the handling of a matter referred. The sections create some tension in deciding what I can and cannot include in a report to Parliament. For example, it would be difficult to prepare a report about recommendations that I have made where those recommendations are a direct consequence of issues I have observed in the course of an investigation or referral.

Not surprisingly, I have not made any reports to Parliament, other than the Annual Report for 2013-2014 and my report on the evaluation of the practices, policies and procedures of the Police Ombudsman. In the case of an Annual Report, I must be careful not to identify or discuss particular matters that have been the subject of assessment, investigation or referral.

Oddly, where I exercise the powers of the Ombudsman I can publish a report about a matter I have investigated using the powers under the Ombudsman's legislation.

In June 2015 I presented a report to the Deputy Premier following a review of the legislative schemes governing the making of complaints and reports about public administration and the oversight and management of complaints about police ('legislative review report').

My report included 29 recommendations for reform.

One of those recommendations was to remove the current restriction against making reports to Parliament about particular matters that are the subject of assessment, investigation or referral. I think it is important that I be able to bring serious matters to Parliament's attention and ultimately to the public's attention. At present I find the inability to make such reports to Parliament under the ICAC Act somewhat frustrating.

I am hopeful that Parliament thinks that this recommendation should be acted upon.

INVESTIGATIONS AND PROSECUTIONS

We receive complaints and reports about a wide variety of inappropriate behaviour, including alleged nepotism or corruption in the appointment of a person to public office, improperly using confidential information for personal gain and corruption in procurement processes.

In every case, I must decide whether to investigate the matter myself or refer it to another law enforcement agency, such as SAPOL, for investigation.

Where a matter raises potentially serious or systemic corruption, I will ordinarily decide to conduct the investigation myself. Where the conduct is of a type that might better be dealt with by another agency with specialist expertise, I will consider referring the matter to that agency.

Of course, the number and nature of investigations I can undertake will be dictated by the investigative resources I have available to me. On occasion, I have referred a matter to another law enforcement agency because I do not have the resources to investigate the matter myself.

In the last financial year we have expanded our investigations team to add electronic crime and forensic accounting expertise. We have recruited additional investigators from a range of backgrounds, including Commonwealth and interstate investigation bodies.

Our investigations are not only identifying individuals who are engaging in criminal conduct, but inadequacies in the practices, policies and procedures of some public authorities that enable such behaviour to occur. I have been surprised by the ease at which some public officers have been able to misuse public money and public resources over long periods of time without detection. Over time such misuse would undoubtedly cost significant sums of taxpayers' money.

From an investigation perspective, policy and oversight shortfalls, coupled with the length of time since conduct has occurred, can make it difficult to prove all of the elements necessary to sustain a criminal charge. Further complications arise for an investigation through poor, or a complete lack of, record keeping by an agency.

As at 30 June 2015, four public officers have been charged with criminal offences arising out of ICAC investigations.

A further eight public officers have been charged with offences arising from a joint investigation between the ICAC and SAPOL.

In addition, two briefs have been sent to the Director of Public Prosecutions arising from ICAC investigations to consider laying criminal charges against a further three public officers.

A brief has also been provided to the SAPOL Ethical and Professional Standards Branch to consider laying charges against a number of police officers as a result of another joint investigation between the ICAC and SAPOL.

A number of other ICAC investigations are entering their final stages and I anticipate that further charges will be laid in the first half of the next financial year. Of course, whether or not charges are laid in any case is a matter for the Director of Public Prosecutions and not me.

We are developing more sophisticated methods of investigation and intelligence gathering. Awareness of my office and the OPI is continuing to improve and we continue to receive a number of complaints and reports about wrongdoing in public administration.

In my opinion, those who choose to engage in corruption, misconduct or maladministration in public administration are now at a higher risk of being identified than at any time previously.

INVESTIGATIONS UNDERTAKEN BY PUBLIC AUTHORITIES

When I refer a matter to an inquiry agency or public authority to be dealt with, I can require that agency or authority to report back to me as to the action taken (or not taken), and the reasons for that action (or lack of action).

In my last Annual Report I expressed misgivings about the quality of some investigations undertaken by public authorities. Those misgivings arose after a consideration of the manner in which a number of investigations had been undertaken. Some of those investigations appeared to have been directed toward minimising the seriousness of the conduct, diminishing responsibility for inappropriate behaviour or camouflaging poor performance.

As I said last year, where I refer a matter to a public authority for investigation, the investigation should be undertaken to determine the facts; to identify wrongdoing (if any); and to detect shortcomings in practice, policy and procedure. An investigation should have the overarching purpose of determining the truth and minimising opportunities for future misconduct or maladministration.

Whenever I refer a matter to an inquiry agency or public authority I issue a direction to that agency or authority to provide a report to me on the investigation and the action taken. All of those reports are scrutinised to ensure that the inquiry agency or public authority has dealt with the matter appropriately. Further information is sought from the inquiry agency or public authority if the report is lacking.

If I am not satisfied with the action taken I can raise that dissatisfaction first with the agency or authority, then to the relevant Minister and ultimately by way of a report to both Houses of Parliament.

I have routinely provided comment to public authorities about their investigations and the action taken. I have identified broader issues of practice, policy and procedure that warrant reconsideration.



I am pleased to report that in the last 12 months there have been significant improvements in the way in which some public authorities carry out investigations. Those public authorities are to be commended for the commitment to ensuring alleged inappropriate conduct is dealt with appropriately and effectively. I hope that at least some of that improvement is the result of the requirement to report to me and the comment that is given.

However, the quality of investigations carried out and the action taken by some other public authorities is still inadequate. In many cases I think the lack of quality is a result of those investigations being carried out by public officers who have little or no experience in investigating or dealing with misconduct or maladministration, or in making decisions in relation to those matters.

In my last annual report I raised the possibility of the creation of a centralised and dedicated team of investigators, available to all public authorities (including local government), to assist in carrying out investigations into misconduct and maladministration and/or providing advice to public authorities in relation to such investigations.

I have given this matter further consideration during this financial year. I am not yet convinced that such a team is necessary. At this time, I think it is preferable for all public authorities to retain the responsibility for managing the performance and integrity of their staff, including the obligation to investigate allegations of misconduct and maladministration. However, in order to do so effectively, staff within those public authorities need to be invested with adequate knowledge.

In February 2015 I delivered a presentation to public sector executives on administrative decision making. The presentation was attended by nearly 200 senior public officers. The purpose of that presentation was to remind senior officers of the important principles governing proper administrative decision making, including decision making in respect of allegations of misconduct.

Over the next financial year my staff will begin to deliver workshops to public officers on the conduct of internal investigations into misconduct and maladministration in public administration. I hope that these workshops will assist public authorities to more efficiently and effectively carry out investigations within their own agencies.

Notwithstanding these identified training needs, I wish to make two things abundantly clear.

First, I expect every public authority to take seriously its responsibility for ensuring its public officers act in accordance with the highest levels of integrity. The public rightly expects that every individual who receives an income from public revenue will act responsibly and ethically. Behaviour that falls short of that mark must be dealt with effectively.

Secondly, I will take action where I think a public officer has been, or is being, victimised because he or she has made a report to the OPI. I appreciate that some public officers are concerned that a matter involving misconduct or maladministration that has been reported to the OPI may be referred back to the public authority in which the public officer is employed for investigation and action.

It is an offence under the ICAC Act for a person to personally commit an act of victimisation. While the ICAC Act presumes that a matter of misconduct or maladministration will be referred, I will only disclose the name of a complainant or reporter when I consider it necessary to do so.



I assure all public officers that if I become aware of circumstances in which it is suspected that a public officer is being victimised for making a report, I will refer the matter to the appropriate authority for action.

I will continue to watch the way in which a public authority deals with alleged misconduct and maladministration in public administration in an effort to ensure that all such matters are dealt with appropriately.

MISCONDUCT RECORDS

At present, I understand that there is no central record kept of public officers who have been dismissed from public employment because of misconduct or who have resigned in the midst of a misconduct investigation.

In my opinion, there should be.

The State and Local Government are significant employers in this State. People are employed in a range of different departments, agencies and bodies and employees move between them. However, there is no central repository available to a public authority to determine whether or not a prospective employee has previously had his or her employment terminated for misconduct or has resigned prior to the resolution of a misconduct investigation.

That means that it is possible that a person may be employed by one public authority even after having been dismissed by another public authority because of serious misconduct. I am aware of one such case where this has occurred. I have little doubt that there are other cases.

It also means that, upon being advised that he or she is the subject of investigation for potential misconduct, a person could resign from his or her employment, only to take up employment with another agency. It is not an uncommon event for an employee to resign prior to the conclusion of a misconduct investigation.

At present, a public authority must rely upon the prospective employee or a referee of an employee disclosing that he or she was previously under investigation for misconduct or had been dismissed for misconduct. Because public authorities operate autonomously, it would be very difficult to verify the truthfulness of those answers.

In my opinion, consideration should be given to the creation of a centralised database of information about public officers whose employment has been terminated because of misconduct or who have resigned prior to the conclusion of a misconduct investigation. Information would detail nothing more than the identity of the public officer, the date of termination or resignation and the agency in which the public officer was previously employed. It would then be for the prospective employing agency to obtain further information from the prospective employee or the previous employing agency.

A database of this sort might have a number of positive effects. In the same way that a police clearance certificate provides some level of confidence in the integrity of a prospective employee, so also would a check to ensure that the individual had not engaged in misconduct of the sort that led to his or her dismissal or who resigned prior the conclusion of a misconduct investigation. Secondly, it would be a way of verifying the truthfulness of any disclosures made by the prospective employee, a matter which in itself is an indication of the integrity of that individual.

Thirdly, it means that a public authority would be able to obtain information about prior conduct issues in order to make a better informed decision in respect of the employment of an individual.

This suggestion is not new. I understand that the idea has been raised on a number of occasions by some senior public officers.

I think it is time that serious consideration be given to creating such a database with such protections as may be required to address the balance between the privacy of individuals and the public interest in ensuring that all public officers employed in public administration demonstrate the values and ethical conduct expected of them.

LOBBYISTS

As I reported last year, I was asked by the Deputy Premier to undertake a review of the *Public Sector (Honesty and Accountability) Act 1995* for the purpose of determining whether that Act should be amended to include a code of conduct for lobbyists.

I have since provided my report to the Deputy Premier. I recommended that separate legislation be enacted that deals solely with the conduct of lobbyists. I also recommended to the Deputy Premier that lobbyists be made public officers for the purposes of the ICAC Act, so that I may investigate allegations of corruption by or in relation to the activities of lobbyists.

I understand that work is now underway to develop a Bill to be introduced into Parliament dealing with lobbyists.

CODE OF CONDUCT FOR MEMBERS OF PARLIAMENT

In my last annual report I mentioned that Members of the South Australian Parliament were not subject to a code of conduct. I said that the community is entitled to expect that their elected members will act ethically and with integrity. Adherence to an established code of conduct would demonstrate the agreed ethical principles to which Members of Parliament should adhere.

On 30 June 2015 the South Australian Parliament Crime and Public Integrity Policy Committee published its first report entitled 'Public Integrity and the Independent Commissioner Against Corruption'. The report noted that:

*'currently, eight Australian Parliaments have codes of conduct for Ministers (SA, Commonwealth, ACT, NSW, Qld, Tas, Vic, WA, excluding NT) and there are codes of conduct for Members of Parliament in all Australian states and Territories except South Australia.'*¹

(my underlining added).

¹ — Page 33. The report notes that 'the Code of Conduct does not apply to the Legislative Council members in WA and Tas, only to members of the Legislative Assembly and House of Assembly respectively'.

On 28 October 2014 the Premier, the Hon. Jay Weatherill MP, announced in Parliament his intention to introduce a 'Statement of Principles' by a resolution of the House of Assembly.

As at 30 June 2015, that intention had not been advanced.

In the meantime, a new Code of Ethics for the South Australian Public Sector has been drafted and promulgated; a new Bill has been introduced into Parliament to strengthen and clarify the ethical responsibilities and expectations of elected members of local government and local government employees; a Bill is being drafted to strengthen the oversight of lobbyists; a Bill has been introduced into Parliament to create a Judicial Conduct Commissioner; and a number of state and local government bodies have been subject to improved ethical standards frameworks.

I reiterate what I said 12 months ago.

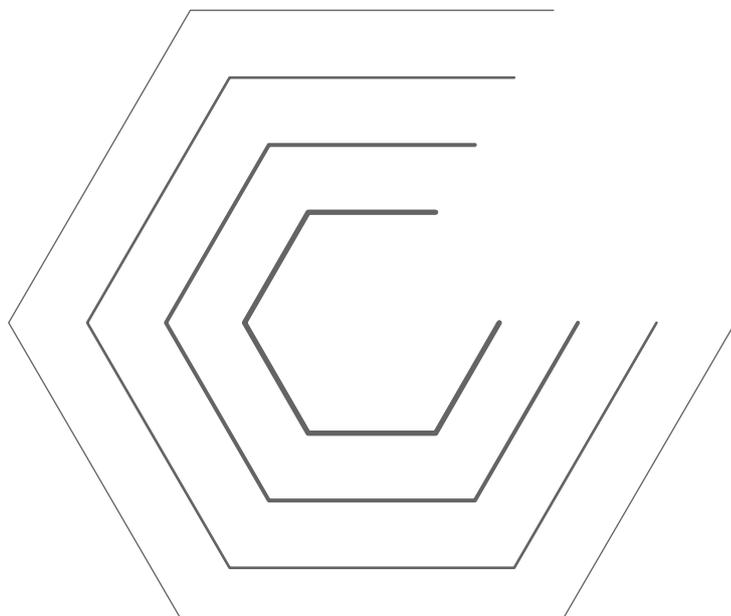
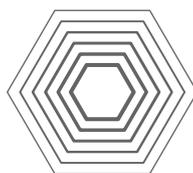
I urge Members of Parliament to work together to establish a code of conduct applicable to Members of Parliament to lay the foundations for acceptable conduct and to define the mechanism to deal with unacceptable conduct.

Once a code is agreed upon by the two Houses of Parliament it will be Parliament's responsibility to ensure that Members adhere to the code.

LOCAL GOVERNMENT CODES OF CONDUCT

In 2014 I wrote to the Minister for Local Government outlining difficulties with the codes of conduct for members of local government and local government employees. I set out some recommendations for amendment that would alleviate the difficulties that had been identified by local government bodies, the Ombudsman and me.

I am hopeful that action is taken soon to resolve some of the identified difficulties with the codes of conduct.



INTEGRITY REFORM INTO THE FUTURE

WHISTLEBLOWERS PROTECTION

When Parliament passed the ICAC Act, it also amended the *Whistleblowers Protection Act 1993* ('Whistleblowers Act') to include a requirement that the Attorney-General conduct a review of the operation and effectiveness of that Act. The Attorney-General requested that I conduct that review on his behalf, and write a report based on that review. I agreed to do so.

The Whistleblowers Act was designed to encourage and facilitate disclosures about wrongdoing in the public interest by providing whistleblowers with protections against civil and criminal liability, and by providing a mechanism for a whistleblower to make a claim for damages if he or she is victimised as a consequence of the disclosure. It was pioneering legislation in Australia when it was enacted.

I published a call for submissions in the press and on my website and I wrote to key stakeholders in public administration and to experts in the field and requested submissions from them. My review consisted of an analysis of the legislation and its relationship with the ICAC Act, consideration of the submissions, consideration of academic writing in the field, and consideration of related legislation in other Australian jurisdictions.

It might be thought that the whistleblowers legislation and the ICAC Act would work in a complementary fashion to encourage public interest disclosures

in relation to wrongdoing in public administration. However, the two Acts employ different but overlapping definitions for corruption and maladministration and impose different reporting obligations on those in public administration.

I heard from the writers of submissions that potential whistleblowers find these inconsistencies to be confusing, and that public officers are not certain when the whistleblowers legislation will protect them.

Following my review I included a number of recommendations to Government in my report. Those recommendations included:

- ▶ providing more definition and clarity around what disclosures to whom will attract protection;
- ▶ limiting the availability of whistleblower protection to public officers making complaints about wrongdoing in public administration, so that the statutory protections can be tailored to encourage and protect them;
- ▶ introduction of a criminal offence of victimisation;

- ▶ providing clarity in relation to the limited circumstances in which a whistleblower can 'go external' and make a report of wrongdoing to a journalist whilst retaining protection of the legislation;

- ▶ providing for a statutory regime of oversight for whistleblower protection so that the effectiveness of the regime can be monitored.

The report which I wrote was tabled in Parliament on 30 October 2014. The report is available on my website and on the website of the Parliament of South Australia.



INTEGRITY LEGISLATION

In November 2014, State Parliament passed the *Independent Commissioner Against Corruption (Miscellaneous) Amendment Act 2014*. That Act made critical amendments to the ICAC Act, all of which in my opinion were necessary and all of which have been of benefit. Most importantly, the amendment Act changed the definition of 'publish' in the ICAC Act to resolve ambiguity about the limitations of communications between individuals about the making of a complaint or report to the OPI.

Other changes included clarifying the use that can be made of evidence obtained through the exercise of powers under the ICAC Act, clarifying when I can issue a search warrant, adding a power to inspect financial records and simplifying some of the other confidentiality provisions in the ICAC Act.

The amendments have made my office and the OPI more efficient and resolved some of the confusion around the confidentiality obligations imposed by the ICAC Act. However, there remain some difficulties with the legislative scheme governing the operation of the State's main integrity agencies.

On 30 June 2015 I published my legislative review report. The report was the result of a request by the Attorney-General for the reviews and was the culmination of nine months of consultation and research. I held public hearings over three days and heard from a range of key agencies and members of the public. I visited a number of interstate agencies and held teleconferences with many more. In the end, I made 29 recommendations aimed at streamlining the integrity system, removing some of the duplication that presently exists and ensuring a robust yet fair and efficient system for the resolution of complaints and reports about police.

I am hopeful that the recommendations will be embraced by the Government and will be acted upon in the near future.



FINANCIAL STATEMENTS





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To the Independent Commissioner Against Corruption Independent Commissioner Against Corruption

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Independent Commissioner Against Corruption for the year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Independent Commissioner Against Corruption, the Chief Executive Officer and the Manager, Business Services.

The Independent Commissioner Against Corruption's Responsibility for the Financial Report

The Independent Commissioner Against Corruption is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Independent Commissioner Against Corruption determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

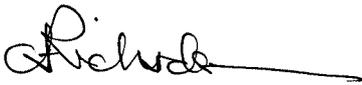
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Independent Commissioner Against Corruption, as well as 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.

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Independent Commissioner Against Corruption as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
19 September 2015



ANNUAL FINANCIAL STATEMENTS

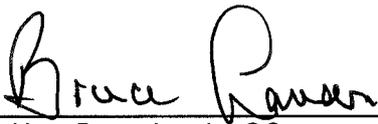
FOR THE YEAR ENDED 30 JUNE 2015

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached general purpose financial statements for the Independent Commissioner Against Corruption:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Independent Commissioner Against Corruption; and
- present a true and fair view of the financial position of the Independent Commissioner Against Corruption as at 30 June 2015 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Independent Commissioner Against Corruption for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



The Hon. Bruce Lander QC
Independent Commissioner Against Corruption

Date: 18th September 2015



Patricia Christie
**Chief Executive Officer
 Independent Commissioner Against Corruption**

Date: 18 September 2015



Vicki Tomlinson
**Manager, Business Services
 Independent Commissioner Against Corruption**

Date: 18 September 2015



INDEPENDENT COMMISSIONER AGAINST CORRUPTION STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Income			
Donated assets	23	-	3,895
Recoveries and other income	5	3	19
Total income		3	3,914
Expenses			
Employee benefits expenses	6	4,940	3,689
Supplies and services	7	2,726	1,822
Depreciation and amortisation	8	572	244
Auditor's remuneration	9	41	29
Total expenses		8,279	5,784
Net cost of providing services		8,276	1,870
Revenues from SA Government			
Revenues from SA Government	4	10,547	8,189
Net result		2,271	6,319
Total comprehensive result		2,271	6,319

The net result and total comprehensive result are attributable to the SA Government as owner.
The above statement should be read in conjunction with the accompanying notes.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	10	5,008	4,316
Receivables	11	485	89
Total current assets		5,493	4,405
Non-current assets			
Property, plant and equipment	12A	5,149	3,879
Total non-current assets		5,149	3,879
Total assets		10,642	8,284
Current liabilities			
Payables	14	342	587
Employee benefits	15	538	476
Other liabilities	16	116	72
Total current liabilities		996	1,135
Non-current liabilities			
Payables	14	20	21
Employee benefits	15	222	229
Other liabilities	16	814	580
Total non-current liabilities		1,056	830
Total liabilities		2,052	1,965
Net Assets		8,590	6,319
Equity			
Retained earnings		8,590	6,319
Total Equity		8,590	6,319

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	17
Contingent assets and contingent liabilities	18

The above statement should be read in conjunction with the accompanying notes.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Retained earnings	Total
	\$'000	\$'000
Balance at 1 September 2013	-	-
Net result for 2013-14	6,319	6,319
Total comprehensive result for 2013-14	6,319	6,319
Balance at 30 June 2014	6,319	6,319
Net result for 2014-15	2,271	2,271
Total comprehensive result for 2014-15	2,271	2,271
Balance at 30 June 2015	8,590	8,590

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

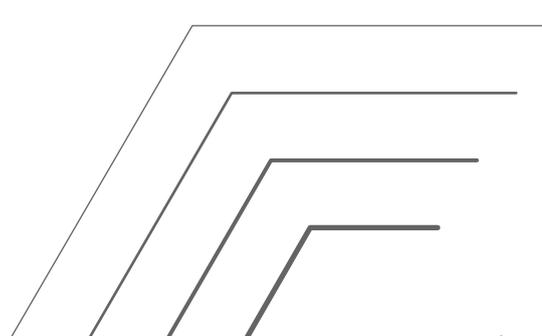
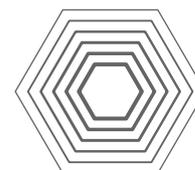


INDEPENDENT COMMISSIONER AGAINST CORRUPTION STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note No.	2015 Inflows (Outflows)	2014 Inflows (Outflows)
		\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Recoveries		3	19
Donated cash		-	3,772
Cash generated from operations		3	3,791
Cash outflows			
Employee Benefits Payments		(4,878)	(2,903)
Supplies and Services		(3,037)	(1,672)
Cash used in operations		(7,915)	(4,575)
Cash flows from SA Government			
Receipts from SA Government		10,547	8,189
Cash generated from SA Government		10,547	8,189
Net cash provided by operating activities	19	2,635	7,405
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(1,943)	(3,813)
Cash used in investing activities		(1,943)	(3,813)
Cash inflows			
Lease incentive received		-	724
Cash generated from investing activities		-	724
Net cash (used in) investing activities		(1,943)	(3,089)
Net increase in cash and cash equivalents		692	4,316
Cash and cash equivalents at the beginning of the period		4,316	-
Cash and cash equivalents at the end of the period	10	5,008	4,316

The above statement should be read in conjunction with the accompanying notes.



INDEPENDENT COMMISSIONER AGAINST CORRUPTION
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For the year ended 30 June 2015

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INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 1 Objectives of the Independent Commissioner Against Corruption

The Independent Commissioner Against Corruption Act 2012 (the ICAC Act) established the Independent Commissioner Against Corruption ('the Commissioner') and the Office for Public Integrity (OPI).

The primary objective of the Commissioner is to:

- (a) investigate serious or systemic corruption in public administration; and
- (b) refer serious or systemic misconduct or maladministration in public administration to the relevant body, giving directions or guidance to the body or exercising the powers of the body as the Commissioner considers appropriate.

The Commissioner has the following functions:

- (a) to identify corruption in public administration and to –
 - i) investigate and refer it for prosecution; or
 - ii) refer it to South Australia Police or the Police Ombudsman for investigation and prosecution;
- (b) to assist inquiry agencies and public authorities to identify and deal with misconduct and maladministration in public administration;
- (c) to give directions or guidance to inquiry agencies and public authorities, and to exercise the powers of inquiry agencies in dealing with misconduct and maladministration in public administration, as the Commissioner considers appropriate;
- (d) to evaluate the practices, policies and procedures of inquiry agencies and public authorities with a view to advancing comprehensive and effective systems for preventing or minimising corruption, misconduct and maladministration in public administration;
- (e) to conduct or facilitate the conduct of educational programs designed to prevent or minimise corruption, misconduct and maladministration in public administration;
- (f) to perform other functions conferred on the Commissioner by the ICAC Act.

The OPI is responsible to the Commissioner for the performance of the following functions: □

- (a) to receive and assess complaints about public administration from members of the public;
- (b) to receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies, public authorities and public officers;
- (c) to make recommendations as to whether and by whom complaints and reports should be investigated;
- (d) to perform other functions assigned to the Office by the Commissioner.

Note 2 Summary of Significant Accounting Policies

a) Statement of compliance

The Commissioner has prepared the financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

As the Commissioner is a not-for-profit entity, Australian Accounting Standards that are applicable to not-for-profit entities have been applied.

Except for AASB 2015-7 which the Commissioner has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted for these statements. Refer to Note 3.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies to be selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty /transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
 - c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees.

The Commissioner's Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period. They are presented in Australian currency.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

The accounting policies set out below have been applied in preparing the financial statements for the period ended 30 June 2015 and the comparative information presented.

c) Reporting Entity

The Commissioner must, before 30 September in each year, prepare a report on the operations of the Commissioner and the OPI as required by section 45 of the ICAC Act.

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Comparative information is presented for a period of ten months given the Commissioner was established on 1 September 2013.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statement for the preceding period.

e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

f) Taxation

The Commissioner is not subject to income tax. The Commissioner is liable for payroll tax, fringe benefits tax and goods and services tax (GST). GST collections and payments are carried out by the Attorney-General's Department (AGD) on behalf of the Commissioner. GST in relation to the Commissioner is reported in the AGD Controlled Financial Statements.

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

- When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Attorney-General's Department is included as part of receivables or payables in the Statement of Financial Position.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

h) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Commissioner will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Revenues from SA Government

Appropriations for program funding are recognised as revenues when the Commissioner obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Recoveries

Recoveries consist of recoveries from SA Government for accommodation costs for 30 June 2014 and employee reimbursements for 30 June 2015.

i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Commissioner will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefit expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Commissioner to the superannuation plan in respect of current services of current staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Depreciation and Amortisation

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<u>Class of assets</u>	<u>Useful life (Years)</u>
Leasehold Improvements	Life of lease
Plant and Equipment	1-16
Information Technology	3-10

j) Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature.

Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, the Commissioner has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

k) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes deposits with the Treasurer.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Receivables

Receivables include GST receivable, prepayments and other accruals.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Non-Current Asset Acquisition and Recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value of \$10,000 or greater are capitalised. Items with an acquisition cost less than \$10,000 are expensed in the year of acquisition.

Revaluation of Non-Current Assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value) and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Fair Value measurement

AASB 13 defines fair value as the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Commissioner classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

Non-financial assets

In determining fair value, the Commissioner has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

The Commissioner's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Commissioner has not identified any factors to suggest an alternative use, fair value measurement is based on current use.

The carrying amount of non-financial assets with a 'fair value at the time of acquisition that was less than \$1 million or has an estimated useful life that was less than three years' are deemed to approximate fair value.

Refer to Note 12A and 13 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

The Commissioner does not recognise any financial assets or financial liabilities at fair value.

I) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Commissioner.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefit on-costs include superannuation contributions and payroll tax in respect of outstanding liabilities for salaries and wages, long service leave, recreation leave, skills and experience retention leave and pre-retirement leave.

The Commissioner makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

The Commissioner has entered into operating leases. Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received/receivable to enter into operating leases are recognised as a liability.

The aggregate benefits of lease incentives received/receivable by the Commissioner in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

Where the annual leave liability and the skills and experience retention leave liability are expected to be payable within twelve months, the liability has been measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The current portion of long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience, leave bookings and expected terminations.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Pre-retirement leave

The Commissioner is not entitled to long service leave, but is entitled to six months pre-retirement leave or payment in lieu in the same manner as a judge of the Supreme Court of South Australia.

m) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Note 3 New and Revised Accounting Standards and Policies

The Commissioner did not voluntarily change any accounting policies during 2014-15.

Except for AASB 2015-7 which the Commissioner has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Commissioner for the period ending 30 June 2015. The Commissioner has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Commissioner.



INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 4 Revenues from SA Government

	2015	2014
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the Appropriation Act	10,547	8,189
Total revenues from SA Government	10,547	8,189

Total revenues from Government consists of operational and capital funding. For details on the expenditure associated with the operational funding received refer to Notes 6 to 9.

Note 5 Recoveries and other income

	2015	2014
	\$'000	\$'000
Sundry recoveries	3	19
Total recoveries and other income	3	19

Recoveries consist of recoveries from SA Government agencies for accommodation costs for 30 June 2014 and employee reimbursements for 30 June 2015.

Note 6 Employee Benefits Expenses

	2015	2014
	\$'000	\$'000
Salaries and wages	3,898	2,892
Employee on-costs - superannuation	407	276
Long service leave	43	272
Employee on-costs - other	230	174
Annual leave	360	72
Skills and experience retention leave	2	3
Total employee benefits expenses	4,940	3,689

References to employee(s) in these financial statements include the Commissioner, who is a statutory appointment.

There were no employees who received Targeted Voluntary Separation Packages (TVSPs) during the reporting period.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

	2015	2014
	No.	No.
Remuneration of employees		
The number of employees whose remuneration received or receivable falls within the following bands:		
\$141 500 to \$151 499	1	1
\$161 500 to \$171 499	2	-
\$171 500 to \$181 499	1	-
\$261 500 to \$271 499	-	1
\$321 500 to \$331 499	1	-
\$381 500 to \$391 499	-	1
\$501 500 to \$511 499	1	-
Total number of employees	6	3

The table includes all employees (including the Commissioner) who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total actual remuneration received by these employees for the reporting period was \$1.482 million (\$0.791 million).

Note 7 Supplies and Services

	2015	2014
	\$'000	\$'000
Accommodation	886	668
Information and communications technology	426	405
Outsourced services	272	147
Employment related payments	83	65
Repairs, maintenance and minor purchases	27	77
Office expenses	38	75
Contract staff	239	72
Promotions and publications	97	45
Motor vehicle expenses	61	41
Telephone related expenses	37	31
Legal fees	175	26
Employee training	33	26
Website development	5	20
Shared Services SA charges	36	19
Tax and taxable payments	56	19
Internal audit fee	34	-
Consultancies	14	15
Minor works	-	2
Other	207	69
Total supplies and services	2,726	1,822

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

The number and dollar amount of consultancies paid/payable (included in supplies & services expense) that fell within the following bands:

	No.	2015 \$'000	No.	2014 \$'000
Below \$10,000	-	-	2	15
Above \$10,000	1	14	-	-
Total paid/payable to consultants	1	14	2	15

Note 8 Depreciation and amortisation

	2015 \$'000	2014 \$'000
Depreciation		
Plant and equipment	44	29
Information technology assets	224	3
Amortisation		
Leasehold improvements	304	212
Total depreciation and amortisation	572	244

Note 9 Auditor's Remuneration

	2015 \$'000	2014 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	41	29
Total audit fees	41	29

Other Services

No other services were provided by the Auditor-General's Department.

Note 10 Cash and Cash Equivalents

	2015 \$'000	2014 \$'000
Deposits with the Treasurer	5,008	4,316
Total cash and cash equivalents	5,008	4,316

Deposits with the Treasurer and Interest rate risk

Deposits with the Treasurer are non-interest bearing. The carrying amount of cash and cash equivalents represents fair value.

Note 11 Receivables

	2015 \$'000	2014 \$'000
Receivables	434	-
GST receivable	22	45
Prepayments	29	44
Total receivables	485	89

a) Maturity analysis of receivables - Refer to table in Note 21 (b)

b) Categorisation of financial instruments and risk exposure information - Refer to Note 21 (a)

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 12A Property, Plant and Equipment

	2015	2014
	\$'000	\$'000
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	3,953	2,547
Accumulated amortisation at the end of the period	(517)	(212)
Total leasehold improvements	3,436	2,335
Plant and equipment		
Plant and equipment at cost (deemed fair value)	435	369
Accumulated depreciation at the end of the period	(108)	(30)
Total plant and equipment	327	339
Information Technology assets		
Information Technology assets at cost (deemed fair value)	1,524	87
Accumulated depreciation at the end of the period	(227)	(3)
Total information technology assets	1,297	84
Capital work in progress		
Capital work in progress at cost	89	1,121
Total capital work in progress	89	1,121
Total property, plant and equipment	5,149	3,879

Valuation note

Carrying amount of plant and equipment

All items of plant and equipment had a 'fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years', and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Adjustment to comparative information

A transfer of \$987,500 from Capital Work in Progress to Information Technology assets was made in 2013-14. This transfer should not have occurred until the relevant assets became fully operational in October 2014. As a result, an adjustment has been made to property, plant and equipment and depreciation expense in order to reflect depreciation from the date of operation. This has resulted in a \$13,488 adjustment to 2013-14 depreciation expense/accumulated depreciation and a reclassification of \$987,500 from Information Technology assets to Capital Work in Progress in the Note 12A and Note 12B comparatives.

Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2015.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 12B Property, plant and equipment movement schedule

	Leasehold Improvements	Plant and equipment
	\$'000	\$'000
Carrying amount 1 July 2014	2,335	339
Additions	1,405	32
Depreciation and amortisation	(304)	(44)
Transfers between asset classes	-	-
Carrying amount 30 June 2015	3,436	327

	Information Technology assets	Capital Work in Progress	Total Property, Plant and Equipment
	\$'000	\$'000	\$'000
Carrying amount 1 July 2014	84	1,121	3,879
Additions	329	76	1,842
Depreciation and amortisation	(224)	-	(572)
Transfers between asset classes	1,108	(1,108)	-
Carrying amount 30 June 2015	1,297	89	5,149

	Leasehold Improvements	Plant and Equipment
	\$'000	\$'000
Carrying amount 1 September 2013	-	-
Additions	2,435	357
Depreciation and amortisation	(212)	(29)
Donated assets	-	11
Transfers between asset classes	112	-
Carrying amount 30 June 2014	2,335	339

	Information Technology assets	Capital Work in Progress	Total Property, Plant and Equipment
	\$'000	\$'000	\$'000
Carrying amount 1 September 2013	-	-	-
Additions	87	1,121	4,000
Depreciation and amortisation	(3)	-	(244)
Donated assets	-	112	123
Transfers between asset classes	-	(112)	-
Carrying amount 30 June 2014	84	1,121	3,879

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 13 Fair value measurement

Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Commissioner categorises non-financial assets measured at fair value into a hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

Fair value measurement at 30 June 2015

	Level 3	2015
	\$'000	\$'000
Recurring fair value measurements		
Leasehold improvements (note 12A)	3,436	3,436
Information Technology assets (note 12A)	1,297	1,297
Plant and Equipment (note 12A)	327	327
Total recurring fair value measurements	5,060	5,060

Fair value measurement at 30 June 2014

	Level 3	2014
	\$'000	\$'000
Recurring fair value measurements		
Leasehold improvements (note 12A)	2,335	2,335
Information Technology assets (note 12A)	84	84
Plant and Equipment (note 12A)	339	339
Total recurring fair value measurements	2,758	2,758

Valuation techniques and inputs

All non-financial assets have been determined to be level 3. Valuation techniques used to derive level 3 fair values are at note 2(k). The fair values were determined using the depreciated replacement cost approach. Key assumptions were assessing the remaining useful life and the purpose of the assets.

Reconciliation of fair value measurements - Level 3

All movements in the fair value of non-financial assets are as disclosed in Note 12B. There have been no transfers into or out of fair value hierarchy levels during the reporting period.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 14 Payables

	2015	2014
	\$'000	\$'000
Current		
Creditors	240	499
Accruals	36	29
Employee on-costs	66	59
Total current payables	342	587
Non-Current		
Employee on-costs	20	21
Total non-current payables	20	21
Total payables	362	608

The Department of Treasury and Finance has performed an actuarial assessment of long service leave as at 30 June 2015. The percentage of the proportion of long service leave taken as leave has decreased from the 30 June 2014 percentage rate of 40% to 37% for 30 June 2015 and the average factor for the calculation of employer superannuation on-cost is 10.3% (10.3% 2014). These rates are used in the employment on-cost calculation. The net financial effect of the changes in these rates in the current financial year is immaterial.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

- a) Maturity analysis of payables - Refer to the table in Note 21 (b)
- b) Categorisation of financial instruments and risk exposure information - Refer to Note 21 (a)

Note 15 Employee benefits

	2015	2014
	\$'000	\$'000
Current		
Recreation leave	213	192
Accrued salaries and wages	34	20
Long service leave	284	258
Skills and experience retention leave	7	6
Total current employee benefits	538	476
Non-Current		
Long service leave	222	229
Total non-current employee benefits	222	229
Total employee benefits	760	705

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

The amounts for long service leave include pre-retirement leave (see note 2(l)) and also include amounts accrued for investigators seconded under a Memorandum of Administrative Arrangement between SA Police and the Commissioner. The Commissioner is required to reimburse SA Police an amount equivalent to long service leave when seconded investigators cease employment with the Commissioner. The amount accrued is therefore equivalent to the long service leave provision amount.

AASB 119 contains the calculation methodology for the long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability for the measurement of long service leave. AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2014 (3.5%) to 2015 (3%).

This decrease in the bond yield, which is used as the rate to discount future LSL cash flows, results in an increase in the reported LSL liability. The net financial effect of the changes in actuarial assumptions in the current financial year is immaterial.

The actuarial assessment performed by the Department of Treasury and Finance assumed a salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability.

Note 16 Other liabilities

	2015	2014
	\$'000	\$'000
Current		
Lease Incentive	116	72
Total current other liabilities	116	72
Non-Current		
Lease Incentive	814	580
Total non-current other liabilities	814	580
Total other liabilities	930	652

Note 17 Unrecognised contractual commitments

Remuneration commitments

Commitments for the payment of salaries and other remuneration under fixed-term executive contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2015	2014
	\$'000	\$'000
Within one year	1,450	1,113
Later than one year but not longer than five years	3,911	3,949
Later than five years	139	895
Total remuneration commitments	5,500	5,957

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Operating lease commitments

Commitments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2015	2014
	\$'000	\$'000
Within one year	735	503
Later than one year but not longer than five years	3,224	2,209
Later than five years	2,750	2,560
Total operating leases commitments	6,709	5,272

The accommodation and office equipment leases are non-cancellable leases with rental payable monthly in advance.

Contingent rental provisions within the accommodation lease agreements provide for the minimum lease payments to be increased on specified rent review dates. Options exist to renew the accommodation leases at the end of the term of the lease.

	2015	2014
	\$'000	\$'000
Other Commitments		
Motor Vehicles ⁽¹⁾	59	104
Other ⁽²⁾	9	30
Total	68	134
Within one year	53	75
Later than one year but not longer than five years	15	59
Total other commitments	68	134

(1) Agreements for the provision of motor vehicles to executive officers or sections (i.e. pool vehicles) are leased from SAFA through their agent LeasePlan Australia. There are no purchase options available to the Commissioner.

(2) Other commitments relate to purchase orders placed for goods and services before 30 June 2015.

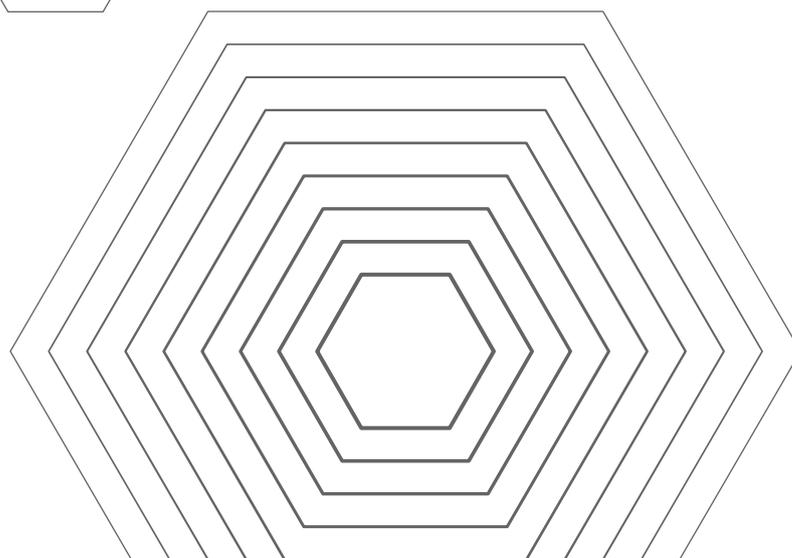
Note 18 Contingent assets and contingent liabilities

In the ordinary course of operations, the Commissioner may become involved in legal disputes. These legal disputes may give rise to court costs being awarded in favour or against the Commissioner. As at 30 June 2015, it is not possible to reliably estimate the total court costs that may be receivable or payable in respect of current legal disputes.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 19 Cash flow reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	5,008	4,316
Balance as per the Statement of Cash Flows	5,008	4,316
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by (used in) operating activities	2,635	7,405
Less Revenues from SA Government	(10,547)	(8,189)
Add/(less) non cash items		
Depreciation and amortisation expense	(572)	(244)
Property, plant and equipment assets in payables	(100)	187
Donated property, plant and equipment assets	-	123
Lease incentive amortisation	116	72
Movement in assets and liabilities		
Increase / (decrease) in receivables	1	89
(Increase) / decrease in payables	246	(608)
(Increase) / decrease in employee benefits	(55)	(705)
Net cost of providing services	<u>(8,276)</u>	<u>(1,870)</u>



INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 20 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty / transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. All transactions have been included.

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	Income						
23	Donated assets	-	3,895	-	-	-	3,895
5	Recoveries and other income	-	-	3	19	3	19
4	Revenues from SA Government	10,547	8,189	-	-	10,547	8,189
	Total income	10,547	12,084	3	19	10,550	12,103
	Expenses						
6	Employee benefits expenses	230	174	4710	3,515	4,940	3,689
7	Accommodation	864	641	22	27	886	668
7	Information and communications technology	186	97	240	308	426	405
7	Outsourced services	18	50	254	97	272	147
7	Employment related payments	-	12	83	53	83	65
7	Repairs, maintenance and minor purchases	-	-	27	77	27	77
7	Office expenses	-	-	38	75	38	75
7	Contract staff	-	-	239	72	239	72
7	Promotions and publications	-	-	97	45	97	45
7	Motor vehicle expenses	60	-	1	41	61	41
7	Telephone related expenses	28	7	9	24	37	31
7	Legal fees	61	-	114	26	175	26
7	Employee training	-	-	33	26	33	26
7	Website development	-	20	5	-	5	20
7	Shared Services SA charges	36	19	-	-	36	19
7	Tax and taxable payments	56	-	-	19	56	19
7	Internal audit fees	-	-	34	-	34	-
7	Consultancies	-	-	14	15	14	15
7	Minor works	-	-	-	2	-	2

INDEPENDENT COMMISSIONER AGAINST CORRUPTION
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 20 Transactions with SA Government (continued)

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
7	Other	89	22	118	47	207	69
8	Depreciation and amortisation	-	-	572	244	572	244
9	Auditor's remuneration	41	29	-	-	41	29
	Total expenses	1,669	1,071	6,610	4,713	8,279	5,784
	Financial Assets						
10	Cash and cash equivalent	5,008	4,316	-	-	5,008	4,316
	Receivables						
11	Receivables	434	-	-	-	434	-
11	GST receivable	-	-	22	45	22	45
11	Prepayments	-	-	29	44	29	44
	Total financial assets	5,442	4,316	51	89	5,493	4,405
	Financial Liabilities						
	Payables						
	Current						
14	Creditors	102	161	138	338	240	499
14	Accruals	36	29	-	-	36	29
14	Employee on costs	27	24	39	35	66	59
	Non-Current						
14	Employee on costs	11	12	9	9	20	21
	Total financial liabilities	176	226	186	382	362	608

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 21 Financial Instruments/Financial Risk Management

Risk management is managed by the Commissioner's corporate services section and the Commissioner's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Commissioner is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

(a) Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 "Summary of Significant Accounting Policies".

Category of financial assets and financial liabilities	Statement of Financial Position line item	Note	Carrying Amount 2015 \$'000	Fair Value 2015 \$'000	Carrying Amount 2014 \$'000	Fair Value 2014 \$'000
Financial assets						
Cash and cash equivalents	Cash and cash equivalents	10	5008	5008	4,316	4,316
Receivables	Receivables ^{(1) (2)}	11	434	434	-	-
Financial liabilities						
Financial liabilities - at cost	Payables ⁽¹⁾	14	240	240	499	499

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; audit fees payable to the Auditor-General's Department etc). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 11 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Fair Value

The Commissioner does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short term nature of these. Refer to Notes 2, 11 and 14.

Credit Risk

The Commissioner has no significant concentration of credit risk. The Commissioner has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Currently the Commissioner does not hold any collateral as security for any of its financial assets. There is no evidence to indicate that financial assets are impaired.

(b) Maturity analysis of financial assets and liabilities

All financial assets and financial liabilities are due to mature within 12 months.

Liquidity Risk

Liquidity risk arises from the possibility that the Commissioner is unable to meet financial obligations as they fall due. The Commissioner is funded principally from appropriations by the SA Government. The Commissioner works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cashflows.

The continued existence of the Commissioner in the present form, and with the present programs, is dependent on State Government policy and on continuing appropriations by Parliament for the Commissioner's administration and programs. The Commissioner aims to settle undisputed accounts within 30 days from the date the invoice is first received.

The Commissioner's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Market Risk

The Commissioner currently holds no interest bearing financial instruments and is not exposed to interest rate risk.

Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Commissioner as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 22 Events After the Reporting Period

There are no known events after balance date that affect these financial statements.

Note 23 Donated assets

Donated assets are recorded as revenue in the Statement of Comprehensive Income for the period ended 30 June 2014. The donated assets comprised cash (\$3.772 million) and property, plant and equipment (\$0.123 million) transferred from the Attorney General's Department administered items upon establishment of the agency on 1 September 2013.

There were no donated assets for for the period ended 30 June 2015.



NOTES

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