

**ICAC SA & OPI  
ANNUAL REPORT  
2016 • 2017**

1617

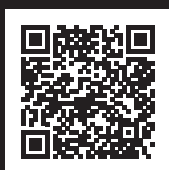


© South Australian Crown

ICAC (SA) and OPI Annual Report  
Published September 2017

Level 1, 55 Currie Street  
Adelaide SA 5000  
(08) 8463 5173  
GPO Box 11066  
Adelaide SA 5001  
[www.icac.sa.gov.au](http://www.icac.sa.gov.au)

ISSN: 2205-6599 ISBN: 978-0-9925457-7-2



Scan this QR code to read this annual report online, plus previous annual reports, or visit <http://icac.sa.gov.au/content/annual-reports>

# CONTENTS

**3** LETTERS OF TRANSMITTAL

## SECTION ONE

### **COMMISSIONER AND CEO REPORTS**

**7** COMMISSIONER'S REPORT

**15** CEO'S REPORT

## SECTION TWO

### **OUR OPERATIONS**

**21** OFFICE FOR PUBLIC INTEGRITY

**28** INVESTIGATIONS

**34** REFERRALS: MISCONDUCT AND MALADMINISTRATION

**39** OVERSIGHT AND ACCOUNTABILITY

**42** PREVENTION, EDUCATION AND COMMUNICATIONS

**46** EVALUATIONS

SECTION THREE

**OUR ORGANISATION**

- 49** ORGANISATION CHART
- 50** GOALS
- 51** ICAC / OPI VALUES
- 52** PEOPLE AND STRUCTURE
- 53** PROGRAMS AND INITIATIVES
- 54** WORKFORCE STATISTICS

SECTION FOUR

**FINANCIAL STATEMENTS**

- 59** INDEPENDENT AUDITOR'S REPORT
- 62** ANNUAL FINANCIAL STATEMENTS
  
- 86** NOTES

**FIGURES AND GRAPHS**

- 19** SNAPSHOT
- 24** SUBJECT OF COMPLAINTS AND REPORTS
- 25** GENERAL NATURE OF COMPLAINTS AND REPORTS RECEIVED
- 30** GENERAL NATURE OF INVESTIGATIONS COMMENCED BY THE COMMISSIONER DURING REPORTING PERIOD
- 32** GENERAL NATURE OF MATTERS REFERRED TO SAPOL OR POLICE OMBUDSMAN
- 35** GENERAL NATURE OF MATTERS REFERRED TO INQUIRY AGENCY
- 36** GENERAL NATURE OF MATTERS REFERRED TO PUBLIC AUTHORITY

**The Honourable the President of the Legislative Council  
The Honourable the Speaker of the House of Assembly**

**LETTER OF  
TRANSMITTAL**

In accordance with section 45 of the *Independent Commissioner Against Corruption Act 2012*, I present the fourth annual report of the Independent Commissioner Against Corruption and the Office for Public Integrity for the year ended 30 June 2017.

Yours sincerely

A handwritten signature in black ink that reads "Bruce Lander". The signature is written in a cursive style with a large initial 'B'.

The Honourable Bruce Lander QC  
Independent Commissioner Against Corruption

29 September 2017

**LETTERS OF  
TRANSMITTAL**

**LETTER OF  
TRANSMITTAL**

**The Honourable John Rau MP  
Deputy Premier  
Attorney-General**

In accordance with section 12(1) of the *Public Sector Act 2009*, I present the fourth annual report of the Independent Commissioner Against Corruption and the Office for Public Integrity for the year ended 30 June 2017.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bruce Lander". The signature is written in a cursive, flowing style.

The Honourable Bruce Lander QC  
Independent Commissioner Against Corruption

29 September 2017

**COMMISSIONER  
AND CEO REPORTS  
SECTION ONE**





**THE HON.  
BRUCE LANDER QC**

This is my fourth annual report and the third covering a full financial year of operations.

As the organisation matures, so too does its approach to the discharge of our statutory functions. My office and the Office for Public Integrity (OPI) continue to develop our capacity and the way in which we go about our work.

A question that is often raised in respect of my office and the OPI is whether it is effective. Indeed, the independent reviewer of our operations is required to report to Parliament upon whether our operations made an appreciable difference to the prevention or minimisation of corruption, misconduct and maladministration in public administration.

I thought I would offer my views about how we can best make such a difference and what it means for our operations and resources.

The mere existence of an agency such as the Independent Commissioner Against Corruption (ICAC) and OPI has, I think, some effect in preventing improper behaviour. The threat of being detected and prosecuted for engaging in corruption may have some limited deterrent effect. The prosecution itself of an individual for engaging in corruption will also have some impact, albeit short term.

The investigation of corruption remains our core focus.

As this annual report will demonstrate, we have taken on fewer corruption investigations this financial year, but those investigations have been more complex and, in many cases, more protracted. Some of our investigations necessarily require us to 'wait and watch' as we act on information suggesting that corrupt activity is occurring or will occur in the near future.

In the reporting period five matters were referred to the Director of Public Prosecutions (DPP) for consideration and a total of 10 persons were charged with 158 offences. Seven persons were found guilty of engaging in corruption, while corruption investigations referred to South Australia Police (SA Police) have resulted in 32 persons being prosecuted.

*Cont'd*

# COMMISSIONER'S REPORT

## **EFFECTIVENESS & RESOURCING**



However, an effective integrity agency cannot rely solely upon prosecutions because prosecutions alone will not have a significant long term effect on integrity.

In my opinion, to be an effective integrity agency, it is critical that the agency operates both reactively (in the form of investigations leading to prosecutions) as well as proactively (in the form of education, research and prevention activities). There is little point prosecuting an individual without also informing and educating public authorities and public officers about improper conduct risks; how those risks might provide opportunities for persons to engage in corruption, misconduct or maladministration; and how to reduce those risks.

A multifaceted approach, including a properly resourced and sophisticated investigation arm capable of detecting and independently investigating corruption in a complex environment, coupled with a proactive and targeted education and prevention program, is more likely to make an appreciable difference to the prevention or minimisation of corruption, misconduct or maladministration in public administration, than prosecutions alone.

Over the last four years we have assembled a significant body of knowledge concerning conduct in public administration and we have reached a point where the collective experience and knowledge that we have gained can now be used in more proactive ways, including:

- ▶ Expanding our education program to better inform public authorities and public officers of corruption, misconduct and maladministration trends and risks
- ▶ Developing and delivering training to better equip public authorities and public officers to respond to and address the incidence of corruption, misconduct and maladministration
- ▶ Conducting evaluations of practices, policies and procedures of public authorities, aimed at identifying opportunities to improve processes and minimise risks of corruption, misconduct and maladministration within those public authorities
- ▶ Publishing reports and research into corruption, misconduct and maladministration of a particular type, or in respect of particular sectors, or of case studies demonstrating how corruption, misconduct and maladministration can occur and how it may be prevented

We have already commenced many of these activities. We have embarked upon our first full evaluation of the practices, policies and procedures of a public authority, we have continued to deliver education and awareness seminars and we are preparing a number of reports examining completed prosecutions and improper conduct of a particular kind or in particular sectors.

However, my office has remained relatively static in terms of number of personnel.

While I have been satisfied that the resources provided to my office have until recently been sufficient, we have reached a stage where our capacity to fully and effectively deliver all of our statutory functions will be influenced by our resources.

In order to carry out all of the functions given to us, and to be effective in doing so across both state government and local government, we must be properly resourced.

For that reason I am preparing a submission to the state government requesting an increase in resources, including an increase in staffing as well as other resources. Part of the request is aimed at reducing our reliance upon other agencies including SA Police for the delivery of support services. Such reliance has made sense as the organisation was developing, but making ourselves more self-sufficient is critical to actual and perceived independence.

I am hopeful that the government looks favourably upon my request for additional resources.

In November 2016 Parliament passed the *Independent Commissioner Against Corruption (Miscellaneous) Amendment Act 2016 (SA)* and the *Police Complaints and Discipline Act 2016 (SA)*.

## LEGISLATIVE CHANGES

The combined effect of these legislative changes will have a significant impact on the manner in which we discharge our functions. I thought I would comment upon some of the more significant changes.

The *Independent Commissioner Against Corruption (Miscellaneous) Amendment Act 2016* has for the first time empowered the OPI to determine, in circumstances approved by me, the action to be taken in respect of complaints and reports. Historically the OPI was limited to assessing a matter and making a recommendation to me as to the action to be taken. The decision in every case would rest with me or my delegate.

## POWERS GIVEN TO THE OPI

With the amendments to the *Independent Commissioner Against Corruption Act 2012 (SA)* (ICAC Act), the OPI can now determine the action to be taken in respect of less serious or less sensitive matters. More serious matters, including all allegations of corruption, are still forwarded to me for a decision.

I am confident that this amendment will assist to improve the efficiency with which complaints and reports are assessed and dealt with.

POLICE  
COMPLAINTS  
REFORM

In November 2016 Parliament passed the *Police Complaints and Discipline Act 2016*. When that Act commences it will repeal the existing legislative regime governing the making of complaints about police and the oversight of investigations into police misconduct and replace it with a new system. The Police Ombudsman will cease to exist and responsibility for independent oversight will shift to the OPI.

My staff and I have been working to establish the systems and resources necessary to give effect to the new system.

I am confident that the new regime, which is scheduled to commence on 4 September 2017, will provide for a more efficient and effective way of dealing with allegations of police wrongdoing, while providing a robust and independent system of oversight.

PREPARATION  
OF REPORTS

Historically I have been quite limited in my capacity to prepare publicly available reports addressing matters that have come to my attention. Changes to the report making power in the ICAC Act mean that I now have greater capacity to make such reports public by reporting to Parliament. As I have said, my staff and I have already commenced working on a number of reports to be presented to Parliament over the coming year.

EXPANDED ROLE  
FOR INDEPENDENT  
REVIEWER

The role of the independent reviewer has been expanded. The reviewer can now receive and consider complaints alleging an abuse of power, impropriety or other misconduct by me, my staff or staff of the OPI.

INVESTIGATION  
OF MISCONDUCT OR  
MALADMINISTRATION

The circumstances in which I may investigate alleged misconduct or maladministration in public administration have been narrowed. I may now only investigate serious or systemic misconduct or maladministration (as defined in the ICAC Act) in the circumstances prescribed in the legislation. While I agree with the limitations on the matters that I may investigate, I have previously expressed a view that I should have the discretion to conduct investigations into serious or systemic maladministration, or parts of such investigations, in public. As I have widely articulated why I hold this view, I do not intend to expand upon this further.

**INVESTIGATIONS  
BY PUBLIC  
AUTHORITIES**

In previous annual reports I have expressed concern about the manner in which some public authorities carry out investigations into internal misconduct or maladministration.

I repeat what I said in my first annual report.

An investigation should have the overarching purpose of determining the truth and minimising opportunities for further misconduct or maladministration. A public authority should not conduct an investigation with the aim to minimise the seriousness of the conduct, diminish responsibility for inappropriate behaviour or camouflage poor systems or procedures. A superficial investigation directed toward ensuring the best 'look' for an organisation is inappropriate and unsatisfactory.

I continue to see examples of investigations that are unsatisfactory. I have expressed my dissatisfaction to a public authority on 13 occasions and to the public authority's Minister on five occasions.

Over the last 18 months my office established and delivered a workshop aimed at equipping staff within public authorities with the information and skills necessary to conduct more efficient and effective internal investigations. That workshop, which was delivered to 113 public officers in the reporting period, has consistently received high praise for its content and delivery.

We will continue to deliver the workshop over coming years. Indeed this is a vital component of our proactive education process.

Historically, whenever I referred a matter to an inquiry agency or public authority, I would include a direction that the inquiry agency or public authority report back to me as to the outcome of the investigation and the action (if any) taken. I gave that direction on all occasions because the ICAC Act, as it was then drafted, required me to consider whether or not I was dissatisfied with the action taken.

In many cases, the nature of the conduct that was being referred did not, in my view, warrant a requirement that the inquiry agency or public authority report back to me. I knew that in giving such a direction, I was putting the inquiry agency or public authority to additional expense in preparing such a report.

I proposed some amendments to the ICAC Act that would make it clear that the giving of such a direction was to be at the Commissioner's discretion. I also proposed that my office no longer have oversight of inquiry agencies in so far as the referral of matters of misconduct or maladministration was concerned.

Those proposals were included in the amendments that were passed by Parliament in November 2016.

Since the amendments have come into effect, referrals to inquiry agencies no longer contain directions because neither the OPI nor I have the power to give directions to an inquiry agency. Where a matter is referred to a public authority by me or by the OPI, we can determine whether or not to issue a direction to report back on the outcome of the investigation.

To ensure consistency I reviewed all active matters that had been referred to a public authority prior to the amendments coming into effect. I decided to revoke the direction to report back in respect of a number of those matters.

The OPI and I now only issue a direction to report back where the nature of the matter is serious; where there is a concern as to the quality of investigations undertaken by that particular public authority; or where the allegations are of a kind that my office should pay particular attention.

My office and I will continue to work with public authorities to assist them to enhance their ability to address misconduct and maladministration in an efficient and effective way.

## **MISCONDUCT REGISTER**

I have previously proposed the establishment of a register to record instances where a public officer has had his or her employment terminated by reason of misconduct or has resigned in the midst of a misconduct investigation. I made that recommendation to better protect the integrity of recruitment within public administration by ensuring that a public authority had access to such information before determining whether or not to employ a person.

Since making that recommendation I have discussed the matter on two occasions with the Commissioner for Public Sector Employment, who I understand has taken some preliminary steps to bring such a register into fruition within the public sector. I look forward to seeing that register established in the near future.

## **SUSPENSION WITH PAY**

The length of time some public officers have been suspended with pay pending the outcome of a misconduct investigation continues to be of concern. I have become aware of instances where a public officer has been suspended on pay for

more than two years. Such a delay in the resolution of a misconduct investigation is unacceptable.

There will, of course, be occasions where the complexity of the investigation or outside factors will slow down an investigation. Some investigations will inevitably be protracted.

However, in many cases that I have seen, delays appear to be a result of poor management, poor communication, inefficient processes, or procedures that are so elaborate as to be akin to a criminal prosecution.

Where a public officer is suspended, whether with or without pay, it is incumbent upon the employer to investigate and bring the matter to a resolution as efficiently as possible without compromising the integrity of the process.

In recent times I have become aware that the Premier has requested the Commissioner for Public Sector Employment take action to reduce the time taken for the resolution of misconduct investigations to no more than six months. I agree with the Premier's stated intention.

I look forward to seeing progress on this front.

In my 2013-2014 annual report I said that the introduction of mandatory Codes of Conduct for elected members of local government and local government employees had created difficulties associated with their application. I noted that I had written to the Minister for Local Government outlining what I considered to be the problems with the codes. I also noted at the time that, at the Minister's request, I would make suggestions for changes to those codes. I made those suggestions to the Minister in April 2014.

**CODES  
OF CONDUCT  
FOR LOCAL  
GOVERNMENT**

As I understand it, concerns about the codes have also been expressed by numerous councils and by the Local Government Association.

In the absence of changes to the codes by the time of publication of my 2014-2015 annual report, I said again in that report that I was hopeful that action would soon be taken to resolve some of the difficulties that had been identified with the codes.

At the time of publication of this annual report some four years later, there have still been no changes to the codes. It is unclear to me why those changes, which I would have thought would be supported by most stakeholders, have not been adopted. My staff and I have communicated with the Minister and his staff on multiple occasions about the codes, but change has not been forthcoming.

Nevertheless, I understand that the Premier has recently indicated his view that the codes ought to be paused.

In my view there is a need for codes of conduct that apply to elected members of local government and local government employees. The present codes are, in my view, defective in a number of respects. I understand the Premier is of the view that the codes should be incorporated into the *Local Government Act (SA)*. I have an open mind on that.

What is important is that the deficiencies in the current codes, that have been noted and commented upon now for four years, are actually addressed.

#### **ICAC / OPI STAFF**

I am pleased with the way in which my staff continue to carry out their work. They work hard. For such a small agency I think we accomplish a great deal. I extend my thanks to every staff member for their diligence and hard work over the financial year.

I particularly wish to thank my former Chief Executive Officer, Patricia Christie. Mrs Christie resigned as my Chief Executive Officer in November 2016 to take up the position of Chief Executive Officer of the Family Court of Australia. Mrs Christie was instrumental in establishing the office, fostering a strong, ethical and collaborative culture and for developing strong systems of governance. I thank Mrs Christie for her dedication and hard work over our first three years of operation.

On 1 January 2017 Mr Michael Riches, who was previously the ICAC Director Legal Services and Reviews, was appointed Chief Executive Officer. Apart from being a very good lawyer Mr Riches is an energetic, enthusiastic and well informed manager. I am confident that Mr Riches will lead the office in a way that will maintain the culture that Mrs Christie developed.



**MICHAEL  
RICHES**

On 1 January 2017 I was pleased to be appointed the new Chief Executive Officer of the office of the ICAC and OPI, having previously served as the ICAC Director Legal Services and Reviews. My transition into the new role was made easier by the professionalism, dedication and support of my management team colleagues, to whom I am most grateful.

I am also indebted to my predecessor, Patricia Christie, who served as the inaugural Chief Executive Officer of the ICAC and OPI. Her leadership of the organisation through its first three years of operation has seen the development of a strong ethical culture, robust practices, policies and procedures, and a collaborative and engaging work environment. I was privileged to work with Mrs Christie and I thank her for her efforts.

With less than 60 staff, we are a small organisation. But I hope this annual report will demonstrate that we have accomplished a great deal in this reporting period, both in terms of the discharge of our core functions as well as the continued development and refinement of our systems and operations.

The year has seen a number of legislative changes that will affect our operations into the future and the continuation of a number of significant corporate projects aimed at delivering the tools necessary for us to carry out our work effectively and efficiently.

The introduction of a new legislative scheme to receive and address complaints about police will see an expanded role for the OPI. A small project team sourced from staff within the organisation has been working diligently to establish the workforce, systems and procedures necessary to carry out this new role. With the expansion of the OPI to cater to its new police oversight function, there has been a need to expand our tenancy. Significant time and effort has been expended in ensuring the fit-out for the expanded tenancy meets our needs.

We have continued to invest in systems designed to improve the efficiency and effectiveness of our work. In the reporting period we completed the implementation of an enterprise content management system that is integrated with our case management system. We are finalising the establishment of an intelligence analysis system and have finalised the procurement of an exhibit management system, which will be the final component of our suite of key corporate software systems.

*Cont'd*



The exhibit management system will be implemented early in 2017-2018.

Historically this organisation has experienced a relatively high level of staff turnover. While we have seen a slight reduction in staff turnover this year compared to the previous year, it remains an unfortunate reality that the size of the organisation means that opportunities for progression are limited. We recruit high calibre individuals and work to develop their knowledge and skills, making them highly sought after by other agencies. Over time some of our staff will be afforded external opportunities for progression that cannot be offered internally. As my predecessor said in last year's annual report, "we thank them for their efforts and their contribution, see them go with pride and wish them well in their future endeavours".

Having now been in operation for almost four years, we have developed a strong sense of how the organisation should operate, our needs and objectives. With the benefit of this experience, we are now in a position to engage in more strategic activities that will involve greater engagement with agencies in respect of corruption prevention and minimisation, while not detracting from our key priority of investigating corruption. We are in the process of developing a new strategic plan which will define our objectives over the coming three years. For the first time this strategic plan will be published, so that everyone in the community knows what it is we aim to achieve.

We have continued our review of the structure of the organisation to ensure its design is suitable for our current environment and we have commenced preparation of a submission to the South Australian Government outlining our proposals for future funding. That proposal will take account of legislative changes over the last 12 months and our assessment of what is required to ensure that we can properly discharge all of our statutory functions into the future.

As an independent integrity agency we operate in an environment of high expectation and extensive oversight. Our actions are often in the spotlight. We do not shy away from the expectations imposed on us. We welcome scrutiny and we listen to criticism. We accept that many of our decisions will not please everyone and that different people have different views as to how an organisation such as ours should operate. But fundamental to everything we do is our adherence to values of integrity, independence, impartiality, accountability, respect and excellence.

In carrying out our work the Commissioner and I expect a great deal from our staff. We set high expectations in terms of staff conduct and work output. It is both a challenging and rewarding place to work and I express my gratitude to every staff member for their hard work and commitment over the last 12 months.

**OUR OPERATIONS**  
**SECTION TWO**



# SNAPSHOT

CR 1200

TOTAL COMPLAINTS & REPORTS

C 428

COMPLAINTS

R 772

REPORTS

## CORRUPTION INVESTIGATIONS AND REFERRALS

“In the reporting period, **five** matters were referred to the DPP for consideration and a total of **10** persons were charged with **158** offences.

**Seven** persons were found guilty of engaging in corruption, while corruption investigations referred to SAPOL have resulted in **32** persons being prosecuted.”

COMMISSIONER

150

COMPLAINTS AND  
REPORTS ASSESSED AS  
CORRUPTION

29

SEARCH  
WARRANTS ISSUED

31

NEW ICAC  
CORRUPTION  
INVESTIGATIONS

20

EXAMINATIONS  
CONDUCTED

2

NEW ICAC INVESTIGATIONS  
FROM MATTERS RECEIVED IN  
PREVIOUS PERIOD

107

MATTERS REFERRED  
TO SAPOL FOR  
INVESTIGATION

1

OWN INITIATIVE  
INVESTIGATION

7

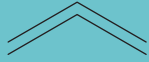
MATTERS REFERRED TO  
POLICE OMBUDSMAN FOR  
INVESTIGATION

31

CORRUPTION  
INVESTIGATIONS CARRIED  
OVER FROM PREVIOUS  
PERIODS

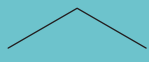
90

INQUIRY AGENCY  
REFERRALS



60

REFERRALS TO  
OMBUDSMAN



30

REFERRALS TO  
POLICE OMBUDSMAN

347

PUBLIC AUTHORITY  
REFERRALS

661

MATTERS IN WHICH  
IT WAS DETERMINED  
TO TAKE NO ACTION

3

EXERCISE POWERS OF  
AN INQUIRY AGENCY

## NON-CORRUPTION REFERRALS AND ACTIONS

87

EDUCATION  
SESSIONS

3,019

ATTENDEES

535

E-LEARNING  
COURSE  
PARTICIPANTS

27,660

WEBSITE  
VISITS

31,000

VIDEO VIEWS

90

ENGAGEMENTS  
WITH THE MEDIA  
(OCCASIONS)

## PREVENTION, EDUCATION AND COMMUNICATIONS

“Prosecutions alone will not  
have a significant long term  
effect on integrity.”

## COMMISSIONER

1

EVALUATION

## FUNCTIONS

The OPI is established by section 17 of the ICAC Act, which also prescribes the functions of the office. Those functions were amended in December 2016 after the *Independent Commissioner Against Corruption (Miscellaneous) Amendment Act* was passed by Parliament.

The current functions of the OPI are:

- ▶ To receive and assess complaints about public administration from members of the public
- ▶ To receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies, public authorities and public officers
- ▶ To give directions or guidance to public authorities in circumstances approved by the Commissioner
- ▶ 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
- ▶ To perform any other functions assigned to the office by the Commissioner

Prior to section 17 being amended, the decision to refer matters to an inquiry agency or public authority, and the giving of directions and guidance when referring matters, were functions reserved for the Commissioner or the Commissioner's delegate. Those functions are now also performed by the OPI in circumstances approved by the Commissioner.

In April 2017, the Commissioner approved the circumstances in which the OPI could perform these functions.

Those circumstances are:

- ▶ Complaints and reports assessed as raising potential misconduct or maladministration that is not serious or systemic can be referred by the OPI to a public authority with directions and guidance
- ▶ Complaints and reports assessed as raising some other issue can be referred by the OPI to an inquiry agency, public authority or public officer, if the complaint or report ought to be referred

The OPI continues to make recommendations to the Commissioner in respect of complaints and reports that raise potential issues of corruption or serious or systemic misconduct or maladministration in public administration. In these circumstances, the Commissioner or the Commissioner's delegate will determine the action to be taken in respect of the complaint or report.

The OPI is responsible to the Commissioner for the performance of its functions.

## STRUCTURE AND STAFFING

The OPI has nine staff comprising an acting manager, senior assessment officers, assessment officers, complaints officers and an administration officer.

During the reporting period, work commenced on a project in relation to the OPI's new functions under the *Police Complaints and Discipline Act 2016*, which will come into operation on 4 September 2017. Two OPI staff, including the manager of the OPI, were assigned to that project full-time from January 2017.

During the reporting period, the OPI's processes were reviewed by an external agency. The outcome of that review was largely positive in relation to existing processes, with some recommendations made in order to simplify and streamline areas of work. A number of those recommendations have been implemented.

## COMPLAINTS AND REPORTS

The OPI is the public face of the Commissioner's operations and is the starting point for all complaints and reports made under the ICAC Act.

Complaints from members of the public and reports from public officers, public authorities and inquiry agencies were received by the OPI during the reporting period in the manner set out below.

<b>METHOD OF RECEIPT</b>	<b>2016-2017</b>
<b>Website</b>	56%
<b>Telephone Call</b>	22%
<b>Email</b>	9%
<b>Letter</b>	9%
<b>In Person</b>	3%
<b>Electronic transfer*</b>	1%

\* reports from the Ombudsman and Police Ombudsman only

The OPI has a performance indicator that requires complaints and reports received by the office to be registered and acknowledged within two working days. During the reporting period, complaints and reports were on average registered and acknowledged within one working day.

The OPI received **1,200** new complaints and reports during the reporting period. This is a 13% increase on the number of complaints and reports received during the previous reporting period.

<b>COMPLAINTS &amp; REPORTS RECEIVED</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Complaints</b>	428 (36%)	463 (44%)	453 (49%)
<b>Reports</b>	772 (64%)	600 (56%)	474 (51%)
<b>Total</b>	1,200	1,063	927

In the first year of operations, the number of complaints and reports received by the OPI were almost identical. In each subsequent year there has been an increase in the percentage of reports versus complaints. This is likely indicative of public officers' increased awareness of the Commissioner's operations and their obligation to report certain types of conduct to the OPI.

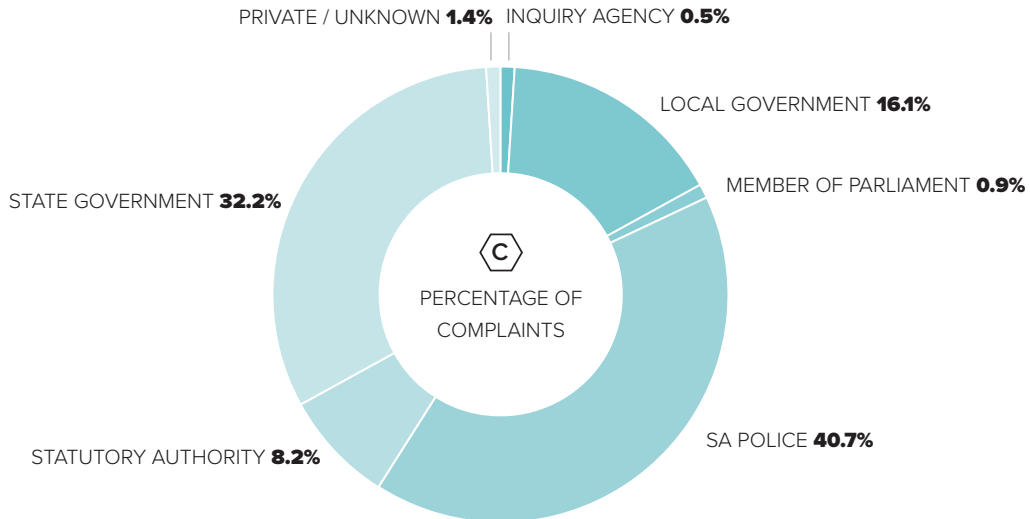
In addition to the 1,200 complaints and reports received by the OPI, **five** additional matters were commenced on the Commissioner's **own initiative**. The general nature of those matters were:

- ▶ Improper use of confidential information
- ▶ Inappropriate exercise of power / function (x2)
- ▶ Conflict of interest – tender assessment / procurement / contract
- ▶ Excessive force

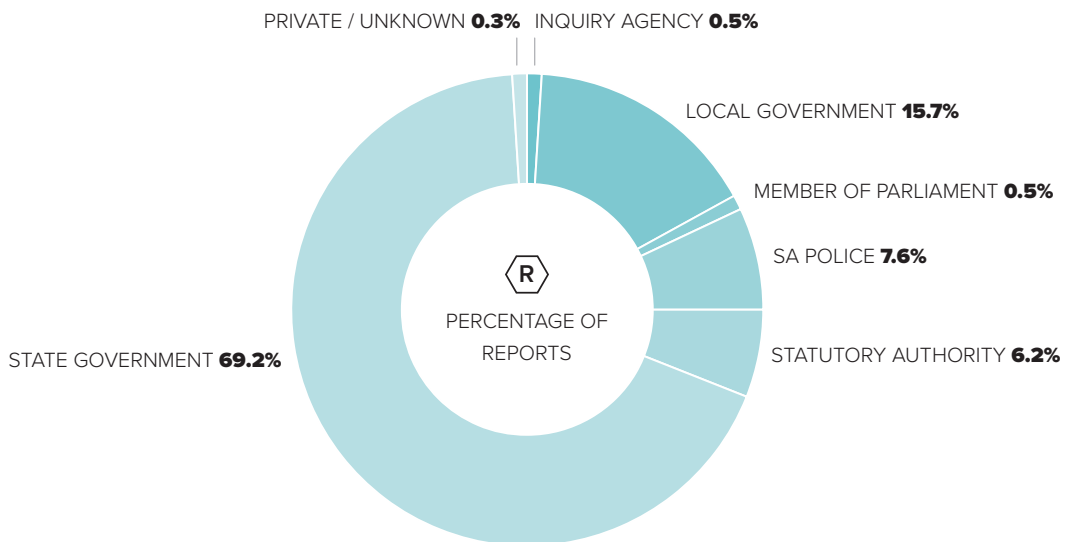
During the reporting period, the OPI received 29 duplicate complaints and reports (six complaints and 23 reports), being matters that were reported to the OPI on more than one occasion. It is usual practice for the OPI to cross reference a duplicate complaint or report and deal with it as a single matter.

More than half of the complaints and reports received by the OPI during the reporting period concerned the conduct and practices of state government public officers and public authorities.

## SUBJECT OF COMPLAINTS & REPORTS



**C** 428  
COMPLAINTS

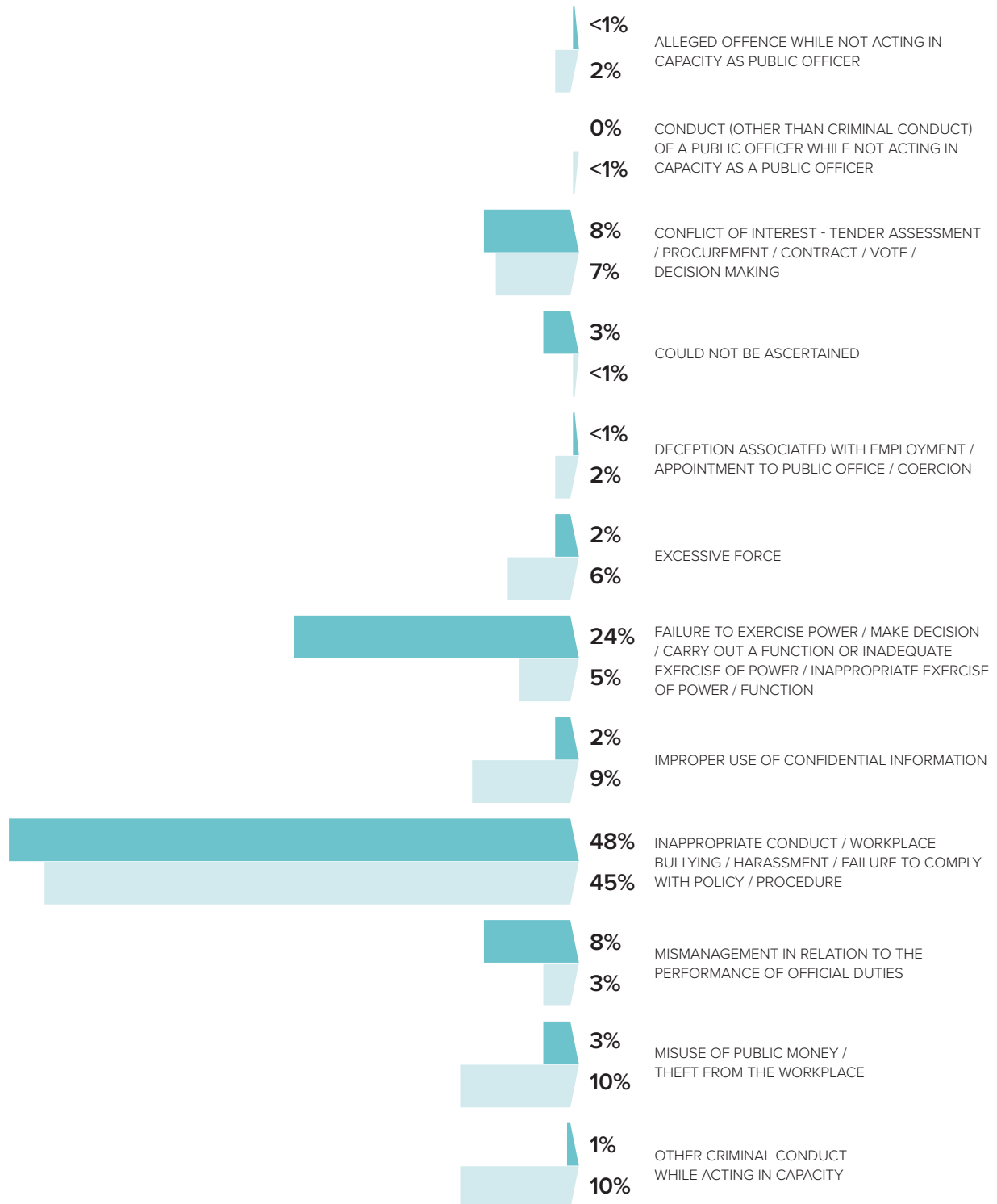


**R** 772  
REPORTS



## GENERAL NATURE OF COMPLAINTS & REPORTS RECEIVED

COMPLAINTS    REPORTS



## ASSESSMENTS

The OPI assessed 1,109 complaints and reports that were received by the office during the reporting period. It assessed a further 101 complaints and reports received in a previous period. Within the **1,210** matters assessed during this reporting period, **1,797** separate issues were identified.

As of 30 June 2017, 62 complaints and reports received during this reporting period were awaiting assessment and four were awaiting the Commissioner's determination as to the action to be taken. The OPI has again focused on reducing its average assessment time, which is the time between a complaint or report being registered and acknowledged and a decision being made about the action to be taken in respect of that complaint or report. 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 is required from the complainant, reporter or an external agency and if so, the time taken to receive that information
- ▶ Workload and staffing factors

A performance indicator that measures the average time taken to assess a complaint or report has been set at 25 working days (previously set at 30 working days). Assessments undertaken during the reporting period were completed within an average time of 22.2 working days, which includes the matters carried over from the previous reporting period. The average assessment time for matters which were both received and assessed during the current reporting period was 18.3 working days. This is an improvement on the 25.6 working day average reported in the previous period.

Pursuant to changes made to the ICAC Act empowering the OPI to determine the action to be taken in respect of certain complaints and reports, the OPI made a determination as to the outcome of a complaint or report on 57 occasions.

While a majority of those decisions were to take no further action in respect of the complaint or report, there were occasions where the OPI determined to refer the matter to a public authority for investigation.

In circumstances where the OPI's assessment involved making a recommendation to the Commissioner, those assessments were accepted on 91% of occasions. This is consistent with the previous reporting period.

The Commissioner or the OPI may determine to take no further action in respect of a matter if:

- ▶ The matter is considered trivial, vexatious or frivolous
- ▶ There is another good reason for taking no action
- ▶ The matter has been dealt with by an inquiry agency or public authority and there is no good reason to re-examine the matter

**NO FURTHER ACTION**

During the reporting period, a decision was made to take no further action in respect of 661 complaints and reports. This represents 55% of all complaints and reports assessed during the reporting period.

<b>NO FURTHER ACTION</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Complaints</b>	350 (53%)	326 (62%)	342 (65%)
<b>Reports</b>	310 (47%)	201 (38%)	186 (35%)
<b>Own Initiative</b>	1 (>1%)	-	-

During the reporting period, the OPI received and responded to **374** general enquiries and **59** contacts in relation to matters concerning agencies or persons who do not fall within the Commissioner's jurisdiction.

**OTHER ENQUIRIES**

This is an increase of 49% and 34% respectively in comparison to the previous reporting period.

As the public face of the Commissioner's office, the OPI encounters people from diverse backgrounds, and considers sensitive and at times voluminous information. The OPI prides itself on providing professional customer service and undertaking thorough assessments.

**INVESTIGATIONS  
INTO  
CORRUPTION  
IN PUBLIC  
ADMINISTRATION**

A primary function of the Commissioner is to identify and investigate corruption in public administration and where appropriate, refer it for prosecution.

A matter assessed as raising a potential issue of corruption in public administration can be investigated by the Commissioner using his own resources, or referred to SA Police or another law enforcement agency for investigation. In South Australia, corruption in public administration is defined in the ICAC Act to be a range of offences, most often committed by a public officer. When the Commissioner or another law enforcement agency investigates corruption, it is a criminal investigation for the purposes of determining whether there is sufficient evidence to warrant referral for potential prosecution. Whether or not a person has actually engaged in corruption is a matter for a court to determine.

Corruption investigations conducted by the Commissioner vary in their subject matter. Common themes include abusing a position for personal or financial gain, impropriety in tender or procurement processes, theft, and the improper use of confidential information, including the use and disclosure of confidential information for the purposes of facilitating criminal activity. Because the definition of corruption is drafted in wide terms, other offences committed by public officers, such as assault, can be captured.

In determining whether to investigate the matter himself or to refer the matter to another law enforcement agency for investigation, the Commissioner will consider the nature of the allegations, the availability of expertise and resources and the complexity of the matter. Matters that are best dealt with by SA Police will often be referred. Particularly complex or sensitive corruption investigations will generally be undertaken by the Commissioner.

Corruption investigations carried out by the Commissioner often involve complex facts and substantial volumes of material. Unlike investigations into other crimes, corruption investigations can often require a great deal of work to determine whether or not an offence has even been committed, before evidence can be collected in relation to the identity of the person(s) involved in the offending.

In the last annual report the Commissioner stated that he intended to take on fewer corruption investigations and that he would focus upon those investigations that he considered must be undertaken by his office.

**INVESTIGATION  
RESOURCES**

In order to effectively carry out corruption investigations the Commissioner relies upon the expertise of experienced investigators and specialists. Frequent use is made of computer systems and software that enhance an investigator's capacity to review large volumes of information efficiently. Enhancements to our intelligence database have provided additional capabilities and the procurement of an exhibit management system will offer a more sophisticated and tailored system for the management of exhibits.

# INVESTIGATIONS

As part of a continual review of organisational structures, the investigations team was redesigned. The new Director Investigations is responsible for three teams, comprising two teams of investigators and a team of specialists, each led by a team leader.

A hallmark of the Commissioner's office is independence. The Commissioner is not subject to the direction of any person in respect of investigations. While most investigations carried out by the Commissioner rely exclusively upon the resources within his office, on occasion the Commissioner might determine to conduct a joint investigation with SA Police, or utilise resources of SA Police or another integrity agency. The Commissioner might make such a decision where the resources available within his office are not sufficient to conduct the investigation, or where SA Police has access to relevant systems or information that might otherwise be difficult to obtain.

## INDEPENDENCE

During the reporting period the Commissioner commenced 11 joint investigations with SA Police. Challenges associated with such investigations have been identified including competing priorities for resources and geographical separation of investigation resources. At times, joint investigations have faced difficulties that would not have arisen had the Commissioner had the resources available to investigate the matter himself.

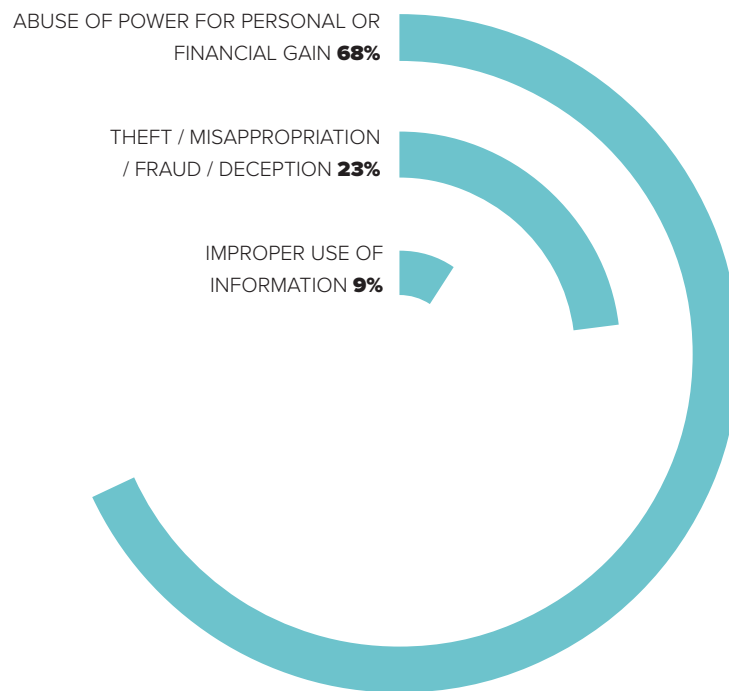
The need to establish sufficient resources to investigate all matters will become more important when the OPI, for which the Commissioner is responsible, assumes responsibility for the oversight of complaints about SA Police. Under the new system, the Commissioner will become the sole independent body empowered to investigate corruption and misconduct within SA Police. In such circumstances conducting a joint investigation with SA Police would be undesirable.

For these reasons, a proposal will be put to the government to expand the investigation and specialist resources available to the Commissioner over coming years.

During the reporting period **150** complaints and reports received by the OPI were assessed as raising a potential issue of corruption in public administration (17 complaints and 133 reports). The Commissioner determined to investigate 31 of those complaints and reports (six complaints and 25 reports). In addition, the Commissioner commenced corruption investigations in respect of two matters received in the previous reporting period and commenced one corruption investigation on his own initiative.

## INVESTIGATIONS DURING THE REPORTING PERIOD

In total, the Commissioner commenced **34** corruption investigations during the reporting period. Of the 34 corruption investigations commenced, 11 were conducted as a joint investigation with SA Police.



## GENERAL NATURE OF INVESTIGATIONS COMMENCED BY THE COMMISSIONER DURING REPORTING PERIOD

### PERFORMANCE

Since commencement the Commissioner has set performance indicators in an effort to guide efficiency and effectiveness. As the organisation has matured those performance indicators have been revised.

The following performance indicators were applied to investigations during the reporting period:

- ▶ 75% of all investigations will be completed within 12 months of allocation
- ▶ 100% of all investigations will be reviewed within 20 working days of completion

During the reporting period 61% of all corruption investigations were completed within 12 months of allocation. While it is disappointing that we have not reached our established milestone, experience has demonstrated that corruption investigations can often become protracted owing to the complexity of the allegations, the volume of material requiring review and the resources available. In some cases an investigation relates to conduct alleged to be ongoing. As such, investigations may involve a period of waiting and watching in an effort to detect offending as it occurs. It is inevitable that such investigations may become drawn out.

However, complex investigations necessarily take time in order to ensure that the investigation is thorough, fair and appropriate. In a number of cases, investigations will result in a determination that the alleged conduct did not occur or that there is insufficient evidence to warrant referring the matter for prosecution. Such investigations should not be seen as a failure, but a realistic conclusion where the ultimate aim of an investigation is to uncover the truth.

On occasion, the ability to effectively conduct a corruption investigation is hampered by an agency's poor record keeping, insufficient policies or a failure to adhere to processes. Such circumstances make it more difficult to follow the facts and to obtain evidence that will give a true picture of what has occurred.

We continue to look at ways of improving the efficiency with which investigations are undertaken. Post investigation reviews are a useful way of identifying such opportunities for improvement.

The second performance indicator was included during this reporting period to formalise the requirement to conduct a post investigation review within 20 working days of completion of an investigation. The purpose of including this performance indicator was to signify the critical importance of reviewing our own work, learning from mistakes and continuously improving our processes.

In the reporting period 98% of all investigations were reviewed within 20 working days of completion. While this did not reach the performance indicator which required 100% compliance, the remaining 2% was in fact one investigation that was not reviewed within 20 working days due to annual leave of the primary investigator involved in the investigation. That review was conducted immediately upon the return of the investigator from leave.

The ICAC Act provides the Commissioner, examiners and investigators with a range of statutory powers to facilitate investigations into corruption in public administration. Additional investigative powers are given by other state and federal legislation. Police powers can be exercised by those ICAC investigators who are SA Police officers on secondment to the office. The exercise of investigative powers is subject to annual review by the independent reviewer.

**EXERCISE  
OF INVESTIGATIVE  
POWERS**

**SEARCH  
WARRANTS**

During the reporting period, investigators applied for and were issued with **29** search warrants, an increase of 32% from the previous reporting period. Seven of those were issued by the Commissioner and 22 were issued by a judge of the Supreme Court of South Australia.

**EXAMINATIONS**


**Twenty** examinations were conducted for the purposes of investigations into corruption in public administration. This represents a substantial increase in the use of examination powers compared to the previous reporting period.

**REQUEST FOR  
EXAMINATION  
OF ACCOUNTS**

During the reporting period the Commissioner did not request the Auditor-General to examine the accounts of any matter subject to an assessment, investigation or referral under the ICAC Act.

**GENERAL  
SEARCH  
WARRANTS**

Investigators on secondment from SA Police retain their general search warrant, issued by the Police Commissioner under section 67 of the *Summary Offences Act 1961* (SA).



**GENERAL NATURE  
OF MATTERS REFERRED  
TO SAPOL OR POLICE  
OMBUDSMAN**

IMPROPER USE OR DISCLOSURE OF  
INFORMATION **10%**

ABUSE OF POWER **14%**

THEFT / MISAPPROPRIATION  
/ FRAUD / DECEPTION **26%**

ASSAULT **50%**



During the reporting period a general search warrant was used by a seconded investigator on one occasion. The warrant was used in the course of a search conducted in a regional location where it was determined that a process error made in the course of seeking an urgent warrant from the Commissioner may have affected the validity of the warrant. In those circumstances the Commissioner approved the use of a general search warrant so as to prevent any further delay in the conduct of a search.

If the Commissioner considers that evidence collected during an ICAC investigation is sufficient to warrant consideration of criminal proceedings, the Commissioner will refer the matter to the DPP for consideration. It is the DPP who determines whether a person will be charged with a criminal offence.

During the reporting period the Commissioner referred **five** matters to the DPP for consideration. The DPP determined to charge **10** people with a combined total of **158** offences. During the reporting period **seven** people were found guilty by a court of corruption offences arising from ICAC investigations.

At the conclusion of or during a corruption investigation the Commissioner may also determine to refer the conduct of a public officer to a public authority for consideration of disciplinary action. During the reporting period the Commissioner referred seven matters to a public authority for consideration of disciplinary action in these circumstances.

In the reporting period the Commissioner referred **114** corruption matters received in the reporting period (nine complaints and 105 reports) to SA Police (107 matters) and the Police Ombudsman (seven matters) for investigation.

A further six matters (one complaint and five reports) received in the previous financial year were referred to SA Police or the Police Ombudsman for investigation.

In addition, one matter commenced on the Commissioner's own initiative was referred to SA Police for investigation.

Matters referred to SA Police during the reporting period resulted in **32** persons being prosecuted.

## INVESTIGATION OUTCOMES

## REFERRAL FOR INVESTIGATION

**REFERRAL  
OF MATTERS  
TO INQUIRY  
AGENCIES  
AND PUBLIC  
AUTHORITIES**

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

- ▶ Refer the matter to an inquiry agency
- ▶ Refer the matter to a public authority
- ▶ Exercise the powers of an inquiry agency in respect of the matter

Previously, a matter assessed as raising a potential issue of misconduct or maladministration in public administration was referred to an inquiry agency or public authority and would ordinarily be accompanied by directions and guidance consistent with the directions and guidance published in the Commissioner's Directions and Guidelines. In rare circumstances, the Commissioner would tailor directions issued in respect of a referral.

Amendments to the ICAC Act, which came into effect in December 2016, removed the Commissioner's oversight of inquiry agencies. The Commissioner is no longer able to issue directions or guidance in respect of matters referred to the Ombudsman or Police Ombudsman and does not have power under the ICAC Act to express dissatisfaction with the action taken in relation to those referrals.

Legislative amendment has made the giving of directions or guidance to a public authority discretionary.

Directions are now only issued to public authorities in respect of matters where the Commissioner or the OPI considers that such directions ought to be given. Factors taken into account when determining whether or not directions should be issued with a referral include:

- ▶ Whether the referral relates to conduct which is serious or systemic
- ▶ The seniority of the public officer involved in the alleged conduct
- ▶ Whether there are concerns about the adequacy of an investigation that may be undertaken by the public authority
- ▶ Whether there are other reasons why the matter warrants the Commissioner's oversight

# REFERRALS: MISCONDUCT AND MALADMINISTRATION

In January 2017, the OPI undertook a review of all outstanding referrals to public authorities and identified matters which were of the kind that did not require the Commissioner's continued oversight. The Commissioner subsequently revoked the directions issued to public authorities in respect of 78 referrals.

The Commissioner's Directions and Guidelines were amended and republished in March 2017.

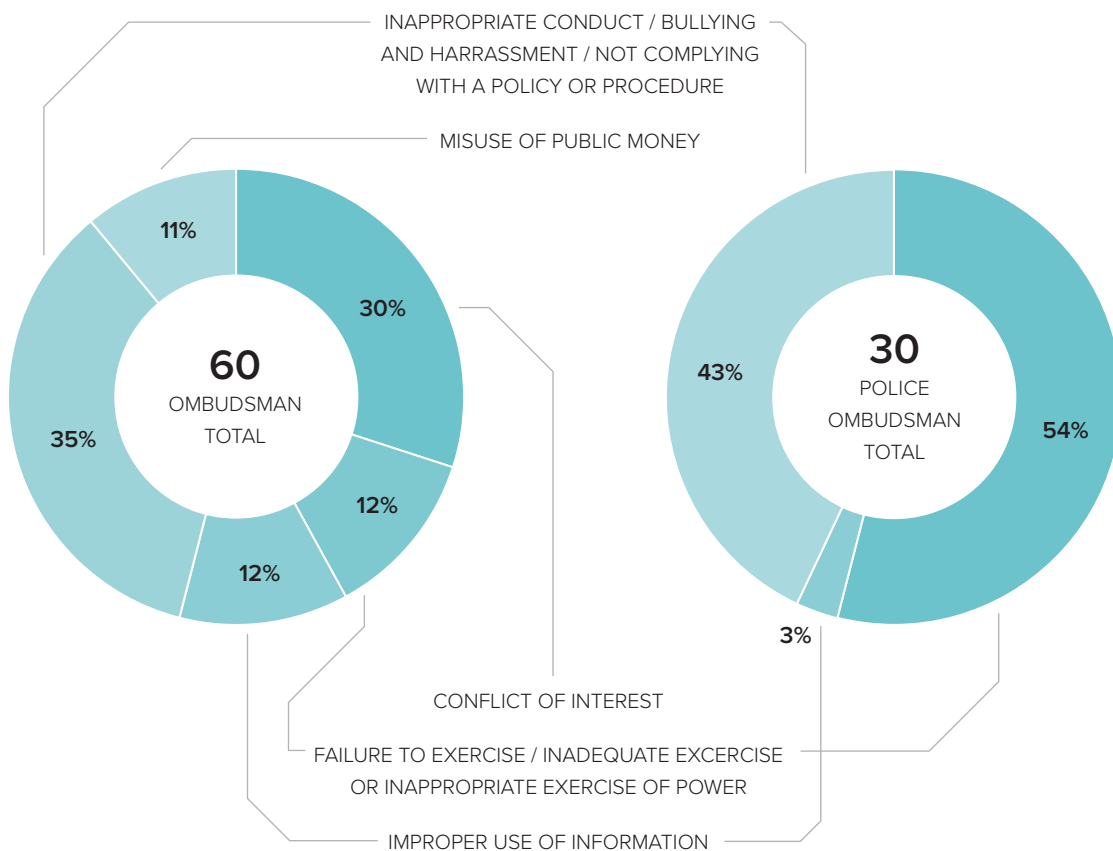
The ICAC Act defines an inquiry agency to be the Ombudsman, the Police Ombudsman or any other person declared by regulation to be an inquiry agency. Until 15 December 2016, the Commissioner for Public Sector Employment was an inquiry agency under the ICAC Act. No persons have been declared by regulation to be an inquiry agency.

REFERRAL  
OF MATTERS  
TO AN INQUIRY  
AGENCY

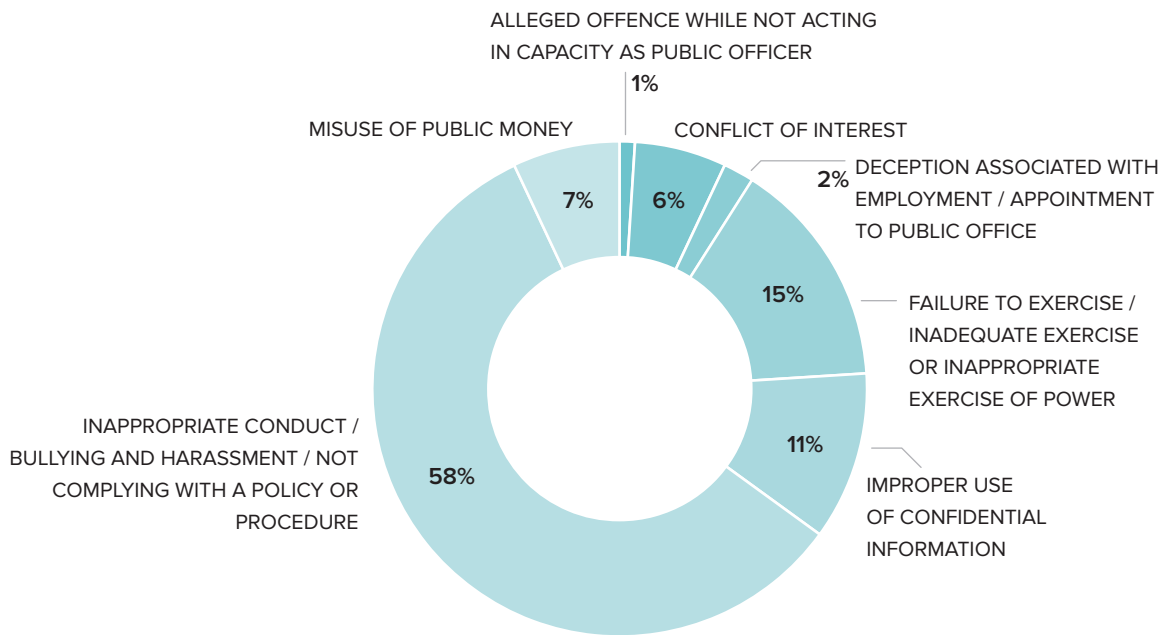
In the reporting period, **90** matters (36 complaints, 53 reports and one own initiative) were referred to an inquiry agency. Of those 90 matters, 66 were received during this reporting period and 24 were received in a previous period.

Of the 90 matters referred, **60** matters were referred to the Ombudsman and **30** matters were referred to the Police Ombudsman.

INQUIRY AGENCY REFERRALS	2016-17	2015-16	2014-15
TOTAL	90	82	89



GENERAL NATURE OF MATTERS  
REFERRED TO INQUIRY AGENCY



## GENERAL NATURE OF MATTERS REFERRED TO PUBLIC AUTHORITY

### REFERRAL OF MATTERS TO A PUBLIC AUTHORITY

During the reporting period **347** matters were referred to a public authority (51 complaints and 296 reports).

Of the 347 matters referred, 290 were received during this reporting period and 57 were received during a previous period.

### DIRECTIONS AND GUIDANCE GIVEN TO INQUIRY AGENCY OR PUBLIC AUTHORITY

Prior to amendments to the ICAC Act in December 2016, the Commissioner issued directions and guidance to an inquiry agency or public authority in respect of every referral. The directions and guidance issued was consistent with the directions and guidance set out in the Commissioner's Directions and Guidelines document and included an obligation that the inquiry agency or public authority provide a report back in respect of the findings made, the action taken (if any) and the reasons for taking the action (or not taking action).

Following amendments to the ICAC Act in December 2016, the Commissioner revoked directions and guidance issued to public authorities in respect of 78 referrals. Directions and guidance previously issued to inquiry agencies ceased to have effect because the Commissioner no longer had statutory oversight of matters referred to an inquiry agency.

In respect of matters referred by the Commissioner to a public authority after December 2016, the Commissioner issued directions or guidance on 97 occasions. The general nature of the directions or guidance was that the public authority report to the Commissioner within 56 days of the referral as to the issues addressed, the findings made and the reasons for those findings, and the action taken including the reasons for that action, or if no action was taken the reason why no action was taken.

In respect of matters referred by the OPI to a public authority after April 2017 (being the time the Commissioner authorised the OPI to make such referrals), the OPI issued directions or guidance on three occasions. The general nature of the directions or guidance was that the public authority report to the Commissioner within 56 days of the referral as to the issues addressed, the findings made and the reasons for those findings, and the action taken including the reasons for that action, or if no action was taken the reason why no action was taken.

Where a referral is accompanied by a direction to provide a report back to the Commissioner, that report is reviewed to ensure that action has duly and properly been taken in respect of the matter.

#### REVIEW OF ACTION TAKEN ON A REFERRAL

The review process plays an important role in ensuring that authorities are held accountable for the independence and quality of their investigations.

During the reporting period, final reports were reviewed in relation to 243 referred matters. On average, final reports were reviewed within an average of 10.9 working days. This was slightly above our target of an average of 10 days.

There were a number of instances where the Commissioner sought additional information or clarification from the public authority or inquiry agency before determining to close his file. On other occasions, the Commissioner issued additional directions or provided comments and feedback to the public authority or inquiry agency in relation to the adequacy of the investigation or other issues arising from the matter.

On **13** occasions, the Commissioner was not satisfied that a public authority had duly and properly taken action in respect of the referral. This led to the Commissioner informing the authority of the grounds for his dissatisfaction and allowing the authority to comment, in accordance with section 38 of the ICAC Act.

Five of those 13 matters resulted in the Commissioner reporting his dissatisfaction to the relevant Minister in accordance with section 38(8) of the ICAC Act.

The Commissioner is yet to exercise his powers under section 38(9) of the ICAC Act and table a report in Parliament outlining his dissatisfaction.

The number of reviews undertaken is expected to decrease in future reporting periods as a result of the Commissioner no longer issuing directions to inquiry agencies and issuing directions to public authorities on fewer referrals.

### **EXERCISE OF THE POWERS OF AN INQUIRY AGENCY**

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

During the 2016-2017 financial year, the Commissioner determined to exercise the powers of an inquiry agency on **three** occasions. On each occasion, the Commissioner determined to exercise the powers of the South Australian Ombudsman.

The first occasion was the result of a complaint received by the OPI and related to alleged misconduct and maladministration by a statutory authority. The second occasion was also the result of a complaint made to the OPI and related to alleged misconduct and maladministration in public administration. The third occasion was the Oakden maladministration investigation.

On 25 May 2017 the Commissioner announced an investigation into alleged serious and systemic maladministration in public administration involving the Oakden Older Persons Mental Health Facility. The Commissioner subsequently published terms of reference for the investigation and made a public call for assistance.

Two other investigations into potential misconduct or maladministration were carried over from the previous reporting period.

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

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

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

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

In the next reporting period, the ICAC Act will be amended to expand the role of the independent reviewer. The independent reviewer will continue to conduct an annual review of the exercise of powers, but will have additional powers to consider complaints about the Commissioner or his staff, or conduct other reviews as required by the Crime and Public Integrity Policy Committee or the Attorney-General.

## **INDEPENDENT REVIEW**

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

- ▶ The Hon. Justin Hanson MLC  
(Presiding Member)
- ▶ The Hon. Dennis Hood MLC
- ▶ The Hon. Andrew McLachlan  
CSC MLC
- ▶ Mr Lee Oldenwalder MP
- ▶ The Hon. Tony Piccolo MP
- ▶ Mr Vincent Tarzia MP

## **PARLIAMENTARY COMMITTEE**

# **OVERSIGHT AND ACCOUNTABILITY**

On 31 October 2016 and again on 25 May 2017, the Commissioner and senior members of the Commissioner's staff appeared before the committee to provide evidence on the operations of the ICAC and the OPI.

On Friday 9 June 2017 the Commissioner and senior staff met with some members of the committee at the ICAC offices.

On 14 February 2017 the second report of the committee, entitled 'Annual Review of the Crime and Public Integrity Policy Committee into Public Integrity and the Independent Commissioner Against Corruption' was tabled in both Houses of Parliament.

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

### **INTERNAL REVIEW OF RECONTACTS**

'Recontacts' is the name given to those instances where a person who is dissatisfied with the Commissioner's or the OPI's decision regarding the person's complaint or report recontacts the OPI. Recontacts are assigned to a complaints officer who prepares a memorandum for the Commissioner regarding the matter. The Commissioner considers the memorandum along with any other relevant information. The Commissioner may determine that the original assessment remains appropriate, or he may request that the matter be reopened and reassessed.

During the reporting period, the OPI received **197** recontacts in relation to 170 complaints and reports. The Commissioner determined to reopen nine matters and to create two new matters.

### **OTHER STATUTORY OVERSIGHT**

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

During the reporting period a number of significant amendments were made to the ICAC Act by the *Independent Commissioner Against Corruption (Miscellaneous) Amendments Act 2016*. These amendments followed recommendations made last year by the Commissioner, aimed at promoting the more efficient and effective investigation of corruption in public administration.



Some of the key changes are:

- ▶ Defining what constitutes serious or systemic misconduct or maladministration in public administration
- ▶ Expanding the functions of the OPI to make determinations in respect of complaints and reports in certain circumstances
- ▶ Refining the role of the Commissioner when exercising the powers of an inquiry agency in relation to matters raising potential issues of serious or systemic misconduct or maladministration
- ▶ Providing a Judge of the Supreme Court with the power to issue a warrant under the ICAC Act to enter and search any place or vehicle
- ▶ Removing statutory oversight by the Commissioner of matters referred to an inquiry agency
- ▶ Establishing a scheme (Schedule 4, ICAC Act) for review of any complaints relating to an abuse of power, impropriety or other misconduct on the part of the Commissioner, the Commissioner's employees or the OPI
- ▶ Including in the definition of corruption in public administration conduct that is an offence or an attempt to commit an offence against the *Lobbyist Act 2015 (SA)*

The Commissioner is an interception agency for the purposes of the *Telecommunications (Interception and Access) Act 1979 (Cth)* ('TIAA'). The Commissioner is obliged to make reports to the Commonwealth Attorney-General in respect of activities under the TIAA and is subject to review by the Commonwealth Ombudsman in respect of some activities under the TIAA. During the reporting period the Commonwealth Ombudsman conducted its first inspection of the Commissioner's records under Chapter 4A of the TIAA.

In accordance with the *Telecommunications (Interception) Act 2012 (SA)*, the Commissioner's records relevant to activities under the TIAA are inspected every six months by the Hon. Kevin Duggan AM QC, who has been appointed as the review agency under the state Act.

The Commissioner is also subject to statutory reporting obligations under the *Listening and Surveillance Devices Act 1972 (SA)*.

One of the Commissioner's key statutory functions is to prevent or minimise corruption, misconduct and maladministration in public administration through the facilitation of an education program.

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

**PRESENTATIONS,  
SEMINARS AND  
WORKSHOPS**

During the reporting period the Commissioner's office delivered **87** education sessions to **3,019** people. These sessions included presentations on the role of the ICAC and OPI and the reporting obligations of public officers, seminars on integrity in public administration and internal investigations workshops.

<b>EDUCATION SESSIONS</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Sessions</b>	87	76	96
<b>People</b>	3,019	2,900	4,300

The Commissioner himself delivered 31 sessions to 1622 people. The Commissioner's personal commitment to the education program is critical to the success of the education agenda.

The demand for sessions about the role of the ICAC and the OPI and reporting obligations remains constant. Presentations are offered as open and in-house sessions to public officers within both state and local government.

A variation of these sessions is also offered for people and organisations who perform contract work for a public authority or the Crown. During the reporting period ICAC Awareness training was delivered to 406 people who were engaged as contractors to a public authority or the Crown.

# PREVENTION, EDUCATION AND COMMUNICATIONS

The Commissioner's office continues to participate in the Office for the Public Sector's training program for the South Australian Executive Service, and the government's youth employment program, Jobs4Youth. Education campaigns that were commenced in previous years for SA Health, the Department for Communities and Social Inclusion and local government bodies have continued. New programs have commenced with the Department for Correctional Services and within the emergency services sector.

This year the education team began working with the Police Academy to deliver ICAC ethics and integrity training to all police cadets. During the reporting period, training was delivered to 206 cadets.

As part of a regional outreach program the Commissioner and his staff delivered education sessions to more than 300 public officers in Port Lincoln, Mount Gambier and the Yorke Peninsula.

Last year the Commissioner launched a pilot workshop titled 'What Happened? How to Conduct an Internal Investigation'. The workshop was developed to assist public officers responsible for investigating misconduct and maladministration within state and local government. The workshop provides practical, hands-on training in relation to the conduct of an internal investigation.

## SESSION FEEDBACK

“Great to have access to the Commissioner”

“The Commissioner was informative and entertaining”

“Terrific session”

“A very interesting and insightful presentation”

**EDUCATION  
RESOURCES**

The Commissioner’s office makes available resources to assist public officers, public authorities and members of the community to understand the importance of public integrity and oversight to proper public administration. All resources are accessible from the ICAC website and hard copy printed resources can be requested from the education and communications team.

The Commissioner’s video resources, which are hosted on the ICAC Vimeo channel (accessible from the ICAC website) have been heavily utilised again this year with 31,000 streamed plays.

**E-LEARNING**

The Commissioner provides an online ICAC Induction for Public Officers course. The Moodle-hosted course is accessible from the ICAC website and teaches public officers about their ICAC obligations and issues of integrity in public administration. Five hundred and thirty-five people registered for the online training this reporting year. The feedback from the course has been very positive, with 95% of people who provided feedback saying they would be likely or very likely to recommend the online course to their colleagues and organisations.

**COMMUNICATIONS  
AND ENGAGEMENT**

The Commissioner and his staff make themselves available to regularly engage with stakeholders.

A range of other communication channels are also utilised to engage with stakeholders. The most widely used of these channels is the ICAC/OPI website, which this year welcomed 27,660 visitors who accessed website pages 120,379 times.

	2016-17	2015-16	2014-15
<b>Website Visitors</b>	27,660	26,424	20,689

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

**INTERNAL INVESTIGATIONS  
WORKSHOP FEEDBACK**

“The content was spot on.  
Concise, accurate and practical”

“The guidance went well  
beyond what I expected  
to receive”

“Excellent, experienced  
practitioners that are able to  
communicate a concept easily”

“Well organised, well delivered  
and good content”

The Commissioner's office publishes two newsletters a year to keep stakeholders updated and informed on ICAC/OPI business and matters of public integrity.

A mailing list is maintained to ensure stakeholders are notified about education events and resources, news, media, public statements and job opportunities.

ICAC has Twitter and LinkedIn social media accounts, which are utilised for day to day communications.

The Commissioner makes available a media liaison person to respond to requests from the media.

## **MEDIA**

The Commissioner will not ordinarily comment on operational matters. If the Commissioner does decide to make a comment about a complaint, report, assessment or investigation under the ICAC Act, he must do so in the form of a public statement, having first considered the criteria set out in section 25 of the ICAC Act.

News and announcements regarding non-operational matters will be issued as a media release. The Commissioner issued five media releases during the reporting period, and his office engaged with the media on 90 occasions.

The Commissioner or the Commissioner's delegate has the discretion to release a public statement about an operational matter, having first considered the criteria set out in section 25 of the ICAC Act.

## **PUBLIC STATEMENTS**

**Six** public statements were issued during the reporting period, all of which were issued by the Commissioner. Four of those public statements concerned a pending prosecution. The remaining two public statements related to the Commissioner's maladministration investigation into the Oakden Older Persons Mental Health Facility.

## **E-LEARNING COURSE FEEDBACK**

“I think every public officer should undertake this course. I feel informed and empowered”

“I am now much better informed and feel like it was a helpful tool and exercise”

“Easy to use and informative”

“It was an in-depth course, which was great to advance my current knowledge”

On 9 March 2017, the Commissioner announced that he would conduct an evaluation of the practices, policies and procedures of the Public Trustee, in accordance with section 40 of the ICAC Act.

Upon completion the Commissioner's evaluation report will be tabled in both Houses of Parliament.

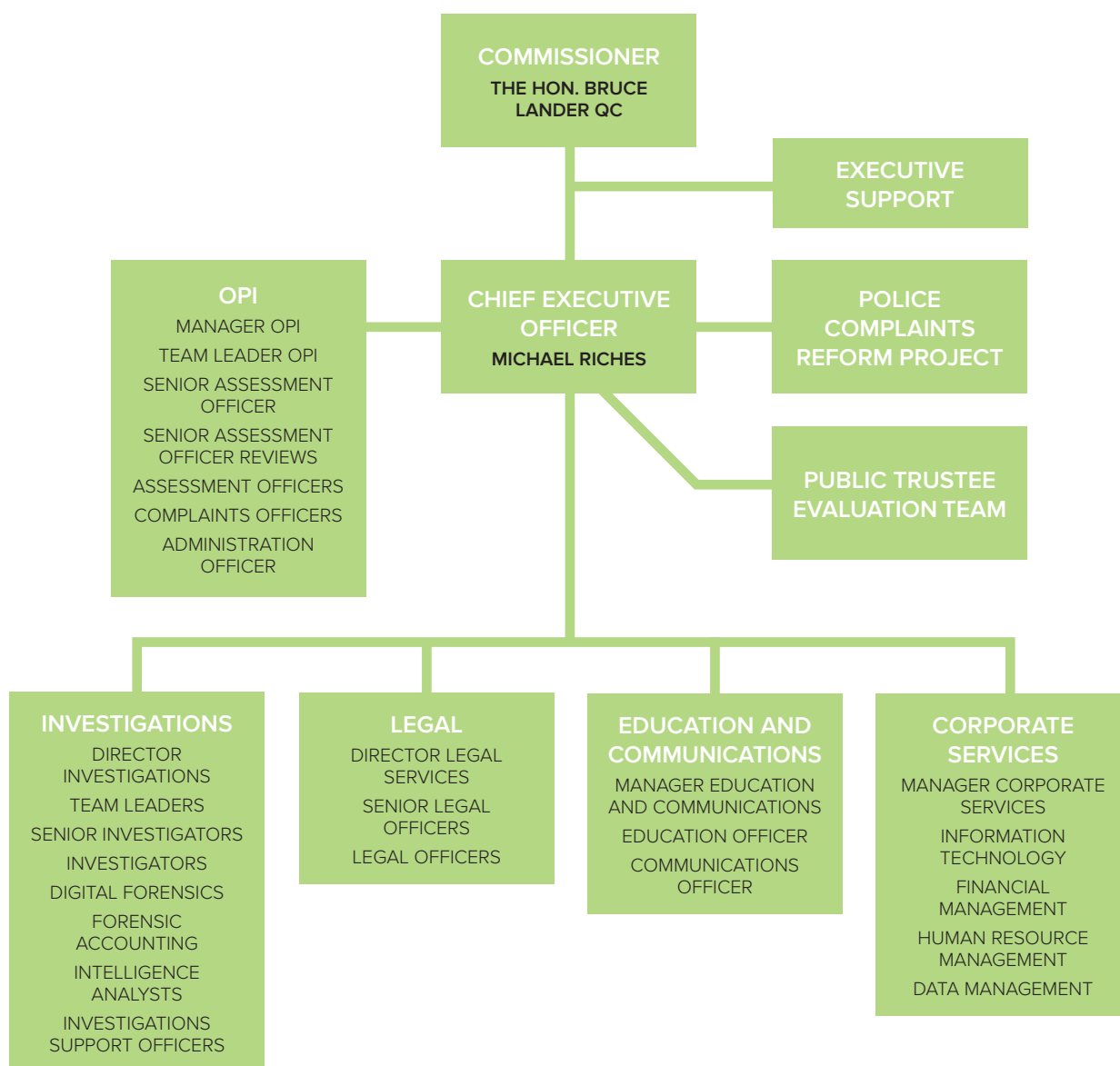
# EVALUATIONS

**OUR ORGANISATION**  
**SECTION THREE**



During the reporting period, the organisation experienced a small expansion. As at 30 June 2017 the ICAC and OPI comprised 55 staff making up 48.1 FTE, an increase of four staff over the previous reporting period.

A significant change to the organisation's staff was the resignation of its Chief Executive Officer, Patricia Christie, and the appointment of Michael Riches as the new Chief Executive Officer. While the transition to a new Chief Executive Officer has resulted in some changes in approach, stability and continuity has been a key consideration to ensure the continued discharge of statutory functions and the maintenance of a strong culture of independence, collaboration and integrity.



# ORGANISATION CHART



# GOALS

## GOAL I

Complaints and reports will be received and assessed in a consistent, impartial and efficient manner that identifies all the relevant issues and recommends appropriate action.

## GOAL II

Investigations undertaken by us, or undertaken by other agencies subject to our oversight, will be an efficient, thorough and objective pursuit of the truth.

## GOAL III

Public authorities will be assisted to prevent and minimise corruption, misconduct and maladministration through education programs and initiatives designed to raise awareness of reporting obligations and inappropriate conduct and practices.

## STRATEGIC PLAN

The organisation's work throughout this reporting period has been guided by statute and the ICAC/OPI Strategic Plan. The plan identifies three strategic goals which underpin the organisation's planning and day-to-day operations.

Having been in operation for almost four years, and with the benefit of a breadth of experience in the discharge of core functions, work is underway to develop a more refined and detailed strategic plan which, when completed, will be made publicly available.

To aid in the development of our strategic and corporate planning, each work team has participated in strategic and business planning sessions during the year. The sessions were designed to address the changing nature of the organisation's work, its resources and needs. The sessions have enabled the Commissioner and management team to better plan for the future, including the development of a future funding model which will include staffing and technology needs.



# ICAC / OPI VALUES

## PEOPLE AND STRUCTURE

As an integrity agency it is paramount that we invest in careful recruitment and selection to ensure all staff adhere to the highest levels of honesty and accountability. Alignment to ICAC/OPI values is a mandatory consideration in our selection processes.

Integrity is one of the core values in the Strategic Plan and is an essential personal quality described in every employee's job and person specification.

Communication about the importance of ethical behaviour begins at the recruitment stage and continues through induction and staff development programs. Induction includes working with new employees and contractors so they develop an understanding and compliance with the organisation's core values and the Code of Ethics for the South Australian Public Sector. Induction sessions cover organisational policies, financial and procurement practices, together with the ICAC Act and Directions and Guidelines published by the Commissioner.

Through ongoing education and active involvement in recruitment, the Commissioner and the Chief Executive Officer have built and continue to maintain an organisational culture of honesty and ethical behaviour.

Reviews of practices, policies and procedures continued during this reporting period as part of the organisation's ongoing commitment to achieving best practice in all of its operations.

A significant policy change was the review and amendment of the organisation's fraud and corruption control policy. The policy was widened in scope to include any unacceptable conduct. The new unacceptable conduct control policy provides a more extensive and robust framework to minimise opportunities for unacceptable conduct within the organisation and to maximise the potential for such conduct, if it occurs, to be detected.

Having been in operation for more than three years, reviews were also undertaken in relation to the composition and structure of each team in order to ensure optimal output, supervision and reporting lines.

Substantial changes were made to the investigations team, with the introduction of a three team structure. The corporate services team realigned some new roles and some tasks were moved between those roles, in an effort to ensure the team can continue to provide high level support to a growing and changing organisation. The review of the education and communications team identified the need for additional resources.

The OPI was the subject of a detailed review of its operations and processes. A number of processes have since been streamlined and some minor changes were made to the structure of the team.

The management team considered the changing nature of work in Australia and its impact on staff attraction and retention strategies. The team spent time exploring quantitative and qualitative feedback from employees, obtained through an employee engagement survey, on how they feel about working at the ICAC and the OPI. A number of suggestions for improvements were identified during that process.

Throughout the first three years of operation, significant resources were invested in establishing and maintaining an independent secure information communications and technology network. As we contemplate the ongoing investment in our independent systems, consideration has been given to the risks and benefits of operating a cloud based system. While there would be benefits, a significant challenge associated with utilising cloud technology is the risk associated with ensuring the security of our highly sensitive information. While we will continue to monitor the development of cloud based services it is likely that in the medium term the organisation will continue to maintain its own independent and secure system and infrastructure.

During the reporting period the organisation continued to develop and enhance its capacity and capability to manage most of its information in a digital environment. Digital information management provides increased efficiency and effectiveness over paper based systems. However, it is important that digital systems are frequently scrutinised to ensure they are optimised and there are maximum security controls in place. To this end, a security vulnerability assessment and remediation program is carried out each year.

We have implemented printing, scanning and copying by employee verification. This initiative increases information security as no printing or copying can be produced without the employee attending with their unique access card. Scanned information can be automatically captured into ICAC's enterprise content management system which has access restrictions based on the employee's privileges.

Employees gain access to policies, procedures, guidelines and corporate communications through the ICAC/OPI intranet. The intranet has been enhanced to display links from the organisation's enterprise content management system. This adds a layer of information security as each employee must have appropriate privileges to the underlying system in order to access information.

During the reporting period, a business need for a dedicated exhibit management system was identified. This system has been procured and is currently being configured and implemented. The system will capture and manage each exhibit through seizure, analysis, management and disposal.

## **PROGRAMS AND INITIATIVES**

**WORKFORCE  
STATISTICS**

TOTAL NUMBER  
OF EMPLOYEES  
(AS AT 30 JUNE  
2017)

TOTAL NUMBER OF EMPLOYEES	2016-17	2015-16	2014-15	2013-14
PERSONS	55	51	41	38
FTEs	48.1	41.5	40.4	37.6

Figures include casual employees from 2015-16 onwards.

RECRUITMENTS  
AND  
SEPARATIONS

NUMBER OF PERSONS	2016-17	2015-16	2014-15	2013-14
RECRUITED TO THE AGENCY	18	19	12	42
SEPARATED FROM THE AGENCY	14	13	9	4

Figures include casual employees from 2015-16 onwards.

TURNOVER

	2016-17	2015-16	2014-15	2013-14
EMPLOYEE TURNOVER	26.4%	28.3%	22.8%	21.1%

Figures include casual employees from 2015-16 onwards.

LEAVE  
MANAGEMENT

LEAVE TYPE	2016-17	2015-16	2014-15	2013-14
SICK LEAVE	4.5 per FTE	3.5 per FTE	3.7 per FTE	2.2 per FTE
FAMILY CARER'S LEAVE	0.8 per FTE	0.8 per FTE	0.9 per FTE	0.3 per FTE
SPECIAL LEAVE WITH PAY	1.1 per FTE	0.5 per FTE	0.8 per FTE	0.7 per FTE

EMPLOYMENT  
OPPORTUNITY  
PROGRAMS

The Commissioner is an equal opportunity employer. People from diverse backgrounds are encouraged to apply for employment vacancies.

The Commissioner also encourages people with disabilities to apply for advertised positions in his office and the OPI. Any person with special access needs will have those needs assessed and accommodated wherever possible.

AGENCY  
PERFORMANCE  
MANAGEMENT  
AND  
DEVELOPMENT  
SYSTEMS

PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM	ASSESSMENT OF EFFECTIVENESS AND EFFICIENCY
Performance and Potential Review	100% of employees have completed a performance and potential review or a probation review in the past six months

WHISTLEBLOWERS  
PROTECTION ACT

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

EXECUTIVE  
EMPLOYMENT  
IN THE AGENCY

EXECUTIVE CLASSIFICATION	NUMBER OF EXECUTIVES AS AT 30 JUNE 2017	NUMBER OF EXECUTIVES ACTUAL REMUNERATION
CONAGD*	1	2
SAES2	1	1
SAES1	1	0
INV4	1	1
INV3	3	2
LEC5	1	1
MAS3	1	1
ASO8	1	0
TOTAL	10	8

Executive classification is based on a total value of salary package in excess of \$147,000 per annum.

\* While the Commissioner has been included in the above tally, he is not an employee of the ICAC.

CONSULTANTS

CONSULTANTS	PURPOSE	VALUE
CONSULTANCIES BELOW \$10,000 EACH		
Info-Osmosis	Consulting and providing advice regarding General Disposal Schedule 21 compliance	\$3,250
Materne Pennino Hoare	Consulting and providing advice and cost estimates regarding building fit-out	\$1,135
CONSULTANCIES ABOVE \$10,000 EACH		
CQR Consulting Australia	Consulting and providing advice regarding information technology security	\$28,060
CQR Consulting Australia	Consulting and providing advice regarding suitability of Cloud services for ICAC's protected information	\$11,025
CQR Consulting Australia	Consulting and providing advice regarding information technology security	\$25,391
TOTAL ALL CONSULTANCIES		\$68,861

PUBLIC  
COMPLAINTS  
– SUMMARY  
OF COMPLAINTS  
BY SUBJECT, AND  
OUTCOMES

<b>CATEGORY OF COMPLAINTS BY SUBJECT 2016-17</b>	<b>NUMBER</b>
SERVICE QUALITY / DELIVERY	0
BEHAVIOUR OF STAFF	0
SERVICE ACCESS / PROCESSES / PROCEDURES	0
OTHER COMPLAINTS	0
TOTAL COMPLAINTS	0

The above table does not include complaints made by people that may be aggrieved with a decision or outcome in relation to a complaint or report made to the OPI about public administration.

It includes only complaints that express dissatisfaction with the service received, or the conduct of employees or contractors working for the organisation.

OCCUPATIONAL  
HEALTH,  
SAFETY AND  
REHABILITATION  
PROGRAMS  
OF THE AGENCY  
AND THEIR  
EFFECTIVENESS

There have been no work health and safety incidents requiring corrective action or injuries requiring medical treatment during the period.

There has been no workers compensation expenditure and no rehabilitation programs required during the 2016-17 financial year.

**FINANCIAL  
STATEMENTS  
SECTION FOUR**





## 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 2017.

#### **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 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Independent Commissioner Against Corruption, the Chief Executive Officer and the Manager 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 the 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 Independent Commissioner Against Corruption for the financial report**

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

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

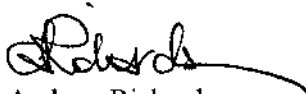
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Independent Commissioner Against Corruption
- 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

18 September 2017



# ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## Independent Commissioner Against Corruption Certification of the Financial Statements

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


- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987* and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Independent Commissioner Against Corruption; and
- present a true and fair view of the financial position of the Independent Commissioner Against Corruption as at 30 June 2017 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

Date: 13 September 2017



Michael Riches  
Chief Executive Officer  
Independent Commissioner Against Corruption

Date: 13 September 2017



Vicki Tomlinson  
Manager Corporate Services  
Independent Commissioner Against Corruption

Date: 13 September 2017

**Independent Commissioner Against Corruption**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2017*

---

	Note	2017 \$'000	2016 \$'000
<b>Expenses</b>			
Employee benefits expense	4	6 751	5 965
Supplies and services	5	3 017	2 867
Depreciation and amortisation expense	6	1 063	832
Auditor's remuneration	7	32	40
<b>Total expenses</b>		<b>10 863</b>	<b>9 704</b>
<b>Income</b>			
Recoveries and other income	8	71	11
<b>Total income</b>		<b>71</b>	<b>11</b>
<b>Net cost of providing services</b>		<b>10 792</b>	<b>9 693</b>
<b>Revenue</b>			
Revenues from SA Government		10 078	7 588
<b>Total net revenues from SA Government</b>		<b>10 078</b>	<b>7 588</b>
<b>Net result</b>		<b>( 714)</b>	<b>(2 105)</b>
<b>Total comprehensive result</b>		<b>( 714)</b>	<b>(2 105)</b>

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

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

**Independent Commissioner Against Corruption**  
**Statement of Financial Position**  
*as at 30 June 2017*

---

	Note	2017 \$'000	2016 \$'000
<b>Current assets</b>			
Cash and cash equivalents	9	3 154	3 251
Receivables	10	175	114
<b>Total current assets</b>		<b>3 329</b>	<b>3 365</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	4 759	5 447
Intangible assets	12	496	-
<b>Total non-current assets</b>		<b>5 255</b>	<b>5 447</b>
<b>Total assets</b>		<b>8 584</b>	<b>8 812</b>
<b>Current liabilities</b>			
Payables	14	603	402
Employee benefits	15	872	678
Other liabilities	16	116	116
<b>Total current liabilities</b>		<b>1 591</b>	<b>1 196</b>
<b>Non-current liabilities</b>			
Payables	14	54	37
Employee benefits	15	587	396
Other liabilities	16	581	698
<b>Total non-current liabilities</b>		<b>1 222</b>	<b>1 131</b>
<b>Total liabilities</b>		<b>2 813</b>	<b>2 327</b>
<b>Net assets</b>		<b>5 771</b>	<b>6 485</b>
<b>Equity</b>			
Retained earnings		5 771	6 485
<b>Total equity</b>		<b>5 771</b>	<b>6 485</b>

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

Unrecognised contractual commitments	17
Contingent assets and contingent liabilities	19

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

**Independent Commissioner Against Corruption**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2017*

---

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2015</b>	<b>8 590</b>	<b>8 590</b>
Net result for 2015-16	(2 105)	(2 105)
<b>Total comprehensive result for 2015-16</b>	<b>(2 105)</b>	<b>(2 105)</b>
<b>Balance at 30 June 2016</b>	<b>6 485</b>	<b>6 485</b>
Net result for 2016-17	( 714)	( 714)
<b>Total comprehensive result for 2016-17</b>	<b>( 714)</b>	<b>( 714)</b>
<b>Balance at 30 June 2017</b>	<b>5 771</b>	<b>5 771</b>

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

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



**Independent Commissioner Against Corruption**  
**Statement of Cash Flows**  
*for the year ended 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		(6 322)	(5 621)
Supplies and services		(3 231)	(3 095)
<b>Cash used in operations</b>		<b>(9 553)</b>	<b>(8 716)</b>
<b>Cash inflows</b>			
Recoveries		71	11
<b>Cash generated from operations</b>		<b>71</b>	<b>11</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		10 078	7 588
<b>Cash generated from SA Government</b>		<b>10 078</b>	<b>7 588</b>
<b>Net cash provided by (used in) operating activities</b>	20	<b>596</b>	<b>(1 117)</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		( 693)	(1 074)
<b>Cash used in investing activities</b>		<b>( 693)</b>	<b>(1 074)</b>
<b>Cash inflows</b>			
Lease incentive received		-	434
<b>Cash generated from investing activities</b>		<b>-</b>	<b>434</b>
<b>Net cash used in investing activities</b>		<b>( 693)</b>	<b>( 640)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>( 97)</b>	<b>(1 757)</b>
Cash and cash equivalents at the beginning of the period		3 251	5 008
<b>Cash and cash equivalents at 30 June</b>	9	<b>3 154</b>	<b>3 251</b>

The above statement 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 2017*

---

**Note 1: Objectives of the Independent Commissioner Against Corruption (ICAC)**

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

The primary objective of the Commissioner is to:

- (a) 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;
- (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.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

---

**Note 2: Significant accounting policies**

**(a) Statement of compliance**

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

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

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

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted for these statements. Refer to Note 3.

**(b) Basis of preparation**

The preparation of the financial statements requires:

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

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

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

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented.

**(c) Reporting entity**

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

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

---

**Note 2: Significant accounting policies (continued)**

**(d) Comparative information**

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

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

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

**(e) Rounding**

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

**(f) Taxation**

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

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

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

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

**(g) Events after the reporting period**

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

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

**(h) Current and non-current classification**

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

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

**(i) Non-current assets**

*Asset acquisition and recognition*

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation. Where assets are acquired at no value or minimal value they are recorded at their fair value in the Statement of Financial Position.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

---

**Note 2: Significant accounting policies (continued)**

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

*Depreciation and amortisation*

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

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

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

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

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

<u>Class of assets</u>	<u>Useful life (Years)</u>
Leasehold improvements	Life of lease
Plant and Equipment	1-16
Information Technology	3-10
Intangible Assets	3-5

*Revaluation of non-current assets*

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

*Impairment*

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

*Intangible assets*

Intangible assets are 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 Commissioner has intangible assets only with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

---

**Note 2: Significant accounting policies (continued)**

benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

*Fair value measurement*

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

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

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

*Non-financial assets*

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

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

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

Refer to Note 11: and Note 13: for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

*Financial assets/liabilities*

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

**(j) Liabilities**

*Leases*

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

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

Lease incentives

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

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

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

*Employee benefits*

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

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

---

**Note 2: Significant accounting policies (continued)**

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.

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

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

Long service leave

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

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data across AGD (including ICAC).

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

The current portion of long service leave reflects AGD's past experience of long service leave.

Pre-retirement leave

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

**(k) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

**Note 3: New and revised accounting standards and policies**

The Commissioner did not voluntarily change any of his accounting policies during 2016-17.

Australian Accounting Standards and Interpretations that have recently been issued or amended but not yet effective, have not been adopted by the Commissioner for the period ending 30 June 2017.

AASB 16 Leases will apply for the first time for reporting periods beginning after 1 January 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 3: New and revised accounting standards and policies (continued)**

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

The Commissioner has not yet quantified the impact of applying AASB 16 Leases to his operating lease arrangements and the resulting impact on the Statement of Comprehensive Income, the Statement of Financial Position and the Commitments disclosure in the Notes to the Financial Statements.

**Note 4: Employee benefits expenses**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	5 216	4 851
Employment on-costs - superannuation	555	477
Annual leave	459	199
Employment on-costs - other	320	281
Long service leave	183	155
Skills and experience retention leave	18	2
<b>Total employee benefits expenses</b>	<b>6 751</b>	<b>5 965</b>

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

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

The Commissioner makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur.

**Remuneration of employees**

**Remuneration of employees**

The number of employees whose remuneration received or receivable falls within the following bands:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
\$145 001 to \$147 000*	na	-
\$147 001 to \$157 000	3	-
\$157 001 to \$167 000	1	2
\$177 001 to \$187 000 **	1	-
\$187 001 to \$197 000	1	1
\$237 001 to \$247 000	1	-
\$317 001 to \$327 000	-	1
\$477 001 to \$487 000	1	1
<b>Total number of employees</b>	<b>8</b>	<b>5</b>

\*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2015-16.

\*\* Includes payment of long service leave, annual leave, termination benefits for an officer who has left ICAC.

The table includes all employees (including the 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 \$1.711 million (\$1.323 million).



**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 5: Supplies and services**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation	977	931
Information and communications technology	975	727
Outsourced services	175	202
Contract staff	126	340
Employment related payments	86	88
Consultancies	69	8
Legal fees	64	27
Promotions and publications	61	80
Tax and taxable payments	54	49
Repairs, maintenance and minor purchases	52	41
Motor vehicle expenses	50	56
Telephone related expenses	45	40
Shared Services SA charges	42	34
Employee training	39	63
Office expenses	31	32
Website development	-	8
Internal audit fee	26	26
Other	145	115
<b>Total supplies and services</b>	<b>3 017</b>	<b>2 867</b>

During 2016-17, the Commissioner reviewed his allocation of accounts within the supplies and services note. This review identified amendments to information and communications technology, promotions and publications, office expenses and other. The comparatives above have been restated to reflect the correct supplies and services classification.

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

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Below \$10 000	2	2	4	8
Above \$10 000	3	-	65	-
<b>Total paid/payable to consultants</b>	<b>5</b>	<b>2</b>	<b>69</b>	<b>8</b>

**Note 6: Depreciation and amortisation**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Plant and equipment	61	45
Information technology assets	471	360
<b>Total depreciation</b>	<b>532</b>	<b>405</b>
<b>Amortisation</b>		
Leasehold improvements	430	427
Intangible assets	101	-
<b>Total amortisation</b>	<b>531</b>	<b>427</b>
<b>Total depreciation and amortisation</b>	<b>1 063</b>	<b>832</b>

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

---

**Note 7: Auditor's remuneration**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fees paid/payable to the Auditor-General's Department relating to work performed under the <i>Public Finance and Audit Act 1987</i>	32	40
<b>Total audit fees</b>	<b>32</b>	<b>40</b>

**Other services**

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

**Note 8: Recoveries and other income**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Sundry recoveries	71	11
<b>Total recoveries and other income</b>	<b>71</b>	<b>11</b>

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

**Note 9: Cash and cash equivalents**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	3 154	3 251
<b>Total cash and cash equivalents</b>	<b>3 154</b>	<b>3 251</b>

**Deposits with the Treasurer**

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

**Note 10: Receivables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
GST receivable	40	26
Prepayments	135	88
<b>Total receivables</b>	<b>175</b>	<b>114</b>

Categorisation of financial instruments and risk exposure information - Refer to Note 22 (a).

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 11: Property, plant and equipment**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Leasehold improvements</b>		
Leasehold improvements at cost (deemed fair value)	4 026	3 986
Accumulated amortisation at the end of the period	(1 374)	( 944)
<b>Total leasehold improvements</b>	<b>2 652</b>	<b>3 042</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	478	435
Accumulated depreciation at the end of the period	( 201)	( 153)
<b>Total plant and equipment</b>	<b>277</b>	<b>282</b>
<b>Information Technology assets</b>		
Information Technology assets at cost (deemed fair value)	2 429	2 181
Accumulated depreciation at the end of the period	(1 057)	( 586)
<b>Total information technology assets</b>	<b>1 372</b>	<b>1 595</b>
<b>Capital work in progress</b>		
Capital work in progress at cost	458	528
<b>Total capital work in progress</b>	<b>458</b>	<b>528</b>
<b>Total property, plant and equipment</b>	<b>4 759</b>	<b>5 447</b>

**Valuation note**

**Carrying amount of plant and equipment**

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

**Impairment**

There were no indications of impairment of property, plant and equipment at 30 June 2017.

**Movement reconciliation of property, plant and equipment:**

<u>2017</u>	Leasehold Improvements	Plant & equipment	Information Technology assets	Capital Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount 1 July 2016</b>	3 042	282	1 595	528	5 447
Additions	40	17	169	424	650
Depreciation and amortisation	( 430)	( 61)	( 471)	-	( 962)
Transfers to/(from) capital WIP	-	39	79	( 494)	( 376)
<b>Carrying amount 30 June 2017</b>	<b>2 652</b>	<b>277</b>	<b>1 372</b>	<b>458</b>	<b>4 759</b>

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 11: Property, plant and equipment (continued)**

<u>2016</u>	Leasehold	Plant &	Information	Capital Work	Total
	Improvements	equipment	Technology assets	in progress	
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2015	3 436	327	1 297	89	5 149
Additions	33	-	577	525	1 135
Depreciation and amortisation	( 427)	( 45)	( 360)	-	( 832)
Transfers to/(from) capital WIP	-	-	81	( 81)	-
Other	-	-	-	( 5)	( 5)
<b>Carrying amount 30 June 2016</b>	<b>3 042</b>	<b>282</b>	<b>1 595</b>	<b>528</b>	<b>5 447</b>

**Note 12: Intangible assets**

	2017	2016
	\$'000	\$'000
<b>Externally acquired intangible assets</b>		
Computer software and licences	597	-
Less accumulated amortisation	( 101)	-
<b>Total externally acquired intangible assets</b>	<b>496</b>	<b>-</b>
<b>Total intangible assets</b>	<b>496</b>	<b>-</b>

**Impairment**

There were no indications of impairment of intangible assets at 30 June 2017.

**Movement reconciliation of intangible assets:**

<u>2017</u>	Externally acquired	2017
	\$'000	Total
	\$'000	\$'000
Carrying amount at the start of the period	-	-
Additions	221	221
Transfers from capital works in progress	376	376
Amortisation	( 101)	( 101)
<b>Carrying amount at the end of the period</b>	<b>496</b>	<b>496</b>

**Note 13: Fair value measurement**

**Fair value hierarchy**

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Commissioner categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement. The Commissioner has categorised all leasehold improvements, information technology assets and plant and equipment assets (refer Note 11) into level 3 for 2017 and 2016.

**Valuation techniques and inputs**

Valuation techniques used to derive level 3 fair values are at Note 2(i). The fair values were determined using the depreciated replacement cost approach. Key assumptions were assessing the remaining useful life and the purpose of the assets.

**Reconciliation of fair value measurements - Level 3**

There have been no transfers into or out of fair value hierarchy levels during the reporting period.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 14: Payables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	461	285
Accruals	35	37
Employee on-costs	107	80
<b>Total current payables</b>	<b>603</b>	<b>402</b>
<b>Non-current</b>		
Employment on-costs	54	37
<b>Total non-current payables</b>	<b>54</b>	<b>37</b>
<b>Total payables</b>	<b>657</b>	<b>439</b>

**Staff on-costs**

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has not changed from the 2016 rate (40%) and the average factor for the calculation of employer superannuation on-cost has changed from the 2016 rate (10.2%) to 10.1%. 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.

**Interest rate and credit risk**

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

Categorisation of financial instruments and risk exposure information - Refer to Note 22 (a).

**Note 15: Employee benefits**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	421	296
Accrued salaries and wages	134	108
Long service leave	289	265
Skills and experience retention leave	28	9
<b>Total current employee benefits</b>	<b>872</b>	<b>678</b>
<b>Non-current</b>		
Long service leave	587	396
<b>Total non-current employee benefits</b>	<b>587</b>	<b>396</b>
<b>Total employee benefits</b>	<b>1 459</b>	<b>1 074</b>

The amounts for long service leave include pre-retirement leave (see Note 2 (j)) and also include amounts accrued for investigators seconded under a Memorandum of Administrative Arrangement between SA Police and the Commissioner. The Commissioner is required to reimburse SA Police an amount equivalent to long service leave accrued while an

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 15: Employee benefits (continued)**

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 contains the calculation methodology for the long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability for the measurement of long service leave. AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 2% (2016) to 2.5% (2017).

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

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

**Note 16: Other liabilities**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease incentive	116	116
<b>Total other current liabilities</b>	<b>116</b>	<b>116</b>
<b>Non-current</b>		
Lease incentive	581	698
<b>Total non-current other liabilities</b>	<b>581</b>	<b>698</b>
<b>Total other liabilities</b>	<b>697</b>	<b>814</b>

**Note 17: Unrecognised contractual commitments**

**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:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	797	768
Later than one year but not longer than five years	3 497	3 370
Later than five years	958	1 881
<b>Total operating lease commitments</b>	<b>5 252</b>	<b>6 019</b>

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.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 17: Unrecognised contractual commitments (continued)**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other commitments</b>		
Motor vehicles <sup>(1)</sup>	107	94
Software maintenance <sup>(3)</sup>	178	-
Other <sup>(2)</sup>	242	275
<b>Total</b>	<b>527</b>	<b>369</b>
Within one year	361	310
Later than one year but not longer than five years	166	59
<b>Total other commitments</b>	<b>527</b>	<b>369</b>

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

(2) Other commitments relate to purchase orders placed for goods and services before 30 June 2017 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 four years.

**Note 18: Related party transactions**

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.

**Significant transactions with government related entities**

The Commissioner had no significant transactions with government related entities.

**Key management personnel**

Key management personnel during 2016-17 include the Commissioner, the Chief Executive Officer and six members of the management team who have responsibility for 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.

	<b>2017</b>
	<b>\$'000</b>
<b>Compensation</b>	
Salaries and other short term employee benefits	1 481
Post-employment benefits	137
Other long-term employment benefits	23
<b>Total Compensation</b>	<b>1 641</b>

**Transactions with key management personnel and other related parties**

There are no material transactions or balances to disclose with key management personnel or related parties.

**Note 19: Contingent assets and contingent liabilities**

In the ordinary course of operations, the Commissioner may become involved in legal disputes. These legal disputes may give rise to court costs being awarded in favour or against the Commissioner. As at 30 June 2017, it is not possible to reliably estimate the total court costs that may be receivable or payable in respect of these disputes.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

---

**Note 20: Cash flow reconciliation**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 154	3 251
Balance as per the Statement of Cash Flows	3 154	3 251
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash provided by operating activities	596	(1 117)
Less revenues from SA Government	(10 078)	(7 588)
<b>Add/less non-cash items</b>		
Depreciation and amortisation	(1 063)	( 832)
Property plant and equipment assets in payables	178	61
Lease incentive amortisation	117	116
<b>Movements in assets and liabilities</b>		
Increase/(decrease) in receivables	61	58
(Increase)/decrease in payables	( 218)	( 77)
(Increase)/decrease in employee benefits	( 385)	( 314)
<b>Net cost of providing services</b>	<b>(10 792)</b>	<b>(9 693)</b>



**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 21: Transactions with SA Government**

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

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Expenses</b>							
Employee benefits expenses	4	320	281	6 431	5 684	6 751	5 965
Supplies and services	5						
Accommodation		972	836	5	95	977	931
Information and communications technology		98	67	877	660	975	727
Outsourced services		26	119	149	83	175	202
Contract staff		-	-	126	340	126	340
Employment related payments		-	-	86	88	86	88
Consultancies		-	-	69	8	69	8
Legal fees		7	14	57	13	64	27
Promotions and publications		-	-	61	80	61	80
Tax and taxable payments		54	49	-	-	54	49
Repairs, maintenance and minor purchases		-	-	52	41	52	41
Motor vehicle expenses		50	50	-	6	50	56
Telephone related expenses		38	35	7	5	45	40
Shared Services SA charges		42	34	-	-	42	34
Employee training		-	2	39	61	39	63
Office expenses		-	-	31	32	31	32
Website development		-	-	-	8	-	8
Internal audit fees		-	-	26	26	26	26
Other		51	71	94	44	145	115
Depreciation and amortisation expense	6	-	-	1 063	832	1 063	832
Auditor's remuneration	7	32	40	-	-	32	40
<b>Total expenses</b>		<b>1 690</b>	<b>1 598</b>	<b>9 173</b>	<b>8 106</b>	<b>10 863</b>	<b>9 704</b>
<b>Income</b>							
Recoveries and other income	8	-	7	71	4	71	11
Revenues from / payments to SA Government		10 078	7 588	-	-	10 078	7 588
<b>Total income</b>		<b>10 078</b>	<b>7 595</b>	<b>71</b>	<b>4</b>	<b>10 149</b>	<b>7 599</b>

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

**Note 21: Transactions with SA Government (continued)**

	Note	SA Government		Non-SA Government		Total	
		2017	2016	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash and cash equivalents	9	3 154	3 251	-	-	3 154	3 251
Receivables	10						
GST receivable		-	-	40	26	40	26
Prepayments		-	-	135	88	135	88
<b>Total financial assets</b>		<b>3 154</b>	<b>3 251</b>	<b>175</b>	<b>114</b>	<b>3 329</b>	<b>3 365</b>
<b>Financial liabilities</b>							
Payables - current	14						
Creditors		157	22	304	263	461	285
Accruals		35	37	-	-	35	37
Employee on costs		38	29	69	51	107	80
Payables - non-current	14						
Employee on costs		30	20	24	17	54	37
<b>Total financial liabilities</b>		<b>260</b>	<b>108</b>	<b>397</b>	<b>331</b>	<b>657</b>	<b>439</b>

**Note 22: Financial instruments/financial risk management**

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

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

**(a) Categorisation of financial instruments**

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

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying amount 2017 \$'000	Fair value 2017 \$'000	Carrying amount 2016 \$'000	Fair value 2016 \$'000
<b>Financial assets</b>						
Cash and cash equivalents	Cash and cash equivalents	9	3 154	3 154	3 251	3 251
Receivables	Receivables <sup>(1) (2)</sup>	10	-	-	-	-
<b>Financial liabilities</b>						
Financial liabilities at cost	Payables <sup>(1)</sup>	14	461	461	285	285

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2017*

---

**Note 22: Financial instruments/financial risk management (continued)**

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

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 10 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

*Fair value*

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

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to their short term nature. Refer to Notes 2, 10 and 14.

*Credit risk*

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

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

**(b) Maturity analysis of financial assets and liabilities**

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

*Liquidity risk*

Liquidity risk arises from the possibility that the Commissioner is unable to meet financial obligations as they fall due. The Commissioner is funded principally from appropriations by the SA Government. The Commissioner works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected 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 aims to settle undisputed accounts within 30 days from the date the invoice is first received.

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

*Market risk*

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

*Sensitivity analysis*

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

**Note 23: Events after the reporting period**

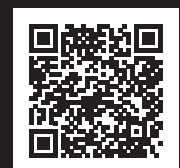
There are no known events after balance date that affect these financial statements.





Level 1, 55 Currie Street  
Adelaide SA 5000  
(08) 8463 5173  
GPO Box 11066  
Adelaide SA 5001  
[www.icac.sa.gov.au](http://www.icac.sa.gov.au)

Scan this QR code to read this annual report online, plus previous annual reports, or visit <http://icac.sa.gov.au/content/annual-reports>





**ICAC•OPI**

Independent Commissioner  
Against Corruption  
SOUTH AUSTRALIA

---

Office for Public Integrity