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To the Independent Commissioner Against Corruption Independent Commission Against Corruption

Opinion

I have audited the financial report of the Independent Commission Against Corruption for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Independent Commission Against Corruption as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Independent Commissioner Against Corruption and the Director, Corporate Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Independent Commission 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 (including Independence Standards)* have been met.

I believe that the audit evidence I have 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, 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.

In preparing the financial report, the Independent Commissioner Against Corruption is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Independent Commissioner Against Corruption is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Independent Commission Against Corruption for the financial year ended 30 June 2022.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Independent Commission Against Corruption's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Independent Commissioner Against Corruption
- conclude on the appropriateness of the Independent Commissioner Against Corruption's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

Auditor-General

29 September 2022

**Independent Commission Against Corruption
(ICAC)**

Financial Statements

For the year ended 30 June 2022

Independent Commission Against Corruption
Certification of the Financial Statements
for the year ended 30 June 2022

We certify that the

- financial statements for the Independent Commission Against Corruption:
 - are in accordance with the accounts and records of the Independent Commission Against Corruption;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Independent Commission Against Corruption at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Independent Commission Against Corruption for the financial year over its financial reporting and its preparation of financial statements have been effective.



The Honourable Ann Vanstone KC
Commissioner
28 September 2022



Fiona Gowen
Director Corporate Services
28 September 2022

Independent Commission Against Corruption
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
SA Government grants, subsidies and transfers	2.1	12 557	13 875
Resources received free of charge	2.2	156	320
Recoveries and other income	2.3	28	10
Total income		12 741	14 205
Expenses			
Employee benefits expenses	3.2	7 333	8 380
Supplies and services	4.1	3 841	4 215
Depreciation and amortisation	5.1, 5.3	1 096	1 136
Loss on revaluation of property plant and equipment	5.1	-	186
Net loss from disposal of non-current assets	4.3	7	-
Other expenses	4.2	38	38
Total expenses		12 315	13 955
Net result		426	250
Total comprehensive result		426	250

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Independent Commission Against Corruption
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	11 653	11 209
Receivables	6.2	388	274
Total current assets		12 041	11 483
Non-current assets			
Property, plant and equipment	5.1	1 764	2 585
Intangible assets	5.3	12	84
Total non-current assets		1 776	2 669
Total assets		13 817	14 152
Current liabilities			
Payables	7.1	514	504
Lease liabilities	7.3	11	20
Employee benefits	3.3	609	1 346
Provisions	7.2	9	-
Other liabilities	7.4	135	136
Total current liabilities		1 278	2 006
Non-current liabilities			
Payables	7.1	62	55
Lease liabilities	7.3	1	11
Employee benefits	3.3	669	586
Provisions	7.2	22	-
Other liabilities	7.4	-	135
Total non-current liabilities		754	787
Total liabilities		2 032	2 793
Net assets		11 785	11 359
Equity			
Retained earnings		11 785	11 359
Total equity		11 785	11 359

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Independent Commission Against Corruption
Statement of Changes in Equity
for the year ended 30 June 2022

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020	11 109	11 109
Net result for 2020-21	250	250
Total comprehensive result for 2020-21	250	250
Balance at 30 June 2021	11 359	11 359
Net result for 2021-22	426	426
Total comprehensive result for 2021-22	426	426
Balance at 30 June 2022	11 785	11 785

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Independent Commission Against Corruption
Statement of Cash Flows
for the year ended 30 June 2022

		2022	2021
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
SA Government grants, subsidies and transfers		12 557	13 875
Recoveries and other income		39	8
Cash generated from operating activities		12 596	13 883
Cash outflows			
Employee benefits payments		(7 802)	(9 121)
Supplies and services payments		(3 877)	(4 568)
Cash used in operating activities		(11 679)	(13 689)
Net cash provided by / (used in) operating activities	8.1	917	194
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(210)	(400)
Cash used in investing activities		(210)	(400)
Net cash used in investing activities		(210)	(400)
Cash flows from financing activities			
Cash outflows			
Cash transferred as a result of restructuring activities	1.4	(244)	-
Repayment of leases		(19)	(19)
Cash used by financing activities		(263)	(19)
Net cash used in financing activities		(263)	(19)
Net decrease in cash and cash equivalents		444	(225)
Cash and cash equivalents at the beginning of the reporting period		11 209	11 434
Cash and cash equivalents at the end of the reporting period	6.1	11 653	11 209

The accompanying notes form part of these financial statements.

Independent Commission Against Corruption

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1 About the Independent Commission Against Corruption

The Independent Commission Against Corruption (the Commission) is a body corporate established under Part 2 of the *Independent Commission Against Corruption Act 2012* (ICAC Act).

The Commission is independent of and accountable to the SA Parliament.

Section 45 of the ICAC Act states that the Commission must, before 30 September in each year, prepare a report on the operations of the Commission.

As a result of amendments to the ICAC Act in October 2021, the Office for Public Integrity (the OPI) separated from the Commission, effective at 11:59pm on 6 October 2021. The OPI continues to exist as a separate entity for financial reporting purposes from 7 October 2021. Relevant assets, rights and liabilities were transferred from the Commission to the OPI (refer to note 1.4 for details). The report encompasses the operations of the Commission for the year ended 30 June 2022 and for the OPI for the period up until 6 October 2021.

The Commission does not control any other entity and has no interests in unconsolidated structure entities. The Commission has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

1.1. Basis of preparation

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

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

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

All financial assets and financial liabilities are measured at amortised cost.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

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

The net amount of the GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Commission is a member of an approved GST group of which the Attorney-General's Department is responsible for the remittance and collection of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis.

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.2. Objectives and programs

The Commission is established to:

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

The Commission has the following functions:

- (a) to identify corruption in public administration and to -
 - (i) investigate and refer it to a law enforcement agency for any further investigation and prosecution; or
 - (ii) refer it to a law enforcement agency for investigation and prosecution;
- (b) 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;
- (c) to conduct or facilitate the conduct of educational programs designed to prevent or minimise corruption, misconduct and maladministration in public administration;
- (d) if, in the course of performing functions in relation to potential corruption in public administration, any suspected misconduct or maladministration or any offences (not being offences that constitute the potential corruption in public administration) are identified – to report the matter to the OPI or the Ombudsman for assessment or refer the matter to a law enforcement agency, the Ombudsman or a public authority or public officer, as the Commission considers appropriate.

1.3. Impact of COVID-19 pandemic

There has been no material impact on the operations of the Commission because of the COVID-19 pandemic.

1.4. Net assets transferred to OPI

At 11:59pm on 6 October 2021, the Office for Public Integrity (OPI) became a separate reporting entity.

As a result of amendments to the ICAC Act and as per the *Public Sector (Reorganisation of Public Sector Operations – Office for Public Integrity) Notice 2021*, (contained in the South Australian Government Supplementary Gazette No 65 dated 6 October 2022), 18 staff were transferred from the Commission to the OPI. The following assets and liabilities were transferred from the Commission to the OPI:

Transferred Out	\$'000
Cash	244
Property, plant and equipment	14
Total assets	258
Employee benefits	230
Payables	28
Total liabilities	258
Total net assets transferred	-

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.5. Significant transactions with government related entities

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

- SA Government transfers received from the Department of Treasury and Finance (DTF) through the Attorney-General's Department.
- 100% of accommodation payments relate to accommodation supplied by the Department for Infrastructure and Transport (DIT) and cars supplied by Fleet SA.

2. Income

2.1. SA Government grants, subsidies and transfers

	2022	2021
	\$'000	\$'000
SA Government transfers	12 557	13 875
Total SA Government grants subsidies and transfers	12 557	13 875

SA Government transfers are recognised on receipt.

SA Government transfers consist of \$12.116 million (\$12.513 million) for operational funding and \$0.440 million (\$1.362 million) for capital projects via the Attorney-General's Department's intra-government transfers.

2.2. Resources received free of charge

	2022	2021
	\$'000	\$'000
Resources received free of charge - Department of the Premier and Cabinet	87	103
Resources received free of charge - Shared Services SA	69	68
Donated assets	-	149
Total services received free of charge	156	320

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

The Commission receives Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA. Information, Communication and Technology services are received from the Department of the Premier and Cabinet, following Cabinet's approval to cease intra-government charges.

A corresponding expense is recognised in the financial statements (see note 4.1).

2.3. Recoveries and other income

	2022	2021
	\$'000	\$'000
Sundry recoveries	28	10
Total recoveries and other income	28	10

Recoveries are from SA Government agencies and employee reimbursements and are recognised on receipt.

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3. Employee Related Expenses

3.1. Key management personnel

Key management personnel of the Commission include the Commissioner, the Deputy Commissioner, and 11 employees who have at times throughout the period been members of the management team. This includes the standing members of the management team, former employees who were members of the management team and employees who acted in roles that are members of the management team. The key management personnel are responsible for supporting and leading the strategic direction and management of the Commission.

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	1 609	1 962
Post-employment benefits	150	178
Other long-term employment benefits	57	234
Total compensation	1 816	2 374

Transactions with key management personnel and other related parties

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

The Commission did not enter into any transactions with key management personnel or their close family members during the reporting period.

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.2. Employee benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	5 792	6 770
Employment on-costs - superannuation	635	702
Annual leave	544	564
Employment on-costs - other	357	391
Long service leave	(14)	(73)
Skills and experience retention leave	19	26
Total employee benefits expenses	7 333	8 380

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

Employment on-costs – superannuation

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

Employee remuneration

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

	2022	2021
	Number	Number
\$154 001 to \$157 000*	n/a	1
\$157 001 to \$177 000	8	3
\$177 001 to \$197 000	2	2
\$197 001 to \$217 000	1	2
\$217 001 to \$237 000	-	1
\$237 001 to \$257 000	1	-
\$397 001 to \$417 000	-	1
\$417 001 to \$437 000	-	1
\$477 001 to \$497 000	-	1
\$557 001 to \$597 000	1	-
Total	13	12

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

The total remuneration received by those employees for the year was \$2.7 million (2021: \$2.9 million).

The table includes all employees (including the Commissioner and Deputy Commissioner) whose normal remuneration was 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, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits, as well as any termination benefits for employees who have left the Commission.

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.3. Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	524	643
Long service leave	45	465
Accrued salaries and wages	30	228
Skills and experience retention leave	10	10
Total current employee benefits	609	1 346
Non-current		
Long service leave	669	586
Total non-current employee benefits	669	586
Total employee benefits	1 278	1 932

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

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

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

The annual leave liability and the SERL liability in full are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid.

Salary inflation rate for annual leave and skills, experience and retention leave liability changed to 1.5% (2.0%: 2021).

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 amounts for long service leave include amounts accrued for investigators seconded under a MoAA between SA Police and the Commission. The Commission is required to reimburse SA Police an amount equivalent to long service leave accrued while an investigator is on secondment. The amount is due to SA Police when the seconded investigator ceases employment with the Commission. The amount accrued is therefore equivalent to the long service leave provision amount.

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.

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

The actuarial assessment performed by the DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased to 3.5% (1.25%: 2021).

The actuarial assessment performed by the DTF has left the salary inflation rate at 2.5% for long service leave liability.

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.

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.3 Employee benefits liabilities (continued)

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$127 000 and employee benefits expense of \$127 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

4. Expense

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Accommodation	1 282	1 412
Information and communications technology	1 092	1 249
Contract staff	269	181
Repairs, maintenance and minor purchases	162	60
Shared Services SA and DPC charges	156	171
Outsourced services	154	381
Employee related payments	149	38
Consultants	142	73
Legal fees	124	272
Promotions and publications	59	20
Employee training	55	70
Tax and taxable payments	39	15
Motor vehicle expenses	8	9
Office expenses	17	37
Telephone related expenses	10	9
Internal audit fee	-	31
Website development	-	20
Other	123	167
Total supplies and services	3 841	4 215

Accommodation

All of the Commission's accommodation is provided by DIT under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16. Information about accommodation incentives relating to this arrangement is shown at note 7.4.

Consultants

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

	2022	2022	2021	2021
	Number	\$'000	Number	\$'000
Below \$10 000	2	12	10	35
\$10 000 or above	5	130	2	38
Total	7	142	12	73

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4.2. Other expenses

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$38 000 (\$38 000). No other services were provided by the Auditor-General's Department.

4.3. Net loss from disposal of non-current assets

	2022 \$'000	2021 \$'000
Plant and equipment		
Proceeds from disposal	-	-
Less net book value from disposal of plant and equipment	7	-
Total net gain / net loss from disposal of non-current assets	<u>7</u>	<u>-</u>

5. Non-financial assets

5.1. Plant and equipment owned by the Commission

Property, plant and equipment owned by the Commission with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Commission is recorded at fair value. Detail about the Commission's approach to fair value is set out in note 11.1.

Impairment

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

Revaluation of leasehold improvements was undertaken in 2021 as detailed in note 11.1.

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.

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

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Accommodation Leasehold improvements	2
Plant and equipment	5-10
Information Technology	3-10
Intangible assets	3-5
Right-of-use vehicles	1

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.1 Property, plant and equipment owned by the Commission (continued)

Reconciliation

2022	Accommodation and leasehold Improvements	Plant & equipment	Information Technology assets	ROU Vehicles	Capital Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	1 525	260	757	32	11	2 585
Acquisitions	-	61	10	-	154	225
Disposal through administrative restructuring	-	(14)	-	-	-	(14)
Disposals	-	(7)	-	-	-	(7)
Other	-	-	-	(1)	-	(1)
Subtotal:	1 525	300	767	31	165	2 788
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	(763)	(62)	(178)	(21)	-	(1 024)
Subtotal:	(763)	(62)	(178)	(21)	-	(1 024)
Carrying amount at the end of the period	762	238	589	10	165	1 764
Gross carrying amount						
Gross carrying amount	1 525	595	3 365	61	165	5 711
Accumulated depreciation/amortisation	(763)	(357)	(2 776)	(51)	-	(3 947)
Carrying amount at the end of the period	762	238	589	10	165	1 764

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.1 Property, plant and equipment owned by the Commission (continued)

2021	Accommodation and leasehold improvements	Plant & equipment	Information Technology assets	ROU Vehicles	Capital Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	2 406	331	186	31	365	3 319
Acquisitions	-	-	-	19	400	419
Transfers to/(from) capital WIP	-	-	754	-	(754)	-
Revaluation decrement	(186)	-	-	-	-	(186)
Other	(1)	(2)	(1)	1	-	(3)
Subtotal:	2 219	329	939	51	11	3 549
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	(694)	(69)	(182)	(19)	-	(964)
Subtotal:	(694)	(69)	(182)	(19)	-	(964)
Carrying amount at the end of the period	1 525	260	757	32	11	2 585
Gross carrying amount						
Gross carrying amount	1 525	688	3 355	61	11	5 640
Accumulated depreciation/amortisation	-	(428)	(2 598)	(29)	-	(3 055)
Carrying amount at the end of the period	1 525	260	757	32	11	2 585

Independent Commission Against Corruption
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5.2. Property, plant and equipment leased by the Commission

Right-of-use vehicles leased by the Commission are measured at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense, if any will be disclosed in note 4.1.

The Commission has a limited number of leases:

- 3 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities and the associated maturity analysis is disclosed in note 7.3. As per note 5.1, depreciation was \$21,000 and interest expenses were nil. Cash outflows related to leases are disclosed in note 7.3.

Impairment

Property, plant and equipment leased by the Commission has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

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5.3. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Impairment

There were no indications of impairment of intangible assets at 30 June 2022.

Reconciliation

	Externally acquired software	Total
2022	\$'000	\$'000
Carrying amount at 1 July 2021	84	84
Subtotal:	84	84
Gains/(losses) for the period recognised in net result:		
Amortisation	(72)	(72)
Subtotal:	(72)	(72)
Carrying amount at the end of the period	12	12

Gross carrying amount

Gross carrying amount	867	867
Accumulated depreciation/amortisation	(855)	(855)
Carrying amount at the end of the period	12	12

	Externally acquired software	Total
2021		
Carrying amount at 1 July 2020	256	256
Subtotal:	256	256
Gains/(losses) for the period recognised in net result:		
Amortisation	(172)	(172)
Subtotal:	(172)	(172)
Carrying amount at the end of the period	84	84

Gross carrying amount

Gross carrying amount	867	867
Accumulated depreciation/amortisation	(783)	(783)
Carrying amount at the end of the period	84	84

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6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer	11 637	11 189
Cash on hand	16	20
Total cash and cash equivalents	11 653	11 209

Deposits with the Treasurer

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

6.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
Trade receivables	21	32
Prepayments	367	242
Total current receivables	388	274

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

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 11.2 for further information on risk management.

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7. Liabilities

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Trade payables	384	292
Employment on-costs	92	175
Accrued expenses	38	37
Total current payables	514	504
Non-current		
Employment on-costs	62	55
Total non-current payables	62	55
Total payables	576	559

Payables and accruals are raised for all amounts billed but unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts.

Employment on-costs

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

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has remained the same as the 2021 rate at 42%. The average factor for the calculation of employer superannuation on-costs changed from the 2021 rate (10.1%) to 10.6%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in current financial year is immaterial.

Further information on risk management is provided as note 10.2.

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7.2. Provisions

All provisions relate to workers compensation.

	2022	2021
	\$'000	\$'000
Movement in provisions		
Carrying amount at the beginning of the period	-	-
Additional provisions recognised	31	-
Carrying amount at the end of the period	31	-

The Commission is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the department is responsible for the management of workers rehabilitation and compensation, and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs. Accordingly, a liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

7.3. Lease liabilities

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on the financial liabilities throughout the year.

The borrowing costs associated with these lease liabilities was nil (2021: nil).

Total cash outflows for leases was \$19 000 (2021: \$19 000). All material cash outflows are reflected in the lease liabilities disclosed above.

	2022	2021
	\$'000	\$'000
Lease Liabilities		
1 to 3 years	12	31
Total lease liabilities (undiscounted)	12	31

7.4. Other liabilities

A maturity analysis of other liabilities based on undiscounted gross cash flows is reported in the table below:

	2022	2021
	\$'000	\$'000
Current		
Accommodation incentive	135	136
Total current other liabilities	135	136
Non-current		
Accommodation incentive	-	135
Total non-current other liabilities	-	135
Total other liabilities	135	271

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7.4 Other liabilities (continued)

Accommodation incentive liabilities relate to arrangements with DIT for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. DIT has provided a range of incentives. The benefit of this incentive is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the Commission's accommodation arrangements and related benefits provided.

8. Other disclosures

8.1. Cash flow

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

Reconciliation of net result to cash flows from operating activities

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	11 653	11 209
Balance as per the Statement of Cash Flows	11 653	11 209
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	917	194
Add / (less) non-cash items		
Depreciation and amortisation	(1 096)	(1 136)
Resources received free of charge - expense	(156)	(171)
Resources received free of charge - income	156	171
Decrements on revaluation of non-current assets	-	(186)
Donated assets	-	149
Net loss from disposal of non-current assets	(7)	-
Lease incentive amortisation	135	143
Movement in assets and liabilities		
Increase in receivables	114	92
(Increase)/decrease in payables	(61)	311
Decrease in employee benefits	424	683
Net result	426	250

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9. Outlook

9.1. Unrecognised commitments

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

Expenditure commitments

	2022	2021
	\$'000	\$'000
Within one year	1 616	1 560
Later than one year but not longer than five years	59	1 168
Total other commitments	1 675	2 728
Software maintenance ⁽¹⁾	208	302
Other ⁽²⁾	1 467	2 426
Total	1 675	2 728

⁽¹⁾ Software maintenance commitments relate to maintenance and support services from contracts relating to software purchases. These contracts will expire within one to three years.

⁽²⁾ Other commitments relate to purchase orders placed for goods and services before 30 June 2022 and MoAA with DIT for accommodation.

9.2. Contingent assets and liabilities

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

In the ordinary course of operations, the Commission may become liable to pay costs or to receive costs arising from legal proceedings.

9.3. Impact of standards and statements not yet effective

The Commission continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The Commission continues to assess liabilities e.g. LSL and whether or not there is a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

9.4. COVID-19 pandemic outlook for the Commission

The COVID-19 pandemic is not expected to have a material impact in 2022-23.

9.5. Events after the reporting period

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

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10. Trust funds

The funds below are held in trust and represent monies seized as part of investigation activities as per the ICAC Act and the regulations. As the Commission only performs a custodial role in respect of these trust monies, they are excluded from the financial statements as the Commission cannot use these funds to achieve its objectives.

	2022 \$'000	2021 \$'000
Balance at the beginning of the period	5	5
Receipts	2	-
Payments	-	-
Balance at the end of the period	7	5

11. Measurement and risk

11.1. Fair value measurement

Fair value measurement

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

Initial recognition

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

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right-of-use assets are subsequently measured at fair value after allowing for accumulated depreciation.

An independent valuation of leasehold improvements owned by the Commission was performed by Simon O'Leary, Director, and independent Certified Practising Valuer from Public Private Property as at 30 June 2021.

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

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

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

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11.1. Fair value measurement (continued)

Fair value hierarchy

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

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

The Commission has categorised all leasehold improvements, information technology assets and plant and equipment assets (refer to note 5.1) into level 3 for 2021 and 2022. The Commission's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers into or out of fair value hierarchy levels during the reporting period.

Plant and equipment

All items of plant and equipment owned by the Commission had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life less than three years. Plant and equipment have not been revalued. The carrying value of these items are deemed to approximate fair value.

11.2. Financial instruments

Financial risk management

Risk management is managed by the Commission's Corporate Services Section. The Commission's risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Commission's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of financial instruments held. There have been no changes in risk exposure since the last reporting period.

Liquidity risk

The Commission is funded principally from SA Government transfer. The Commission works with the DTF to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

The continued existence of the Commission in the present form, and with the present programs, is dependent on State Government policy and on continuing appropriations by Parliament for the Commission's administration and programs. The Commission's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Credit risk

The Commission is not exposed to any credit risk.

Currently the Commission does not hold any collateral as security for any of its financial assets. There is no evidence to indicate that financial assets are impaired.

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11.2. Financial instruments (continued)

Market risk

The Commission does not trade in foreign currency, and did not enter into transactions for speculative purposes, nor for hedging. The Commission does not undertake any hedging in relation to interest or foreign currency risk and manages risk as per the government's risk management strategy articulated in T1 23 *Management of Foreign Currency Exposures*.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

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