



Independent Commissioner Against Corruption and Office for Public Integrity **2018-19 Annual Report**

Independent Commissioner Against Corruption
and Office for Public Integrity
Level 1, 55 Currie Street, Adelaide, South Australia 5000
GPO Box 11066, Adelaide, South Australia 5000
<https://icac.sa.gov.au>

Contact phone number: (08) 8463 5173
Contact email: admin@opi.sa.gov.au
ISSN: 2203-952X (print)
2205-6599 (online)

To:

The Honourable Vincent Tarzia MP
Speaker of the House of Assembly

The Honourable Andrew McLachlan CSC MLC
President of the Legislative Council

This annual report will be presented to Parliament to meet the statutory reporting requirements of section 45 of the *Independent Commissioner Against Corruption Act 2012* (SA).

Included is my report on the number and general nature of sanctions imposed under the *Police Complaints and Discipline Act 2016* (SA), as required by section 31 of that Act.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

A handwritten signature in black ink, appearing to read "Bruce Lander". The signature is written in a cursive style with a large initial 'B'.

The Honourable Bruce Lander QC
Independent Commissioner Against Corruption

27 September 2019

To:

The Honourable Vickie Chapman MP
Deputy Premier
Attorney-General

This annual report will be presented to Parliament to meet the statutory reporting requirements of section 12(1) of the *Public Sector Act 2009 (SA)* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

A handwritten signature in black ink, appearing to read 'Bruce Lander', with a stylized flourish at the end.

The Honourable Bruce Lander QC
Independent Commissioner Against Corruption

27 September 2019

From the Commissioner



This year's annual report is different to previous annual reports I have prepared on the operations of my office and the Office for Public Integrity.

Beyond fulfilling my statutory annual reporting requirements, I have used the Independent Commissioner Against Corruption (ICAC) and Office for Public Integrity (OPI) Annual Report as a vehicle to express my views about conduct and practices in public administration. I have also used it as an opportunity to educate people about our operations in a broader sense than simply referring to our statutory functions. The annual report has been the primary vehicle by which I have communicated with Parliament, public officers and the public about my operations and issues of importance.

As my office and the OPI have matured we are communicating much more broadly via avenues such as published reports, quarterly newsletters, social media, speeches, face to face and online training and extensive website content. We have reached the stage where the annual report is no longer our primary method of communication.

Accordingly, this year's annual report has been reduced to detail the corporate and operational information that is required by the *Independent Commissioner Against Corruption Act 2012* (ICAC Act) and the *Police Complaints and Discipline Act 2016* (PCD Act). I have adopted, where relevant, the annual report template as prescribed by Premier and Cabinet Circular 13 'Annual reporting requirements'.

I still intend to publish a separate Commissioner's Report in respect of my views about conduct and practices in public administration. However, instead of doing so only once per year in an annual report I intend to publish such a report on a six monthly basis. My office will continue to publish operational statistics on a monthly basis on the ICAC website.

This annual report shows that there has been an increase in the number of complaints and reports about public administration made to the OPI this year. More

than 60% of the 1,229 complaints and reports received relate to conduct and practices in State Government. Almost 40% of complaints and reports concerned inappropriate conduct, workplace bullying, harassment, and failure to comply with policy or procedure. The OPI also received or registered 2,309 complaints and reports about South Australia Police (SA Police).

This year I commenced 36 new corruption investigations and referred a further 76 matters to SA Police for investigation. I have referred nine matters to the Office of the Director of Public Prosecutions (ODPP) for the DPP to consider prosecuting. The ODPP has determined to commence a prosecution in respect of one of those matters and determined not to prosecute another. The remaining seven matters are awaiting a determination from the ODPP.

My education program has continued to be embraced by stakeholders. This year we have facilitated the delivery of 83 education events including seminars, workshops and presentations to more than 3,000 people. We have welcomed over 63,000 visitors to our website, where they have accessed course materials, brochures, posters, public statements and investigation and research reports.

This year I concluded an evaluation of the practices, policies and procedures of SafeWork SA and the Deputy Commissioner commenced an evaluation of the City of Playford.

I would like to thank Deputy Commissioner Riches and the whole of the management team for their leadership and all of my staff and the staff of the OPI for their continued dedication and hard work.

A handwritten signature in black ink, appearing to read 'Bruce Lander'.

The Honourable Bruce Lander QC
Independent Commissioner Against Corruption

Contents

Contents	6
Overview: about ICAC / OPI	7
Strategic focus	7
Organisational structure	10
ICAC / OPI management team	10
Legislation administered by ICAC / OPI.....	12
Other related agencies.....	12
ICAC / OPI performance	13
Performance at a glance	13
ICAC / OPI contribution to whole of Government objectives	13
ICAC / OPI specific objectives and performance	13
Corporate performance summary	14
Employment opportunity programs	16
ICAC / OPI performance management and development systems.....	16
Work health, safety and return to work programs	17
Executive employment in the agency.....	19
Financial performance	20
Financial performance at a glance	20
Consultants disclosure	21
Legal services disclosure	22
Contractors disclosure	24
Risk management	25
Risk and audit at a glance.....	25
Fraud detected in the agency.....	25
Strategies implemented to control and prevent fraud.....	25
Whistleblowers disclosure.....	26
Reporting required under any other act or regulation	27
Public complaints	54
Number of public complaints made.....	54
Appendix: Audited financial statements 2018-19	55

Overview: about ICAC / OPI

Strategic focus

The Independent Commissioner Against Corruption (ICAC) and the Office for Public Integrity (OPI) are established by the ICAC Act. The *Independent Commissioner Against Corruption Act 2012* (ICAC Act) defines the objectives and functions of both offices with further functions given to the OPI under the *Police Complaints and Discipline Act 2016* (PCD Act). These legislative functions form the basis of the ICAC and OPI Strategic Plan 2017-20 available on the ICAC website:

https://icac.sa.gov.au/system/files/ICAC_OPI_Strategic_Plan_2017-2020.pdf

Purpose

To preserve and promote integrity in public administration through proactive prevention and educational initiatives, the investigation of corruption in public administration, and the investigation or referral of misconduct or maladministration in public administration.

Vision

Good governance, accountability, integrity and ethical decision making throughout public administration for the benefit of all South Australians.

Values

The ICAC / OPI values are:

Independence

- Our conduct and decisions will be made according to law and will be free of influence by any persons.

Impartiality

- We will be fair and unbiased in all of our dealings. Our decisions will be evidence based and made without fear or favour.

Accountability

- We will be responsible for our conduct and decisions.

Integrity

- We will conduct ourselves with complete integrity.

Respect

- Our office will encounter people from diverse circumstances and everyone will be treated respectfully, fairly and courteously.

Excellence

- We will embrace excellence, team work and professionalism, with a focus on efficiency and effectiveness of service provided both internally and externally.

Functions and objectives

ICAC functions

Section 7(1) and (3) of the ICAC Act sets out the functions of the Commissioner's office:

- (1) There is to be an Independent Commissioner Against Corruption with the following functions:
 - (a) to identify corruption in public administration and to –
 - (i) investigate and refer it for prosecution; or
 - (ii) refer it to a law enforcement agency 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 refer complaints and reports to inquiry agencies, public authorities and public officers and to give directions or guidance to public authorities in dealing with misconduct and maladministration in public administration, as the Commissioner considers appropriate;
 - (ca) to identify serious or systemic misconduct or maladministration in public administration;
 - (cb) to exercise the powers of an inquiry agency in dealing with serious or systemic maladministration in public administration if satisfied that it is in the public interest to do so;
 - (cc) to exercise the powers of an inquiry agency in dealing with serious or systemic misconduct in public administration if the Commissioner is satisfied that the matter must be dealt with in connection with a matter the subject of an investigation of a kind referred to in paragraph (a)(i) or a matter being dealt with in accordance with paragraph (cb);
 - (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 this or any other Act.
- (3) The Attorney-General may request the Commissioner to review a legislative scheme related to public administration and to make recommendations to the Attorney-General for the amendment or repeal of the scheme.

OPI functions

Section 17 of the ICAC Act sets out the functions of the OPI:

There is to be an Office for Public Integrity with the following functions:

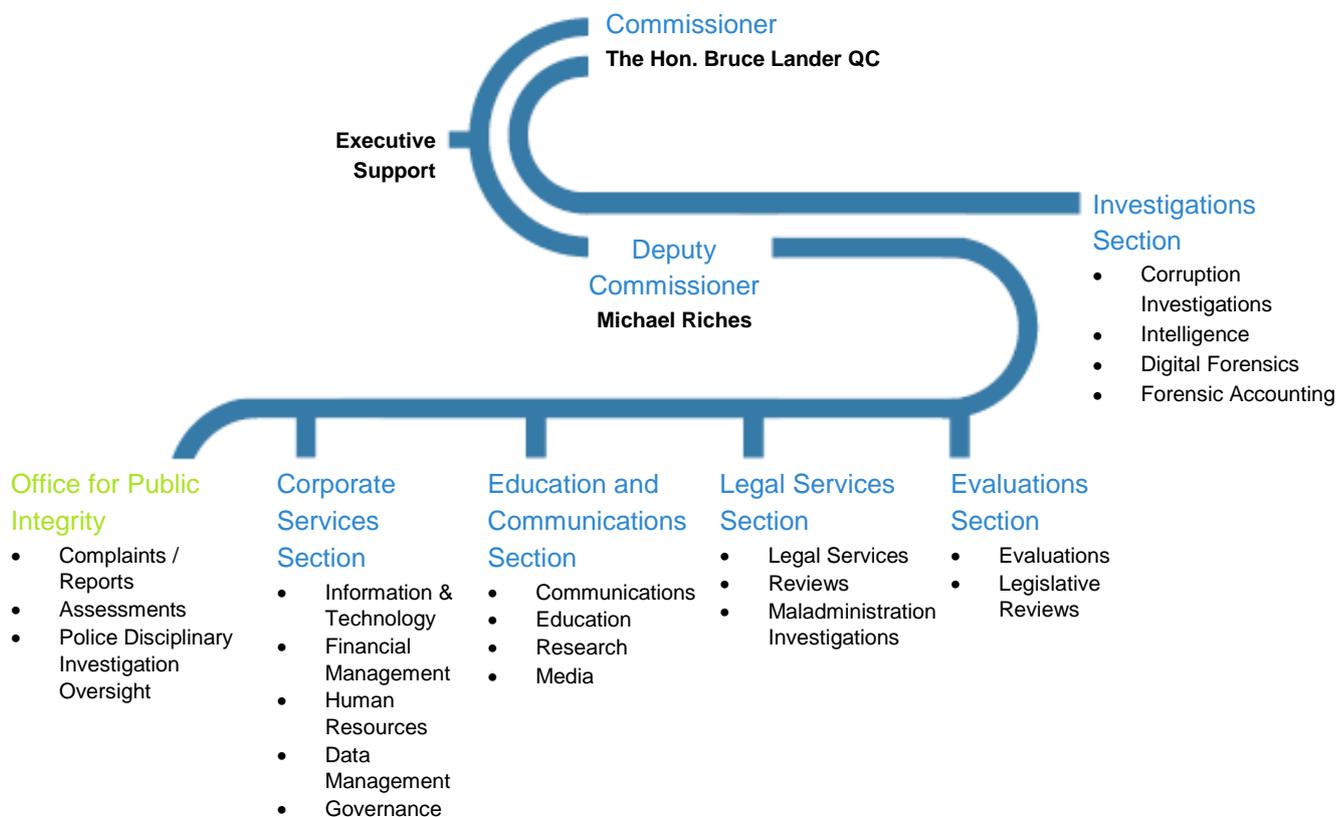
- (a) to receive and assess complaints about public administration from members of the public;
- (b) to receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies, public authorities and public officers;
- (c) to refer complaints and reports to inquiry agencies, public authorities and public officers in circumstances approved by the Commissioner or make recommendations to the Commissioner in relation to complaints and reports;
- (d) to give directions or guidance to public authorities in circumstances approved by the Commissioner;
- (e) to perform any other functions assigned to the Office by the Commissioner or another Act.

The OPI also has functions prescribed by section 8 of the PCD Act:

The functions of the OPI under that Act are –

- (a) to oversee the assessment and investigation of complaints and reports relating to designated officers; and
- (b) to oversee the operation and enforcement of this Act; and
- (c) to refer certain complaints and reports to the ICAC in accordance with this Act and the *Independent Commissioner Against Corruption Act 2012*; and
- (d) such other functions as assigned to the OPI under this Act.

Organisational structure



ICAC / OPI management team

Deputy Independent Commissioner Against Corruption

Michael Riches

The Deputy Commissioner is appointed in accordance with section 9 of the ICAC Act and is responsible for assisting the ICAC as directed by the ICAC.

Director Investigations

Andrew Baker

The Director Investigations oversees the Investigations Section and provides critical advice and recommendations to the ICAC. The Director Investigations sets the direction and priorities of investigations with other law enforcement agencies to ensure the quality and integrity of investigation outcomes.

Director Office for Public Integrity

Fraser Stroud

The Director OPI leads and directs the strategic direction and operational performance of the OPI to ensure the effective and efficient discharge of legislative functions. The Director is responsible for exercising discretion and giving directions to SA Police in respect of SA Police disciplinary investigations and acts as an escalation point for complex or highly sensitive complaints, reports or assessments about public administration.

Director Corporate Services

Vicki Tomlinson

The Director Corporate Services leads the corporate service operations of the ICAC and OPI including governance, financial management, human resources, information and technology and data management.

Director Education and Communications

Tracy Riddiford

The Director Education and Communications heads the Education and Communications Section in the development and delivery of education and communication programs and functions, including prevention driven research.

Director Legal Services

Rod Jensen

The Director Legal Services leads and manages the Legal Services Section in the provision of legal advice relating to the statutory functions of the ICAC and the OPI. The Director Legal Services manages and undertakes investigations involving the ICAC's exercise of powers of an inquiry agency, and exercises functions delegated by the ICAC under the ICAC Act.

Manager Evaluations

Chloe Fischer

The Manager Evaluations manages the evaluations of practices, policies and procedures of inquiries and agency or public authorities. The Manager Evaluations plays a critical role in ensuring the efficient and appropriate discharge of an evaluation in accordance with the ICAC Act and is responsible for conducting or overseeing the conduct of all evaluation related activities.

Legislation administered by ICAC / OPI

ICAC administers the following legislation:

Independent Commissioner Against Corruption Act 2012

ICAC and the OPI have additional functions under the PCD Act.

A significant body of work was undertaken in the 2018-19 financial year in preparation for the commencement of the *Public Interest Disclosure Act 2018* on 1 July 2019.

Other related agencies

Judicial Conduct Commissioner

Staff from ICAC and OPI support the Commissioner in his capacity as Judicial Conduct Commissioner appointed under the *Judicial Conduct Commissioner Act 2015* (JCC Act).

ICAC / OPI performance

Performance at a glance

The ICAC Act defines the objectives and functions of both the ICAC and the OPI. The OPI has additional functions under the PCD Act.

ICAC / OPI contribution to whole of Government objectives

Not applicable.

ICAC / OPI specific objectives and performance

See Reporting required under any other act or regulation.

Corporate performance summary

During the reporting period the organisation's workforce has grown both in number of persons and positions.

Full-time equivalent employee (FTE) numbers increased when casual positions were transitioned into fixed term contract positions.

Additional positions created during the reporting period fulfil the following roles and functions: Investigators; Manager Evaluations and Evaluation Officer; Intelligence Analysts; Assessment Officers; Operations Support Officers (for both the OPI and Investigations functions); and an Administration Officer.

The introduction of flexible working arrangements resulted in increased part-time positions.

Total number of employees (as at June 30)¹	Current year 2018-19	Past year 2017-18	Change (+ / -)
Persons ²	75	63	+12
FTEs	70.1	54.5	+15.6

¹ The ICAC and the Deputy Commissioner have been included in the above tally but they are not employees of the ICAC.

² Persons figures include casual employees whereas FTE figures do not.

Recruitment and separations

Recruitment continued to be a significant activity throughout the reporting period.

Number of persons	Current year 2018-19	Past year 2017-18	Change (+ / -)
Recruited to the agency	28	26	+2
Separated from the agency	15	18	-3

Turnover

Employee turnover has reduced during the reporting period compared to previous periods. Although employee turnover may be considered high, the ICAC continues to attract talented employees who are determined on career progression. Two new employees who commenced in this reporting period have previously been employed by the ICAC and have returned.

Employee turnover	Current year 2018-19	Past year 2017-18
Persons ¹	21.7%	30.5%
FTEs	25.0%	30.4%

¹ Persons figures include casual employees whereas FTEs figures do not.

Leave management

Sick leave has decreased compared with the previous reporting periods.

Leave type (average days per FTE)	Current year 2018-19	Past year 2017-18
Sick leave per FTE	4.7	6.9
Family leave per FTE	1.4	1.1
Special leave with pay per FTE	0.5	0.8

Employment opportunity programs

The ICAC is an equal opportunity employer and people from diverse backgrounds are encouraged to apply for advertised employment vacancies.

The ICAC is committed to gender, cultural and linguistic diversity, and encourages applicants from all backgrounds. The ICAC's recruitment policy ensures the recruitment panel is as diverse as possible to ensure unbiased consideration of applicants.

Each applicant for a vacant position is invited to describe any special arrangements the ICAC can provide to accommodate a person with a disability. The information is used to ensure a person with a disability can be accommodated throughout the recruitment, placement, on-boarding and ongoing employment.

An integral part of the ICAC's onboarding process is for a qualified occupational therapist to undertake an assessment of the work required compared with an employee's stated abilities or any disability to ensure every possible adjustment, equipment or flexibility is provided.

ICAC / OPI performance management and development systems

Performance management and development system	Performance
Performance and Potential Review	90% of fully inducted employees completed a performance and potential review in November 2018. ¹
Annual Performance and Potential Review discussion	94% of fully inducted employees completed a performance and potential review in May 2019. ²
Mentoring program	18 employees (26% of full time equivalent employees) participated in the ICAC's mentoring program during 2018-19 as either a mentor or a mentee.
Learning and Development Committee	0.62% of total salary expenditure was committed to providing training and development programs through the Learning and Development Committee during 2018-19.

¹ A small number of employees elected not to participate in the Performance and Potential Review as they were either casual employees or separating employees. One employee was on long service leave. The ICAC and Deputy Commissioner do not participate in the Performance and Potential Review program.

² A small number of casual employees elected not to participate in performance discussions. Two employees were on extended leave and were not available to participate. The ICAC and Deputy Commissioner do not participate in the Performance and Potential Review program.

Work health, safety and return to work programs

Program name	Performance
Work health and safety / return to work programs	There has been no requirement for a work health and safety and / or return to work program during 2018-19 to address significant agency risks.
Employee Assistance Program	The Employee Assistance Program continued to provide support to employees and their immediate families with informal and strictly confidential short-term counselling services.
Mental health	The Health and Wellbeing Committee and the Learning and Development Committee are committed to providing sessions intended to increase awareness of mental health in the workplace with the provision of resilience training and mindfulness training during 2018-19.

Workplace injury claims	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total new workplace injury claims	0 ¹	0 ²	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0

* number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the *Return to Work Act 2014* (Part 2 Division 5).

¹ There have been two work health and safety incidents requiring corrective action and one resulting in injury that required medical treatment during 2018-19. Total gross workers compensation expenditure for the period was \$128.00 which was for medical treatment.

² There was one work health and safety incident resulting in injury required medical treatment during 2017-18. Total gross workers compensation expenditure for the period was \$112.48 which was for medical treatment.

Work health and safety regulations	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 sections 90, 191 and 195</i>)	0	0	0
Return to work costs**	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$128.00	\$112.48	+13.8%
Income support payments – gross (\$)	0	0	0

** before third party recovery

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/independent-commissioner-against-corruption-and-office-for-public-integrity>

Executive employment in the agency

Executive classification	Number of executives as at 30 June 2019	Number of executives based on actual remuneration
CONAGD ¹	2	2
SAES1	3	3
INV4	1	1
INV3	3	3
LEC5	2	1
MAS3	1	1
ASO8	0	1
Total	12	12

¹ While the ICAC and the Deputy Commissioner have been included in the above tally, they are not employees of the ICAC.

Executive classification is based on a total value of salary package in excess of \$151,000 per annum.

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/independent-commissioner-against-corruption-and-office-for-public-integrity>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2018-19 are attached to this report.

Statement of Comprehensive Income	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Expenses	14,502	13,698	804	12,818
Revenues	0	115	115	69
Net cost of providing services	14,502	13,583	919	12,749
Net Revenue from SA Government	13,676	13,676	0	13,908
Net result	(826)	93	733	1,159
Total Comprehensive Result	(826)	93	733	1,159

Statement of Financial Position	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Current assets	5,180	6,346	(1,166)	5,762
Non-current assets	5,011	4,185	826	5,355
Total assets	10,191	10,531	(340)	11,117
Current liabilities	2,979	1,955	1,024	2,900
Non-current liabilities	1,281	1,695	(414)	1,429
Total liabilities	4,260	3,650	610	4,329
Net assets	5,931	6,881	(950)	6,788
Equity	5,931	6,881	(950)	6,788

Consultants disclosure

The following is a summary of external consultants engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultants with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
Bernard O’Neil	Information management report	\$450.00
ISDefence Pty Ltd	Protective security maturity assessment	\$920.00
Mercer Consulting (Australia) Pty Ltd	Work value assessment and classification	\$1,200.00
NEC IT Services Australia Pty Ltd	Information technology upgrade	\$7,502.28
System Solutions Engineering Pty Ltd	Security compliance audit report	\$909.09
The A & G Materne Family Trust and C & C Pennino Family Trust	Architectural design	\$2,050.00
The A & G Materne Family Trust and C & C Pennino Family Trust	Architectural design	\$3,350.00
Wendy Fewsdale	Records disposal schedule	\$5,850.00
Wendy Fewsdale	General disposal schedule 21 compliance review	\$2,800.00
	Total	\$25,031.37

Consultants with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Ernst & Young	Accounting standards	\$12,105.36
ISDefence Pty Ltd	System risk management planning	\$13,260.00
Mercer Consulting (Australia) Pty Ltd	Investigator remuneration review	\$12,500.00
The Trustee for The Weir Family Trust (Flight Safety Pty Ltd)	Maladministration investigation	\$12,800.00
	Total	\$50,665.36

Legal services disclosure

The following is a summary of legal services engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Legal services with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
Adam Kimber SC, Barrister	Corruption investigation	\$4,440.00
Craig Stevens	Competency framework	\$2,380.00
Craig Stevens	Human resource management	\$1,479.00
Craig Stevens	Public Interest Disclosure policy	\$6,732.00
Crown Solicitor's Office	ICAC Act disclosure	\$2,704.80
Crown Solicitor's Office	Surveillance information	\$2,677.20
Crown Solicitor's Office	Procurement contract	\$690.00
Crown Solicitor's Office	Human resource management	\$2,401.20
	Total	\$23,504.20

Legal services with a contract value above \$10,000 each

Legal services	Purpose	\$ Actual payment
Crown Solicitor's Office	Public Interest Disclosure	\$10,432.80
Holly Stanley, Barrister	Evaluation SafeWork SA	\$16,236.33
Mark Livesey QC, Barrister	Corruption investigation	\$21,375.00
Mark Livesey QC, Barrister	Corruption investigation	\$13,725.00
Robert Whittington QC, Barrister	Corruption investigation	\$17,160.00
	Total	\$78,929.13

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/independent-commissioner-against-corruption-and-office-for-public-integrity>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000 each

Contractors	Purpose	\$ Actual payment
David Reimers	Information technology support	\$9,405.00
Dunn Transcripts Pty Ltd	Corruption investigation	\$7,104.00
Hudson Global Resources (Aust) Pty Ltd	Temporary Finance Officer	\$7,412.93
Randstad Pty Ltd	Maladministration investigation	\$510.60
Randstad Pty Ltd	Temporary Administration Officer	\$8,009.89
	Total	\$32,442.42

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Shane Wilkinson (Docs in the Box)	Sentencing, boxing and listing	\$11,025.00
	Total	\$11,025.00

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/independent-commissioner-against-corruption-and-office-for-public-integrity>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Risk management

Risk and audit at a glance

A protective security self-assessment was carried out during the reporting period which resulted in a number of commitments to improve internal controls. As a result the ICAC has committed resources to undertake a protective security maturity assessment project in the 2019-20 financial year. The result of the project will be a roadmap to comply with the new Protective Security Policy Framework (Commonwealth) and Information Security Management Framework (South Australia) over the next two years.

The ICAC engaged Ernst & Young to carry out an internal governance audit in the reporting period. The scope of the audit included:

- Review of previous action items.
- Review of work health safety, injury management, and workplace conduct policies and the embedding of policies in business practice.
- A review of the ICAC's schedule of human resource authorisations and delegations with a focus on timesheets, leave applications and approvals, and probation reports.

Fraud detected in the agency

Number of instances and nature of fraud detected in the agency: 0

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/independent-commissioner-against-corruption-and-office-for-public-integrity>

Strategies implemented to control and prevent fraud

The ICAC's Unacceptable Conduct Control Policy is reviewed annually and provides the framework to minimise opportunities for unacceptable conduct and to maximise the potential for such conduct to be detected.

The Unacceptable Conduct Control Policy captures conduct that extends beyond 'fraud and corruption' to any conduct that involves corruption, misconduct or maladministration in public administration.

The ICAC has undertaken an unacceptable conduct risk assessment as part of its unacceptable conduct control plan. The risk assessment includes risks related to financial management and details controls that are in place to mitigate those risks. Controls include annual internal audit, contract management plans and centralised management of procurement.

Whistleblowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*: 0

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/independent-commissioner-against-corruption-and-office-for-public-integrity>

Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(i) Report the number and general nature of complaints and reports received by the Office.

The OPI is the public face of the ICAC's operations and is the starting point for all complaints and reports made under the ICAC Act. Complaints are received from members of the public and reports are made in accordance with reporting obligations imposed on public officers.

The OPI received and responded to 1,157 general enquiries and 306 contacts in relation to matters outside the ICAC's jurisdiction.

In 2018-19 the OPI received 1,229 new complaints and reports under the ICAC Act.

Eighty three matters received were subsequently 'split' into matters to be dealt with under both the ICAC Act and the PCD Act. These matters have been counted in complaint and report figures under each Act.

Complaints and reports are received in a variety of ways:

Method of receipt of complaints and reports received under the ICAC Act	Current year 2018-19	%
Website	755	61.4
Telephone call	233	18.9
Email	109	8.9
Letter	67	5.5
In person	37	3.0
Electronic transfer ¹	28	2.3
Total	1,229	100

¹ Reports from the Ombudsman

Complaints and reports received under the ICAC Act	Current year 2018-19	Past year 2017-18	Change (+ / -)
Complaints	487 (40%)	415 (37%)	+72
Reports	742 (60%)	706 (63%)	+36
Total	1,229	1,121	+108

Of the 1,229 complaints and reports received under the ICAC Act, 45 were identified as duplicates (five complaints and 40 reports) having been raised on more than one occasion. The OPI ordinarily cross references duplicate complaints or reports and deals with them as a single matter.

There was a 9.6% increase in the total number of new complaints and reports received under the ICAC Act during the reporting period.

Subject of complaints and reports received under the ICAC Act	Complaints 2018-19	Reports 2018-19	Total 2018-19
Ombudsman	2 (0.4%)	0 (0%)	2 (0.2%)
Local Government	105 (21.6%)	136 (18.3%)	241 (19.6%)
Member of Parliament	16 (3.3%)	14 (1.9%)	30 (2.4%)
Statutory Authority	126 (25.9%)	86 (11.6%)	212 (17.2%)
State Government	237 (48.7%)	504 (67.9%)	741 (60.3%)
Private / unknown	1 (0.2%)	2 (0.3%)	3 (0.2%)
Total	487	742	1,229 (99.9%)

General nature of complaints and reports received under the ICAC Act	Complaints 2018-19	Reports 2018-19	Total 2018-19
Alleged offence while not acting in capacity as public officer	1 (0.2%)	6 (0.8%)	7 (0.6%)
Conduct (other than criminal conduct) of a public officer while not acting in capacity as a public officer	1 (0.2%)	4 (0.5%)	5 (0.4%)
Conflict of interest - tender assessment / procurement / contract / vote / decision making	37 (7.6%)	56 (7.5%)	93 (7.6%)
Could not be ascertained	3 (0.6%)	1 (0.1%)	4 (0.3%)
Deception associated with employment / appointment to public office / coercion	5 (1.0%)	21 (2.8%)	26 (2.1%)
Excessive force	4 (0.8%)	21 (2.8%)	25 (2.0%)
Failure to exercise power / make decision / carry out a function or inadequate exercise of power / inappropriate exercise of power / function	145 (29.8%)	62 (8.4%)	207 (16.8%)
Improper use of confidential information	26 (5.3%)	84 (11.3%)	110 (9.0%)
Inappropriate conduct / workplace bullying / harassment / failure to comply with policy / procedure	178 (36.6%)	305 (41.1%)	483 (39.3%)
Mismanagement in relation to the performance of official duties	56 (11.5%)	62 (8.4%)	118 (9.6%)
Misuse of public money / theft from the workplace	20 (4.1%)	66 (8.9%)	86 (7.0%)
Other criminal conduct while acting in capacity	11 (2.3%)	54 (7.3%)	65 (5.3%)
Total	487 (100%)	742 (100%)	1,229 (100%)

Recontacts

Where a person recontacts the OPI because he or she is dissatisfied with the decision made in relation to his or her complaint or report that recontact is ordinarily reviewed by the OPI and referred to the ICAC for determination as to whether there is any basis to reconsider the matter.

This year the OPI received 198 recontacts in relation to 161 matters. Fifty three recontacts related to complaints or reports received under the PCD Act and the remaining 108 matters relating to complaints or reports received under the ICAC Act.

As at 30 June 2019, 147 recontacts had been formally reviewed. The remaining 51 recontacts were closed without further consideration. As a result of the formal review seven matters were reopened and reassessed and four new matters were created.

A decision was made to take no further action in relation to all remaining recontacts.

Assessments

The OPI assessed 1,177 complaints and reports under the ICAC Act (1,125 received in the 2018-19 financial year and 52 received in a previous year) comprising 1,661 separate issues. This included 477 (40.5%) complaints and 700 (59.5%) reports.

As of 30 June 2019, 47 matters (18 complaints and 29 reports) received this financial year were still awaiting assessment. An additional 12 matters assessed by the OPI during the reporting period (one complaint and 11 reports) were awaiting a determination by the ICAC or the ICAC's delegate as to the action to be taken.

One of the OPI's key performance indicators is the registration and acknowledgement of complaints and reports within an average of two working days.

This financial year, complaints and reports were registered on average in less than one working day.

The length of time taken to assess a matter depends on a range of factors including:

- The number and complexity of the issues raised
- The volume and clarity of the information provided
- Whether further information was required from the complainant, reporter or an external agency and, if so, the time taken to receive that information
- Workload and staffing factors.

The OPI strives to assess all complaints and reports in an average of 25 days. This financial year complaints and reports were assessed on average in 14.1 working days.

The OPI decided the action to be taken on a complaint or report on 476 occasions (40.4% of all assessment decisions). All other complaints and reports were assessed by the OPI and referred to the ICAC or his delegate for determination.

Where the OPI made a recommendation to the ICAC or his delegate, 91% of these recommendations were accepted which is consistent with the previous two years.

Own initiative

In addition to the matters mentioned previously, ten matters were commenced on the ICAC's own initiative. Six of those matters progressed to a corruption investigation, one was referred to a public authority as raising some other issue, two were referred to a public authority as raising a potential issue of maladministration and no further action was taken in respect of one matter.

No further action

The ICAC or the OPI may determine to take no further action when a matter is assessed as:

- Trivial, vexatious or frivolous
- Having been dealt with by an inquiry agency or public authority and where there is no good reason to re-examine the matter
- There being other good reason for taking no further action.

In 2018-19, 688 complaints or reports received under the ICAC Act and one own initiative were determined as requiring no further action.

No further action	Current year 2018-19	Past year 2017-18
Reports	288 (41.8%)	244 (42.1%)
Complaints	400 (58.1%)	335 (57.9%)
Own initiative	1 (<0.1%)	-
Total¹	689	579

¹ This includes 18 matters which were initially assessed as raising a potential issue of misconduct or maladministration and were reassessed as requiring no further action following comments from the public authority or inquiry agency about the proposed referral.

Act or Regulation	Requirement
<i>Police Complaints and Discipline Act 2016</i>	Section 31(1) Report on the number and general nature of sanctions imposed under section 26 in relation to breaches of discipline in the preceding financial year.

The PCD Act allows for the making of a complaint or report about a designated officer in SA Police to either SA Police or the OPI.

Where a complaint or report about police has been made directly to the OPI the matter will be reviewed to determine whether the issues raised ought to be referred to the ICAC. All other complaints and reports are referred to the SA Police Internal Investigation Section (IIS). Complaints or reports made directly to SA Police are also referred to the IIS.

IIS assess all complaints and reports and will notify the OPI of any matter assessed as raising a potential issue of corruption. The OPI reviews assessments undertaken by the IIS and is empowered to substitute its own assessment. The IIS is obliged to deal with the complaint or report in accordance with a substituted assessment.

Action taken on a complaint or report about police can include management resolution, formal investigation or no further action may be taken.

Where a formal investigation is conducted by the IIS or at the direction of the IIS, the OPI will maintain oversight of that investigation and can give directions as to the conduct of that investigation.

Where an officer has been found to have breached the relevant Code of Conduct, sanctions can be imposed by the Commissioner of Police. Neither the ICAC nor the OPI has any role in making findings in relation to a breach of discipline nor the sanctions imposed.

Complaints and reports

Complaints and reports received under the PCD Act are defined differently from those received under the ICAC Act. The PCD Act defines reports as being made by designated officers (i.e. police officers, police cadets and special constables) and complaints are made by anyone other than a designated officer.

Between 1 July 2018 and 30 June 2019 the OPI received or registered 2,309 complaints and reports under the PCD Act: 1,665 matters received directly by the OPI and 644 matters received by the IIS. Nine of those matters were later marked as duplicates. Eighty six percent of complaints made under the PCD Act were received directly by the OPI while 97% of reports made under the PCD Act were received by SA Police.

Complaints and reports received under the PCD Act	Received by IIS 2018-19	Received by OPI 2018-19	Total
Complaints	279	1,655	1,934
Reports	359	10	369
Protective Security Officers ¹	6	-	6
Total	644	1,665	2,309

¹ Under the PCD Act the OPI has oversight of matters relating to Protective Security Officers.

In the reporting period the OPI received police complaints and police reports in the following ways:

Method of receipt of complaints or reports under the PCD Act	Current year 2018-19	%
Website	535	23.2
Telephone call	804	34.8
Email	134	5.8
Letter	153	6.6
In person	39	1.7
Received by Internal Investigation Section	644	27.9
Total	2,309	100

General nature of complaints and reports received under the PCD Act	Complaints 2018-19	Reports 2018-19	Total 2018-19
Alleged offence while not acting in capacity as public officer	17 (0.9%)	42 (11.4%)	59 (2.6%)
Conduct (other than criminal conduct) of a public officer while not acting in capacity as a public officer	8 (0.4%)	15 (4.1%)	23 (1.0%)
Conflict of interest - tender assessment / procurement / contract / vote / decision making	18 (0.9%)	10 (2.7%)	28 (1.2%)
Could not be ascertained	13 (0.7%)	- (0.0%)	13 (0.6%)
Deception associated with employment / appointment to public office / coercion	6 (0.3%)	6 (1.6%)	12 (0.5%)
Excessive force	104 (5.4%)	14 (3.8%)	118 (5.1%)
Failure to exercise power / make decision / carry out a function or inadequate exercise of power / inappropriate exercise of power / function	809 (41.8%)	67 (18.2%)	876 (38.0%)
Improper use of confidential information	61 (3.2%)	21 (5.7%)	82 (3.6%)
Inappropriate conduct / workplace bullying / harassment / failure to comply with policy / procedure	789 (40.8%)	156 (42.3%)	945 (41.0%)
Mismanagement in relation to the performance of official duties	74 (3.8%)	18 (4.9%)	92 (4.0%)
Misuse of public money / theft from the workplace	6 (0.3%)	5 (1.4%)	11 (0.5%)
Other criminal conduct while acting in capacity	29 (1.5%)	15 (4.1%)	44 (1.9%)
Total	1,934 (100%)	369 (100%)	2,303¹ (100%)

¹ Figures do not include six matters relating to Protective Security Officers.

Assessment reviews

The OPI reviewed 2,305 complaints and reports assessed by the IIS pursuant to section 14 of the PCD Act. This includes a number of matters carried over from the previous financial year.

Complaints and reports reviewed under the PCD Act	Current year 2018-19	%
Police complaints	1,935	83.9
Police reports	370	16.1
Total	2,305	100

The OPI consulted with the IIS in respect of 112 complaints and reports and substituted the assessment on 39 occasions.

The OPI referred 37 police complaints and police reports to the ICAC for consideration.

Oversight of conduct investigation

The OPI oversaw 224 conduct investigations commenced by SA Police between 1 July 2018 and 30 June 2019.

Section 27 of the PCD Act allows the OPI to direct the Commissioner of Police, the IIS or a police officer assisting in an IIS investigation as the OPI sees fit. During the reporting period the OPI issued one direction under section 27 of the PCD Act.

Sanctions imposed under the PCD Act

Section 31 of the PCD Act provides that the ICAC must, before 30 September in each year, prepare a report on the number and general nature of sanctions imposed under section 26 of the PCD Act for breaches of discipline in the preceding financial year.

The requirement to prepare the report on sanctions does not extend to requiring the ICAC to provide an opinion as to the appropriateness of any sanction or consistency across sanctions.

The following table of sanctions has been provided by SA Police. The table is in two sections and indicates under which regulations the sanctions were imposed. Sanctions that may be imposed by the Commissioner of Police are found in those regulations that were in force at the time the breach of the code of conduct occurred. The Police Regulations 1999 were in force between 5 August 1999 and 31 August 2014. The Police Regulations 2014 were in force between 1 September 2014 and 3 September 2017. The Police Regulations 2017 commenced 4 September 2017.

Officers may be sanctioned for breaches occurring under different regulations. It can take time for alleged breaches to be appropriately resolved and a sanction(s) applied.

1 July 2018 to 30 June 2019:

Officer No.	Breach of the Code of Conduct Police Regulations, 1999	Outcome
1	Criminal – Abuse of Public Office	Reduction in Rank / Transfer / Fine
2	Reg 20 Confidentiality of Information – Improper Release / Access	Fine

Officer No.	Breach of the Code of Conduct Police Regulations, 2014	Outcome
2	Reg 15 Performance of Orders / Duties – Disobey Orders Reg 21 Confidentiality of Information – Improper Release / Access	Fine
3	Criminal – Traffic	Fine / Recorded Reprimand
4	Criminal – Traffic	Fine / Recorded Reprimand
5	Reg 14 Conduct Prejudicial – Reflects Adversely	Fine
6	Criminal – Traffic	Fine / Recorded Reprimand
7	Reg 15 Performance of Orders / Duties – Disobey Orders Reg 21 Confidentiality of Information – Improper Release / Access	Fine / Recorded Reprimand
9	Reg 14 Conduct Prejudicial – Reflects Adversely	Reduction in Rank / Transfer
11	Reg 15 Performance of Orders / Duties – Disobey Orders	Recorded Reprimand

Officer No.	Breach of the Code of Conduct Police Complaints and Discipline Regulations, 2017	Outcome
8	Clause 6 Proper Exercise of Authority – Excessive Force	Fine
10	Clause 4 Performance of Orders / Duties – Failure to carry out a lawful order Clause 5 Negligence – Neglect of Duty	Fine / Recorded Reprimand / Training and Education

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(ii) Report the number and general nature of matters investigated by the Commissioner.

A primary object of the ICAC Act is to identify and investigate corruption in public administration.

The ICAC Act defines corruption in public administration to include a range of criminal offences committed by a public officer in his or her capacity as a public officer. A matter assessed as raising a potential issue of corruption in public administration can be investigated by the ICAC, referred to SA Police or another law enforcement agency, or investigated jointly with another law enforcement agency or public authority.

Corruption investigations are by definition criminal investigations. The purpose of such an investigation is to collect evidence and where appropriate, to refer the evidence to the ODPP to consider whether a prosecution should be commenced. It is a matter for the ODPP whether or not a person will be charged with a corruption offence and it is matter for a court to determine whether a person has committed a corruption offence.

During 2018-19 the ICAC commenced 36 new corruption investigations. Six of those investigations were commenced as a result of a complaint or report received in the previous financial year. Five investigations were conducted as joint investigations with another agency.

General nature of investigations commenced during the financial year

General nature	Current year 2018-19	%
Abuse of power for personal or financial gain	12	33.3
Bribery	2	5.6
Abuse of power re contract / tender / procurement	3	8.3
Assault	1	2.8
Theft / misappropriation / fraud / deception	14	38.9
Miscellaneous	4	11.1
Total	36	100

There were 25 investigations commenced in a previous year which were continued during 2018-19.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(iii) Report the number of warrants issued by the Commissioner and by judges of the Supreme Court.

The ICAC Act and other state and federal legislation invests the ICAC, examiners and investigators with a range of statutory powers that can be utilised to carry out corruption investigations. ICAC investigators who are police officers undertaking a secondment to the ICAC carry with them police powers, including the power of arrest and, where applicable, general search warrants.

The numbers of warrants issued by the ICAC and by Judges of the Supreme Court are:

Investigative powers	Current year 2018-19	Past year 2017-18	Change (+ / -)
Search warrants issued by the ICAC	0	0	0
Search warrants issued by a Judge of the Supreme Court	27	7	+20
General search warrant (ICAC investigators who are on secondment from SA Police)	0	0	0
Total warrants	27	7	+20

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(iv) Report the number of examinations conducted.

The number of examinations conducted during the 2018-19 financial year is:

Examinations	Current year 2018-19	Past year 2017-18	Change (+ / -)
Examinations	12	11	+1

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(v) Report the extent to which investigations have resulted in prosecutions or disciplinary action.

Upon a review of evidence collected during the course of an investigation the ICAC will determine whether to refer a matter to the ODPP for consideration of charges. Where the ICAC considers there is insufficient evidence to refer the matter to the ODPP, the ICAC will either close the file or, where there may be evidence of misconduct or maladministration, the ICAC will consider whether to refer the matter to an inquiry agency (i.e. the Ombudsman) or a public authority. In some circumstances of potentially serious or systemic misconduct or maladministration, the ICAC may consider whether to investigate the matter himself.

While corruption investigations are often complex and can be protracted, every effort is made to meet performance benchmarks. One of those benchmarks is the completion of 70% of all corruption investigations within 12 months of allocation through to the file closure. File closure is considered as the time that the ICAC agrees with and accepts the investigator's final recommendation. That benchmark was met this year: 30 of the 38 corruption investigations (78.9%) closed during 2018-19 were completed within 12 months of allocation.

During 2018-19 nine investigations were referred to the ODPP. The ODPP determined to commence a prosecution in respect of one of those matters. As at 30 June 2019 seven of those matters were awaiting a determination by the ODPP. The ODPP made a decision not to prosecute one matter and a further three matters which had been referred in the previous reporting period.

During 2018-19 two persons were charged with corruption offences while five matters before the courts were finalised. Five matters were referred to a public authority to consider disciplinary action.

During 2018-19 three persons previously the subject of an ICAC investigation and subsequent prosecution were sentenced by the courts.

Name	Sentencing date	Sentence
Alan Corkill	7 December 2018	Sentenced to imprisonment for 12 months and 18 days with a non-parole period of seven months. Term of imprisonment suspended upon entering into a bond in the sum of \$500 to be of good behaviour for a period of 24 months.

Kim Graham	17 May 2019	Sentenced to imprisonment for nine months. Term of imprisonment suspended upon entering into a bond in the sum of \$500 to be of good behaviour for a period of 24 months.
Colin Weetra	17 May 2019	Sentenced to 10 months and 12 days imprisonment.

More information is available on the ICAC website – <https://icac.sa.gov.au/prosecution-outcomes>

At the completion of every investigation a comprehensive internal debrief is conducted to identify opportunities to improve investigation processes. A key benchmark is to conduct investigation debriefs within 20 days of completion of the investigation. During 2018-19, 86.8% of investigation debriefs met this benchmark.

Corruption investigations often uncover weaknesses in an agency’s practices, policies and procedures. Where there is an opportunity to provide feedback and recommendations to the agency, the agency head is provided relevant information and on occasion, a face to face debrief with the ICAC and his investigators.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(vi) Report the number and general nature of matters referred for investigation to the Commissioner of Police or other law enforcement agency.

During the 2018-19 financial year five complaints, 65 reports and one own initiative were referred to SA Police for investigation. A further five matters (one complaint and four reports) received under the PCD Act were assessed as raising a potential issue of corruption and referred to SA Police for investigation.

The general nature of matters referred to SA Police for investigation for the 2018-19 financial year are:

General nature	Current year 2018-19	%
Abuse of power for personal or financial gain / Bribery	13	17.1
Assault	31	40.8
Theft / misappropriation / fraud / deception	15	19.7
Improper use or disclosure of information	4	5.3
Dishonest dealings with documents	10	13.2
Miscellaneous	3	3.9
Total	76	100

The ICAC has been advised by SA Police that during 2018-19, 16 prosecutions and 15 disciplinary investigations commenced following referral.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(vii) Report the number and general nature of occasions on which public statements have been made by the Commissioner.

The ICAC typically does not comment on operational matters. However, if the ICAC feels it is in the public interest to do so he has the discretion to issue a public statement about a complaint, report, assessment, referral or investigation (section 25 of the ICAC Act). News and announcements regarding non-operational matters are published by way of a media release.

The ICAC issued four public statements this financial year and five media releases. ICAC staff engaged with the media on 139 occasions.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(viii) Report the number and general nature of matters referred to an inquiry agency or public authority.

Where a matter is assessed as raising a potential issue of misconduct or maladministration in public administration the ICAC or the OPI may either:

- Refer the matter to an inquiry agency.
- Refer the matter to a public authority.

Where the ICAC considers that the potential issue of misconduct or maladministration is serious or systemic and certain preconditions set out in the ICAC Act are met, the ICAC may decide to investigate the matter himself.

In 2018-19, 378 complaints and reports were referred to an inquiry agency or public authority about potential issue of misconduct or maladministration in public administration.

Referral of matters to an inquiry agency

The ICAC Act defines an inquiry agency to be the South Australian Ombudsman, or any other person declared by regulation to be an inquiry agency. No persons are currently declared to be an inquiry agency. Neither the ICAC nor the OPI can issue an inquiry agency with directions or guidance in respect of a referral.

The number of referrals to an inquiry agency for 2018-19:

Referral to inquiry agency (Ombudsman)	Current year 2018-19	Past year 2017-18	Change (+ / -)
Complaints	5	11	- 6
Reports	21	39	-18
Own initiative	0	0	0
Total	26	50	-24

The general nature of matters referred to an inquiry agency are:

General nature of matters referred to inquiry agency (Ombudsman)	Current year 2018-19	%
Conflict of interest	2	7.7
Failure to exercise / inadequate exercise or inappropriate exercise of power / mismanagement in relation to performance of official duties	4	15.4
Improper use of information	5	19.2
Misuse of public money	8	30.8
Inappropriate conduct / bullying and harassment / not complying with a policy or procedure	7	26.9
Total	26	100

Referral of matters to a public authority

The number of referrals to public authority for 2018-19:

Referrals to public authority	Current year 2018-19	Past year 2017-18	Change (+ / -)
Complaints	32	27	+5
Police report	1	1	0
Police complaint	1	0	+1
Reports	315	235	+80
Own initiative	3	0	+3
Total	352	263	+89

The general nature of matters referred to public authority for 2018-19:

General nature	Current year 2018-19	%
Conflict of interest	24	6.8
Deception associated with employment / appointment to public office / coercion	10	2.8
Failure to exercise / inadequate exercise or inappropriate exercise of power / mismanagement of performance of official functions	61	17.3
Improper use of information	45	12.8
Inappropriate conduct / bullying and harassment / not complying with a policy or procedure	182	51.7
Misuse of public money	17	4.8
Excessive force	6	1.7
Theft from the workplace	7	2.0
Total	352	100

‘Some other issue’ referrals

On occasion a complaint or report will raise issues that ought to be brought to the attention of an inquiry agency, public authority or public officer even though the complaint or report does not raise a potential issue of corruption, misconduct or maladministration. In such cases the ICAC or the OPI can refer the matter as ‘some other issue’. During 2018-19, 84 matters assessed as raising some other issue were referred to a public authority or public officer (46 complaints, 35 reports and one own initiative, one police complaint and one police report) while a further four matters (three complaints and one report) were referred to the Ombudsman.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(ix) Report the number and general nature of directions or guidance given in referring matters under the ICAC Act.

A matter assessed as raising a potential issue of misconduct or maladministration may be referred to a public authority. The ICAC or the OPI can issue directions or guidance in respect of a referral.

Factors considered by the ICAC or the OPI in deciding whether to issue directions or guidance include:

- Whether the alleged conduct is considered serious or systemic.
- Whether there are questions as to the capability of the public authority to fully and properly conduct an investigation and take appropriate action.
- Whether the alleged conduct involves a public officer in a senior position or the alleged conduct involves a decision with significant consequences for an individual or the community at large.
- Where in all of the circumstances there are other good reasons to issue directions or guidance.

Of the 352 matters referred to a public authority during the financial year, 177 matters were referred to a public authority with directions. Those directions included a requirement that the public authority undertake an inquiry and submit a report to the ICAC within a specific timeframe, outlining the investigation conducted and any action taken as a result of the investigation. The remaining 175 matters were referred without any directions or guidance.

Where a referral to a public authority is accompanied by a direction to provide a report back to the ICAC, the ICAC or his delegate will review the report in order to be satisfied that action was duly and properly taken. As part of the review process additional information or clarification may be sought from a public authority and feedback may be provided to the public authority in an effort to assist the public authority to improve its processes.

If the ICAC is not satisfied that a public authority has duly and properly taken action in respect of a referral, the ICAC Act provides a mechanism for the ICAC to express that dissatisfaction: first with the public authority, then with the Minister responsible for the public authority and finally by way of a report to both Houses of Parliament.

This financial year 165 reports were received from public authorities in respect of the action taken on a referral. Some of these reports related to matters referred to public authorities in previous financial years. The ICAC expressed his dissatisfaction to a public authority in relation to eight referrals. On each occasion the public authority undertook remedial action in relation to the referral.

The ICAC sets a benchmark of an average of ten working days within which to review final reports received from public authorities on action taken on a referral. In 2018-19 the average time taken to review a report was ten working days.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45 (2)(b)(x) Report the number and general nature of the occasions on which the Commissioner exercised the powers of an inquiry agency.

In some circumstances (as prescribed by the ICAC Act), the ICAC can determine to exercise the powers of an inquiry agency to investigate potential issues of serious or systemic misconduct or maladministration.

During the 2018-19 financial year, the ICAC determined to exercise the powers of the South Australian Ombudsman on three occasions:

- The first occasion involved an allegation of maladministration in relation to procurement practices in a public authority.
- The second occasion involved an allegation of maladministration and misconduct in relation to the recruitment practices of a public authority.
- The third occasion involved an allegation of maladministration in relation to the handling of confidential information within a public authority.

In addition, five other investigations into potential issues of serious or systemic misconduct or maladministration were carried over from previous years.

Two misconduct or maladministration investigations were finalised in the 2018-19 financial year.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(xi) Report the number and general nature of requests for examinations of accounts by the Auditor-General.

No requests for examinations of accounts by the Auditor-General were made by the ICAC in 2018-19.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(xii) Report the number and general nature of recommendations made to an inquiry agency or public authority by the Commissioner.

In the course of the ICAC's evaluation of Safework SA 39 recommendations were made. A copy of the report titled 'Evaluation of the Practices, Policies and Procedures of the Regulatory Arm of Safework SA' is available at <https://icac.sa.gov.au/evaluation/safework-sa>.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(xiii) Report the number and general nature of reports made to the Attorney-General, President of the Legislative Council or Speaker of the House of Assembly.

The ICAC did not express dissatisfaction to a Minister responsible for a public authority over the course of the 2018-19 financial year. No reports of dissatisfaction were made to Parliament.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45(2)(b)(xiv) Report a description of the activities carried out in relation to its evaluation and educational functions.

Evaluations function

One of the ICAC's statutory functions is 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 (section 7(d) ICAC Act).

The ICAC may conduct an evaluation by way of a public inquiry (section 7(5) (a) ICAC Act).

On 29 November 2018 the ICAC's report titled 'Evaluation of the Practices, Policies and Procedures of the Regulatory Arm of Safework SA' was tabled in Parliament. A copy of that report is available at <https://icac.sa.gov.au/evaluation/safework-sa>.

On 10 April 2019 the Deputy Commissioner announced an evaluation of the practices, policies and procedures of the City of Playford. The scope of the evaluation available at <https://icac.sa.gov.au/evaluation/city-of-playford>. The evaluation is expected to conclude before the end of the year with a report to Parliament.

Education function

One of the ICAC's statutory functions is to prevent or minimise corruption, misconduct and maladministration in South Australian public administration through education.

Presentations, seminars and workshops

The ICAC's prevention function is served by a combination of education and communication activities and initiatives delivered to public officers and the South Australian community.

Education sessions	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Education sessions delivered	83	66	+25.8
Attendees	3,060	2,592	+18.1

Education resources

The ICAC makes resources available to assist public officers, public authorities and members of the community to understand the importance of public integrity and oversight to proper public administration. Resources are accessible on the ICAC website and printed resources can be obtained from the Education and Communications section. Other resources include videos which are hosted on the ICAC Vimeo channel (accessible from the ICAC website) and an online induction program for public officers, which explains their reporting obligations together with information about integrity issues.

This financial year ICAC video resources were streamed on 58,939 occasions and 2,157 individuals registered for online training. Of the 401 online training participants who responded to a follow up survey, 95% said they would recommend the course.

Communication and engagement

The ICAC and his staff make themselves available to engage with stakeholders as often as possible.

A range of other stakeholder engagement channels are used, most widely being the ICAC website.

Website	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Website visitor	63,871	53,815	+18.7
Webpages accessed	165,207	135,296	+22.1

Section 48 of the ICAC Act prescribes material that must be available on the website. Where that material exists it is available.

To keep stakeholders informed of matters relevant to public integrity the ICAC published two newsletters this year.

Meetings were held with Chief Executives and responsible Ministers of agencies identified in the Public Integrity Survey 2018.

Act or Regulation	Requirement
<i>Independent Commissioner Against Corruption Act 2012</i>	Section 45 (2)(c) Deal with any other matters stipulated by the regulations.

No matters to report.

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/independent-commissioner-against-corruption-and-office-for-public-integrity>

Public complaints

Oversight

Schedule 4 of the ICAC Act provides for the appointment of an independent reviewer who is responsible for an annual review of the exercise of powers, review of matters arising from relevant complaints and other reviews as contemplated by the schedule. The independent reviewer is required to present a report to the Attorney-General on or before 30 September each year setting out findings from an annual review of the exercise of powers.

The Hon. Kevin Duggan AM QC was the independent reviewer until 2 April 2019. The current independent reviewer is the Hon. John Sulan QC.

In order to enable the independent reviewer to carry out his work, full and unfettered access is provided to all corporate systems and hardcopy material.

Any person can make a relevant complaint to the independent reviewer. A 'relevant complaint' is defined in Schedule 4 of the ICAC Act to be:

A complaint made in accordance with any requirements prescribed by the regulations relating to an abuse of power, impropriety or other misconduct on the part of the Commissioner or employees of the Commissioner or of the Office [for Public Integrity].

Additionally, the operations of the ICAC and the OPI, and the ICAC Act, are also subject of review by the Parliamentary Crime and Public Integrity Policy Committee. Other legislation provides for oversight of different aspects of the ICAC's operations by the Commonwealth Ombudsman, the Commonwealth Department of Home Affairs, the South Australian Attorney-General and the Auditor-General.

The ICAC and OPI invests a great deal of time and effort in ensuring it meets its many and varied compliance responsibilities.

Number of public complaints made

The ICAC, Deputy Commissioner and his staff are subject to external oversight by the independent reviewer appointed under the ICAC Act. In 2018-19 all complaints made to the ICAC or the OPI regarding allegations of impropriety by the ICAC, Deputy Commissioner or a staff member have been brought to attention of the independent reviewer. Complaints may also be made directly to the independent reviewer. The number of complaints received will be reported by the independent reviewer.

Appendix: Audited financial statements 2018-19

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

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 financial report of the Independent Commissioner Against Corruption for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Independent Commissioner Against Corruption as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Independent Commissioner Against Corruption, the Deputy Independent Commissioner Against Corruption and the Director Corporate Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Independent Commissioner Against Corruption. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

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

Responsibilities of the Chief Executive 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 issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

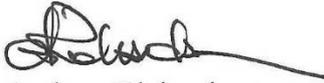
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Independent Commissioner Against Corruption's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Independent Commissioner Against Corruption about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

19 September 2019

Independent Commissioner Against Corruption
Certification of the Financial Statements
for the year ended 30 June 2019

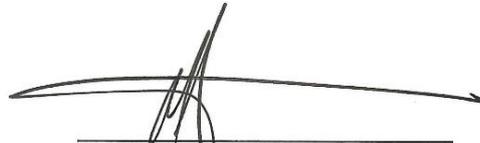
We certify that the attached general purpose financial statements for the Independent Commissioner Against Corruption:

- 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
- present a true and fair view of the financial position of the Independent Commissioner Against Corruption as at 30 June 2019 and the results of its operations 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
16 September 2019



Michael Riches
Deputy Independent Commissioner Against Corruption
16 September 2019



Vicki Tomlinson
Director Corporate Services
16 September 2019

Independent Commissioner Against Corruption
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Employee benefits	2.2	8 588	7 695
Supplies and services	3.1	3 695	3 828
Depreciation and amortisation	3.2	1 379	1 260
Auditor's remuneration	3.3	36	35
Total expenses		13 698	12 818
Income			
Services received free of charge	4.1	64	63
Recoveries and other income	4.2	51	6
Total income		115	69
Net cost of providing services		13 583	12 749
Revenue			
Revenues from SA Government		13 676	13 908
Total net revenues from SA Government		13 676	13 908
Net result		93	1 159
Total comprehensive result		93	1 159

The net result and total comprehensive result are attributable to the SA Government as owner.

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

Independent Commissioner Against Corruption
Statement of Financial Position
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	6.1	6 120	5 493
Receivables	6.2	226	269
Total current assets		6 346	5 762
Non-current assets			
Property, plant and equipment	5.1	3 757	4 751
Intangible assets	5.2	428	604
Total non-current assets		4 185	5 355
Total assets		10 531	11 117
Current liabilities			
Payables	7.1	532	1 751
Employee benefits	2.3	1 235	1 014
Other liabilities	7.2	188	135
Total current liabilities		1 955	2 900
Non-current liabilities			
Payables	7.1	95	74
Employee benefits	2.3	1 037	814
Other liabilities	7.2	563	541
Total non-current liabilities		1 695	1 429
Total liabilities		3 650	4 329
Net assets		6 881	6 788
Equity			
Retained earnings		6 881	6 788
Total equity		6 881	6 788

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

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

Independent Commissioner Against Corruption
Statement of Changes in Equity
for the year ended 30 June 2019

	Note	Retained earnings	Total equity
		\$'000	\$'000
Balance at 30 June 2017		5 629	5 629
Net result for 2017-18		1 159	1 159
Total comprehensive result for 2017-18		1 159	1 159
Balance at 30 June 2018		6 788	6 788
Net result for 2018-19		93	93
Total comprehensive result for 2018-19		93	93
Balance at 30 June 2019		6 881	6 881

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

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

Independent Commissioner Against Corruption
Statement of Cash Flows
for the year ended 30 June 2019

		2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash outflows			
Employee benefits payments		(8 103)	(7 285)
Supplies and services		(5 026)	(3 787)
Cash used in operations		(13 129)	(11 072)
Cash inflows			
Recoveries		6	6
Cash generated from operations		6	6
Cash flows from SA Government			
Receipts from SA Government		13 676	13 908
Cash generated from SA Government		13 676	13 908
Net cash provided by / (used in) operating activities	8.1	553	2 842
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(153)	(503)
Cash used in investing activities		(153)	(503)
Cash inflows			
Lease incentive received		227	-
Cash generated from investing activities		227	-
Net cash provided by / (used in) investing activities		74	(503)
Net increase / (decrease) in cash and cash equivalents		627	2 339
Cash and cash equivalents at the beginning of the reporting period		5 493	3 154
Cash and cash equivalents at the end of the reporting period	6.1	6 120	5 493

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

Independent Commissioner Against Corruption

Notes to and forming part of the financial statements

for the year ended 30 June 2019

1 About the Independent Commissioner Against Corruption

The Independent Commissioner Against Corruption (the Commissioner) must, before 30 September in each year, prepare a report on the operations of the office of the Independent Commissioner Against Corruption (ICAC) and the Office for Public Integrity (OPI) as required by section 45 of the *Independent Commissioner Against Corruption Act 2012* (ICAC Act). The report encompasses the operations of the ICAC and the OPI.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

For the 2018-19 financial statements the Commissioner adopted AASB 9 – Financial Instruments and is required to comply with new Treasurer's Instructions (Accounting Policy Statements) issued on 22 March 2019. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), 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.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle 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 12 months and more than 12 months, the Commissioner has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

1.2. Objectives and programs

The ICAC Act established the ICAC and the OPI.

The primary objective of the Commissioner is to:

- (a) identify and investigate corruption in public administration; and
- (b) prevent or minimise corruption, misconduct and maladministration in public administration through referral of potential issues, education and evaluation of practices, policies and procedures.

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 a law enforcement agency for investigation and prosecution;
- (b) to assist inquiry agencies and public authorities to identify and deal with misconduct and maladministration in public administration;

Independent Commissioner Against Corruption

Notes to and forming part of the financial statements

for the year ended 30 June 2019

1 About the Independent Commissioner Against Corruption (continued)

- (c) to refer complaints and reports to inquiry agencies, public authorities and public officers and to give directions or guidance to public authorities in dealing with misconduct and maladministration in public administration, as the Commissioner considers appropriate;
 - (ca) to identify serious or systemic misconduct or maladministration in public administration;
 - (cb) to exercise the powers of an inquiry agency in dealing with serious or systemic maladministration in public administration if satisfied that it is in the public interest to do so;
 - (cc) to exercise the powers of an inquiry agency in dealing with serious or systemic misconduct in public administration if the Commissioner is satisfied that the matter must be dealt with in connection with a matter the subject of an investigation of a kind referred to in paragraph (a)(i) or a matter being dealt with in accordance with paragraph (cb);
- (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 or any other 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 refer complaints and reports to inquiry agencies, public authorities and public officers in circumstances approved by the Commissioner or make recommendations to the Commissioner in relation to complaints and reports;
 - (ca) to give directions or guidance to public authorities in circumstances approved by the Commissioner;
- (d) to perform other functions assigned to the Office by the Commissioner.

The OPI has additional functions under the *Police Complaints and Discipline Act 2016 (PCD Act)*:

- (a) to oversee the assessment and investigation of complaints and reports relating to designated officers;
- (b) to oversee the operation and enforcement of the PCD Act;
- (c) to refer certain complaints and reports to the ICAC in accordance with the PCD Act and the ICAC Act ; and
- (d) such other functions assigned to the OPI under the PCD Act.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- Net appropriation funding received from the Department of Treasury and Finance of \$13.7 million.
- 100% of lease payments relate to accommodation supplied by DPTI and cars supplied by Fleet SA.
- Services received free of charge from Shared Services SA of \$64 000. Refer note 4.1.

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the ICAC include the Commissioner, the Deputy Independent Commissioner Against Corruption (Deputy Commissioner) and seven members of the management team who have responsibility to support the Commissioner to lead the strategic direction and management of the Commissioner’s office and the OPI, including employees who acted in those positions from time to time during the period.

Compensation

	2019	2018
	\$'000	\$'000
Salaries and other short term employee benefits	1 842	1 654
Post-employment benefits	173	155
Total compensation	2 015	1 809

Transactions with key management personnel and other related parties

Compensation for key management personnel is disclosed above. There are no other transactions or balances to disclose with key management personnel or related parties.

The Commissioner is independent and accountable to the SA Parliament.

Related parties of the Commissioner include all key management personnel and their close family members.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.2. Employee benefits expenses

	2019	2018
	\$'000	\$'000
Salaries and wages	6 522	6 000
Employment on-costs - superannuation	704	634
Annual leave	582	535
Employment on-costs - other	408	367
Long service leave	368	151
Skills and experience retention leave	4	8
Total employee benefits expenses	8 588	7 695

References to employee(s) in these financial statements include the Commissioner and Deputy Commissioner, who are statutory appointments.

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the Commissioner's contributions to superannuation plans in respect of current services of current employees.

Executive remuneration

	2019	2018
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$149 000 to \$151 000	N/A	1
\$151 001 to \$171 000	6	3
\$171 001 to \$191 000	2	3
\$191 001 to \$211 000	1	1
\$211 001 to \$231 000	1	-
\$311 001 to \$331 000	1	1
\$491 001 to \$511 000	-	1
\$511 001 to \$531 000	1	-
Total number of employees	12	10

The \$149 000 to \$151 000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2017-18.

The table includes all employees (including the Commissioner and Deputy Commissioner) who received remuneration equal to or greater than the base executive remuneration level during the year. 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 \$2.6 million (2018: \$2.2 million).

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.3. Employee benefits liability

	2019	2018
	\$'000	\$'000
Current		
Annual leave	596	532
Long service leave	466	305
Accrued salaries and wages	156	154
Skills and experience retention leave	17	23
Total current employee benefits	1 235	1 014
Non-current		
Long service leave	1 037	814
Total non-current employee benefits	1 037	814
Total employee benefits	2 272	1 828

Employee benefits accrue 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 the reporting date.

The annual leave liability and the skills and experience retention leave liability are expected to be payable within twelve months, and is 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. Details about the measurement of long service leave liability is provided at note 11.1.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

3. Expense

Employee benefits expenses are disclosed in note 2.2.

3.1. Supplies and services

	2019	2018
	\$'000	\$'000
Information and communications technology	1 186	966
Operating lease minimum payments	918	765
Accommodation	419	401
Outsourced services	328	342
Legal fees	102	578
Repairs, maintenance and minor purchases	84	80
Consultants	76	73
Shared Services SA charges	67	66
Employee related payments	64	69
Motor vehicle expenses	54	56
Promotions and publications	54	50
Telephone related expenses	52	53
Contract staff	43	41
Employee training	40	41
Office expenses	37	37
Tax and taxable payments	15	40
Website development	9	15
Internal audit fee	-	28
Other	147	127
Total supplies and services	3 695	3 828

Operating lease payments

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

Consultants

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

	2019	2019	2018	2018
	Number	\$'000	Number	\$'000
Below \$10 000	9	25	7	25
\$10 000 or above	4	51	2	48
Total	13	76	9	73

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

3.2. Depreciation and amortisation

	2019	2018
	\$'000	\$'000
Depreciation		
Plant and equipment	67	61
Information technology assets	557	505
Total depreciation	624	566
Amortisation		
Leasehold improvements	579	531
Intangible assets	176	163
Total amortisation	755	694
Total depreciation and amortisation	1 379	1 260

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.

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

Review of accounting estimates

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. During the year, there was no change to accounting estimates.

Useful life

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

Class of asset	Useful life (years)
Leasehold improvements	Life of lease
Plant and equipment	5-10
Information Technology	3-10
Intangible assets	3-5

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

3.3. Auditor's remuneration

	2019	2018
	\$'000	\$'000
Audit fees *	36	35
Total audit fees	36	35

* Audit fees paid/ payable to the Auditor- General's Department relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

4. Income

4.1. Services received free of charge

	2019	2018
	\$'000	\$'000
Services received free of charge	64	63
Total services received free of charge	64	63

4.2. Recoveries and other income

	2019	2018
	\$'000	\$'000
Sundry recoveries	51	6
Total recoveries and other income	51	6

Recoveries consist of recoveries from SA Government agencies and employee reimbursements.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

5. Non-financial assets

5.1. Property, plant and equipment

	2019	2018
	\$'000	\$'000
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	5 406	5 346
Accumulated amortisation	(2 484)	(1 904)
Total leasehold improvements	2 922	3 442
Plant and equipment		
Plant and equipment at cost (deemed fair value)	654	597
Accumulated depreciation	(330)	(262)
Total plant and equipment	324	335
Information Technology assets		
Information Technology assets at cost (deemed fair value)	2 630	2 527
Accumulated depreciation	(2 119)	(1 562)
Total information technology assets	511	965
Capital work in progress		
Capital work in progress at cost	-	9
Total capital work in progress	-	9
Total property, plant and equipment	3 757	4 751

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the Commissioner's approach to fair value is set out in note 11.2.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

5.1. Property, plant and equipment (continued)

Movement reconciliation of property, plant and equipment

<u>2019</u>	Leasehold Improvements	Plant & equipment	Information Technology assets	Capital Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3 442	335	965	9	4 751
Additions	-	56	-	153	209
Depreciation and amortisation	(579)	(67)	(557)	-	(1 203)
Transfers to/(from) capital WIP	59	-	103	(162)	-
Carrying amount at the end of the period	2 922	324	511	-	3 757
<u>2018</u>	Leasehold Improvements	Plant & equipment	Information Technology assets	Capital Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	2 652	277	1 372	156	4 457
Additions	-	119	-	1 272	1 391
Depreciation and amortisation	(531)	(61)	(505)	-	(1 097)
Transfers to/(from) capital WIP	1 321	-	98	(1 419)	-
Carrying amount at the end of the period	3 442	335	965	9	4 751

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

5.2. Intangible assets

	2019	2018
	\$'000	\$'000
Externally acquired intangible assets		
Computer software and licences	867	867
Less accumulated amortisation	(439)	(263)
Total externally acquired intangible assets	428	604
Total intangible assets	428	604

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Impairment

There were no indications of impairment of intangible assets at 30 June 2019.

Movement reconciliation of intangible assets

	Externally acquired	Capital Work in progress	Total
	\$'000	\$'000	\$'000
2019			
Carrying amount at the beginning of the period	604	-	604
Amortisation	(176)	-	(176)
Carrying amount at the end of the period	428	-	428
	Externally acquired	Capital Work in progress	Total
	\$'000	\$'000	\$'000
2018			
Carrying amount at the beginning of the period	496	160	656
Additions	-	111	111
Transfers from capital work in progress	271	(271)	-
Amortisation	(163)	-	(163)
Carrying amount at the end of the period	604	-	604

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

6. Financial assets

6.1. Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	6 120	5 493
Total cash and cash equivalents	6 120	5 493

Deposits with the Treasurer

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

6.2. Receivables

	2019	2018
	\$'000	\$'000
Current		
Prepayments	181	130
Other receivables	45	-
GST receivable	-	139
Total receivables	226	269

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

Refer to note 11.3 for further information on risk management.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

7. Liabilities

Employee benefits liabilities are disclosed in note 2.3.

7.1. Payables

	2019	2018
	\$'000	\$'000
Current		
Creditors	348	1 588
Employment on-costs	148	128
Accrued expenses	36	35
Total current payables	532	1 751
Non-current		
Employment on-costs	95	74
Total non-current payables	95	74
Total payables	627	1 825

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. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged. 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 to the superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance (DTF), the proportion of long service leave taken has remained at 41% and the average factor for the calculation of employer superannuation on-cost is 9.8% (2018: 9.9%). These rates are used in the employment on-cost calculation. The net financial effect of the change in the superannuation on-cost rate on employment on-costs and employee benefit expense is immaterial.

Refer to note 11.3 for further information on risk management.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

7.2. Other liabilities

	2019	2018
	\$'000	\$'000
Current		
Lease incentive	188	135
Total other current liabilities	188	135
Non-current		
Lease incentive	563	541
Total non-current other liabilities	563	541
Total other liabilities	751	676

8. Other disclosures

8.1. Cash flow reconciliation

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

	2019	2018
	\$'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	6 120	5 493
Balance as per the Statement of Cash Flows	6 120	5 493
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services		
Net cash provided by/(used in) operating activities	553	2 842
Less revenues from SA Government	(13 676)	(13 908)
Add / (less) non-cash items		
Depreciation and amortisation	(1 379)	(1 260)
Property plant and equipment assets in payables	56	999
Lease incentive amortisation	152	132
Movement in assets and liabilities		
Increase/(decrease) in receivables	(43)	94
(Increase)/decrease in payables	1 198	(1 279)
(Increase)/decrease in employee benefits	(444)	(369)
Net cost of providing services	(13 583)	(12 749)

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

9. Changes in accounting policy

9.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government.
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

9.2. AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

The adoption of AASB 9 has not had an effect on the recognition, measurement or classification of financial liabilities.

All financial assets and liabilities are classified at amortised cost.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

10. Outlook

10.1. Unrecognised contractual commitments

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

Operating lease commitments

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

	2019	2018
	\$'000	\$'000
Within one year	1 374	964
Later than one year but not longer than five years	4 438	4 231
Total operating lease commitments	5 812	5 195

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.

Other commitments

	2019	2018
	\$'000	\$'000
Within one year	330	206
Later than one year but not longer than five years	58	128
Total other commitments	388	334
Motor vehicles ⁽¹⁾	16	61
Software maintenance ⁽³⁾	112	181
Other ⁽²⁾	260	92
Total	388	334

⁽¹⁾ The provision of motor vehicles to executive officers or sections (that is, pool vehicles) are leased from the South Australian Government Financing Authority 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 2019 and contractual commitments.

⁽³⁾ Software maintenance commitments relate to maintenance and support services from contracts relating to software purchases. These contracts will expire within one to three years.

Independent Commissioner Against Corruption

Notes to and forming part of the financial statements

for the year ended 30 June 2019

10.2. Contingent assets and liabilities

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.

In the ordinary course of operations, the Commissioner may become liable to pay costs or to receive costs arising from legal proceedings. As at 30 June 2019, it is not possible to reliably estimate the total court costs that may be receivable or payable in respect of one legal proceeding that is underway.

10.3. Impact of standards and statements not yet effective

The Commissioner has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

Treasurer's Instructions (Accounting Policy Statements) 2019 issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

The material impacts on the Commissioner are outlined below.

AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities

The Commissioner will adopt *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not for Profit Entities* from 1 July 2019.

Objective

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. *AASB 15 – Revenue from Contracts* replaces *AASB 111 – Construction Contracts* and *AASB 118 – Revenue*.

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of *AASB 1004 – Contributions*.

Impact on 2019-20 financial statements

Adopting AASB 15 and AASB 1058 is not expected to have a material impact on the timing of recognition of revenue by the Commissioner.

AASB 16 – Leases

The Commissioner will adopt AASB 16 – Leases from 1 July 2019.

Objective

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. *AASB 16 Leases* replaces *AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease*, *Interpretation 115 Operating Leases – Incentives and Interpretation*, and *Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Independent Commissioner Against Corruption

Notes to and forming part of the financial statements

for the year ended 30 June 2019

10.3. Impact of standards and statements not yet effective (continued)

Impact on 2019-20 financial statements

The Commissioner has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The Commissioner has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the Commissioner prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

The estimated impact is set out below.

	as at 1 July 2019 \$'000
<u>Assets</u>	
Right-of-use assets	9 463
<u>Liabilities</u>	
Lease liabilities	(10 214)
Other liabilities (lease incentive liabilities)	751
Net impact on equity	-

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	2020 \$'000
Depreciation and amortisation	1 207
Supplies and services	(1 296)
Borrowing costs	180
Net impact on net cost of providing services	91

The amounts disclosed are current estimates only. The Commissioner is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

Independent Commissioner Against Corruption

Notes to and forming part of the financial statements

for the year ended 30 June 2019

10.3. Impact of standards and statements not yet effective (continued)

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Commissioner has applied the optional exemptions to not recognise the leases liability and right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. There is an exception for motor vehicle leases, where Treasurer's approval has been granted not to apply this exemption to leases with a term remaining of less than 12 months.

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the Commissioner must adopt for the transition from *AASB 117 Leases* to *AASB 16 Leases*. These requirements include that the Commissioner will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that the Commissioner will:

- not apply AASB 16 to leases of intangible assets.
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset (except for motor vehicles).
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the Commissioner to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

10.4. Events after the reporting period

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

Independent Commissioner Against Corruption

Notes to and forming part of the financial statements

for the year ended 30 June 2019

11. Measurement and risk

11.1. Long service leave liability - measurement

The amounts for long service leave includes pre-retirement leave and 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 accrued while an investigator is on secondment. The amount is due to SA Police when the seconded investigator ceases employment with the Commissioner. The amount accrued is therefore equivalent to the long service leave provision amount.

AASB 119 *Employee Benefits* contains the calculation methodology for the long service leave liability.

The actuarial assessment performed by the DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on 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.

AASB 119 *Employee Benefits* 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 2018 (2.5%) to 2019 (1.25%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes in actuarial assumptions in the current financial year is an increase in the long service leave liability of \$138 000 and employee benefit expense of \$138 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by DTF left the salary inflation rate at 4% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The current portion of the long service leave provision reflects management's expectation of leave to be taken within the next 12 months. It also includes the Commissioner's pre-retirement leave which cannot be deferred and is therefore considered unconditional.

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 thereof. This is included in the long service leave liability.

Independent Commissioner Against Corruption

Notes to and forming part of the financial statements

for the year ended 30 June 2019

11.2. Fair value measurement

Fair value measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell 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.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

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).

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Fair value hierarchy

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.

The Commissioner has categorised all leasehold improvements, information technology assets and plant and equipment assets (refer to note 5.1) into level 3 for 2019 and 2018. The Commissioner's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers into or out of fair value hierarchy levels during the reporting period.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Independent Commissioner Against Corruption

Notes to and forming part of the financial statements

for the year ended 30 June 2019

11.3. Financial instruments

Financial risk management

Risk management is managed by the Commissioner's Corporate Services Section. 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's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of financial instruments held. There have been no changes in risk exposure since the last reporting period.

Liquidity risk

The Commissioner is funded principally from appropriations by the SA Government. The Commissioner works with the DTF 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 cash flows.

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

Credit risk

The Commissioner is not exposed to any credit risk.

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.

Market risk

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

Maturity analysis of financial assets and liabilities

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

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 the respective financial asset/ financial liability note.

Classification applicable until 30 June 2018 under *AASB 139 Financial Instruments: Recognition and Measurement*

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Loan and receivables
- Financial liabilities measured at cost.

Classification applicable from 1 July 2018 under *AASB 9 Financial Instruments*

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Commissioner measures all financial instruments at amortised cost.

Independent Commissioner Against Corruption
Notes to and forming part of the financial statements
for the year ended 30 June 2019

11.3. Financial instruments (continued)

Category of financial asset and financial liability	Note	2019	
		Carrying amount/ Fair value	2019 Contractual maturities
			Within 1 year
		\$'000	\$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents	6.1	6 120	6 120
Financial assets at amortised cost			
Receivables	6.2	45	45
Total financial assets		6 165	6 165
Financial liabilities			
Financial liabilities at amortised cost			
Payables	7.1	348	348
Total financial liabilities		348	348

Category of financial asset and financial liability	Note	2018	
		Carrying amount/ Fair value	2018 Contractual maturities
			Within 1 year
		\$'000	\$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents	6.1	5 493	5 493
Loans and receivables			
Receivables	6.2	-	-
Total financial assets		5 493	5 493
Financial liabilities			
Financial liabilities at amortised cost			
Payables	7.1	1 588	1 588
Total financial liabilities		1 588	1 588

Receivables and payables

Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, 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 levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.