

**PARLIAMENTARY INSPECTOR  
OF THE  
CORRUPTION AND CRIME COMMISSION**

**ANNUAL REPORT  
2020-2021**





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**TO: The Parliament of Western Australia**

I present the Annual Report for the year ending 30 June 2021 pursuant to section 203 of the *Corruption, Crime and Misconduct Act 2003 (WA)*.



**MATTHEW ZILKO SC  
PARLIAMENTARY INSPECTOR**



## **THIS REPORT**

This Annual Report is made pursuant to section 203 of the *Corruption, Crime and Misconduct Act 2003* (WA) (the CCM Act) and deals with the activities of the office of the Parliamentary Inspector generally during the 2020-2021 year.

## **THE OFFICE OF PARLIAMENTARY INSPECTOR**

The primary responsibilities of the Parliamentary Inspector as an officer of the Parliament of Western Australia are:

- to oversee the activities of the Corruption and Crime Commission (Commission) and its officers;
- to keep the Parliament informed of material issues concerning the operation of the Commission;
- to deal with misconduct on the part of the Commission and its officers;
- to assess the effectiveness and appropriateness of the Commission's procedures;
- to keep the Parliament informed about problems concerning the exercise of my functions and powers under the CCM Act, and
- to assist the Joint Standing Committee on the Corruption and Crime Commission (JSCCCC) to perform its functions.

This is my first Annual Report as Parliamentary Inspector. I commenced in the role during the reporting period, on 23 November 2020.

For the first four to five months of the reporting period, the Parliamentary Inspector's statutory functions were therefore exercised by two Acting Parliamentary Inspectors. I thank the Hon John Chaney SC and Matthew Howard SC for supporting the work of the office during that period.

In conducting the work of the office, I am most ably supported by my Principal Advisor, Sarah Burnside. I also receive administrative support from the Department of Justice.

The 2020-2021 financial year was a busy period for the office, as discussed below. I met with the Commission on multiple occasions to discuss specific complaints or to refine my understanding of its procedures, and I have been grateful for the assistance provided by the Commission and its officers in this regard.

I also attended the Meeting of Inspectors, Parliamentary Commissioners and Reviewers in Canberra on 20 May 2021. The discussion was instructive, and it was useful to hear from bodies in other Australian jurisdictions which also audit and scrutinise integrity agencies.

## **THE WORKLOAD OF THE OFFICE**

My office undertook 98 new matters during the reporting period and finalised 74 matters. During the previous reporting period, the office undertook 57 matters and finalised 57 matters.

Of the matters finalised during the 2020-2021 financial year, 69 were commenced in the reporting period and five were from the previous reporting period.

As is evident from the information contained in this report, the 2020-2021 financial year saw an increase in investigations/cases. Notably, there has been an increase in complaints received from



members of the public. This increase may be attributable to the addition of a new paragraph in letters from the Commission to complainants, as outlined below.

The CCM Act gives the Parliamentary Inspector several functions, one of which is to assess the effectiveness and appropriateness of the Commission's procedures pursuant to section 195(1)(c). One way in which this function is discharged is by receiving complaints from members of the public who are dissatisfied by the manner in which the Commission has dealt with allegations of serious misconduct or corruption made by them. In those situations, the Parliamentary Inspector obtains the Commission's file and assesses the procedures used by the Commission.

Upon commencing in my role in November 2020 I had some concerns about a lack of public awareness of my functions under the CCM Act, which meant that potential complainants were sometimes unaware of their ability to raise an issue with my office. I have on occasion received complaints relating to decisions made by the Commission many years previously, which were not raised with the Parliamentary Inspector at the time because the complainant was simply not aware that the office existed. In order to allow me to more broadly assess the effectiveness and appropriateness of the Commission's procedures pursuant to section 195(1)(c) of the CCM Act, I therefore requested that the Commission advise complainants of the existence of my office as a matter of course.

The Commission agreed to this proposal. As of 1 January 2021, it now includes a brief paragraph in all its closing letters advising complainants of their right to contact the Parliamentary Inspector if dissatisfied with the Commission's conclusions. The text is as follows:

If you believe there is additional information the Commission has not considered please provide the information or advise the Commission of its nature as soon as possible. You can email this information to the Commission at [info@ccc.wa.gov.au](mailto:info@ccc.wa.gov.au), please ensure you add the Commission file number in the title of your email.

If you have no further information but are unhappy with the Commission's decision, you can contact the Parliamentary Inspector of the Corruption and Crime Commission and request that he assess the effectiveness and appropriateness of the Commission's procedures in this instance. The Parliamentary Inspector is not empowered to overturn the Commission's decision, but he may make recommendations to the Commission and may investigate any aspect of the Commission's operations or the conduct of its officers.

The contact details are as follows:

Parliamentary Inspector of the Corruption and Crime Commission  
PO Box 5817, Perth St Georges Terrace  
PERTH WA 6831  
Email: [piccc@piccc.wa.gov.au](mailto:piccc@piccc.wa.gov.au)

Thus far, the increase in complaints received has been manageable by my office within its current resourcing. I am monitoring the situation closely and will take necessary action if the volume of complaints becomes unwieldy.

### **The investigative work undertaken**

During the reporting period, 65% of the work of the office was devoted to my investigative function. The nature and the number of matters undertaken by the office were:

- Allegations made against a Commission officer received by the Commission, about which the Parliamentary Inspector's office was notified, in accordance with a protocol agreed between the two agencies, under section 196(4) of the CCM Act, numbered 24. This was 16 more than during the previous financial year.

The Commission takes an appropriately broad view of the types of matters required to be disclosed to my office pursuant to section 196(4) and our protocol, and I welcome these notifications.

- Complaints about some aspect of the Commission's assessment of complaints of misconduct to it numbered 59. This was 26 more than during the previous reporting period. The majority of these complaints were made as a result of a complainant's dissatisfaction with the conclusion reached by the Commission that it had been unable to form a reasonable suspicion of serious misconduct.
- Matters referred to my office by the Joint Standing Committee under section 195(2)(d) of the CCM Act numbered three. This was one more than during the previous reporting period.
- Miscellaneous matters numbered twelve. These included matters taken up by me under section 195(2)(a) of the CCM Act and correspondence which inquired as to the scope of my powers, brought an issue to my attention or sought my advice as to how to make a complaint. This miscellaneous category also included matters which were determined after preliminary investigation to be outside my jurisdiction, whether because a person had not yet made an allegation of serious misconduct to the Commission or because the subject matter of their correspondence was not capable of giving rise to such an allegation.

### **The audit work undertaken**

My functions include auditing the operation of the CCM Act as well as auditing the Commission's operations to determine if they comply with the laws of the State, and auditing the Commission's operations conducted under the CCM Act. These audits are conducted in two principal ways: in the assessment and investigation of complaints made about Commission activities, and when the office audits the Commission's records on a quarterly basis. During the reporting period 35% of the office's work was devoted to my audit function.

### **Reports tabled with the Parliament or the Joint Standing Committee**

No reports were tabled during the 2020-2021 financial year, however I ensured that the JSCCCC was kept well informed of matters relating to my office during this period. I wrote to the Committee on five occasions during the reporting period on matters relating to my work as Parliamentary Inspector.

### **Cases during the 2020-21 Reporting Period**

During this reporting period, and in the context of assessing the procedures used by the Commission, the office has handled cases raising a variety of legal and social issues. The work of the office is diverse, reflecting the breadth of the Commission's jurisdiction regarding serious misconduct by public officers. I have had occasion to consider complaints that relate to local governments, government departments, universities, the police, and the Commission itself. To

give an indication of some of the issues dealt with by the office I have included anonymised summaries of two of the cases that occupied my time over the past year.

### **Case 1: Mistaken Identity and Arrest under the *Criminal Investigation Act 2006***

This case was referred to my office by the JSCCCC, which received correspondence from the complainant in connection with its *Inquiry into the Corruption and Crime Commission's oversight of police misconduct investigations, particularly allegations of excessive use of force*.

The complainant in this matter was at the relevant time 51 years old. She has severe arthritis, for which she requires the assistance of walking aids or a motorised scooter, and she is in receipt of the disability pension. On 23 March 2020 she was arrested for stealing a few boxes of hair dye from a local pharmacy.

The two officers who arrested the complainant did so on the basis of an anonymous tip-off as to the suspect's name and address and having compared CCTV stills from the day of the theft to a picture of the complainant's driver's licence at the police station. The CCTV stills were contained in a case file, which was inadvertently left at the station instead of being brought to the complainant's premises. Therefore, when the officers met the complainant, they were not able to compare her appearance to the CCTV stills while at her place of residence. Had they been able to do so, they would in my view have immediately become aware that the complainant could not be the person captured by the CCTV, and would not have arrested her. The complainant was of a different physique to the woman in the CCTV stills and she used a mobility scooter rather than a wheelchair. Further, the suspect in the stills was an amputee whereas the complainant had both of her legs.

The complainant was taken to the police station in the rear unit of a police vehicle, which was very uncomfortable for her given her disability. Upon her arrival at the station it quickly became apparent to the officers that she was not the person captured in the CCTV stills from the pharmacy. The officers then transported the complainant home, again in the rear unit of the police vehicle. She received an apology but was left profoundly shaken by the incident, is in fear of the police, and is still receiving counselling as a result. She also suffered a shoulder injury in entering and exiting the rear unit of the vehicle. I understand that the police have recently undertaken to reimburse her for her out of pocket medical expenses, but I am not aware whether this has occurred.

Prior to being placed in the police vehicle, the complainant was arrested without a warrant pursuant to section 128(2) of the *Criminal Investigation Act 2006* (CIA), which provides that an officer may arrest a person in respect of a 'serious offence' if he or she 'reasonably suspects that the person has committed, is committing, or is just about to commit, the offence'. Section 128(1) of the CIA defines 'serious offence' to mean, among other things, an offence in respect of which the statutory penalty is or includes imprisonment for five years or more. Where an offence does *not* meet the definition of 'serious offence' in section 128(1), an officer may only arrest a person without a warrant in the circumstances outlined in section 128(3). None of these circumstances were applicable to the complainant, so her arrest could only have been lawful if the relevant offence was 'serious' within the definition in section 128(1) *and* if the arresting officers reasonably suspected her of committing it.

As regards the question of seriousness, I acknowledge that the offence of stealing in section 378 of *The Criminal Code* carries a penalty of seven years, but in this instance it would be fanciful to propose that the arresting officers thought there was even a remote possibility that anyone would be sentenced to five years' imprisonment for the theft of several boxes of hair dye. No reasonable

person could have thought such an outcome likely. I was also concerned that the arrest had been made on the basis of inadequate information. Section 4 of the CIA provides that ‘a person reasonably suspects something at a relevant time if he or she personally has grounds at the time for suspecting the thing and those grounds (even if they are subsequently found to be false or non-existent), when judged objectively, are reasonable’. If the arresting officers had brought the case file to the complainant’s place of residence, she would not have been arrested due to the obvious physical differences between her and the suspect. In my view a reasonable observer would conclude that, once the arresting officers realised that they were not in possession of the case file, they should have returned to the police station, which was some two minutes away, to retrieve the file and thereby ensure that their suspicions were well-founded. There was no urgency that compelled them to arrest the complainant then and there.

On 16 December 2020 I wrote to the Commission to express my view that the complainant’s arrest had been unlawful on the basis that the officers could not have ‘reasonably suspected’ the complainant of committing an offence and that the offence for which she was arrested could not be considered ‘serious’. I suggested that there were grounds for concluding that the two officers involved should be charged with unlawful arrest. The Commission and I exchanged correspondence on this matter over several months, during the course of which the Commission advised that it does not share my view. It considers that the arrest was lawful on the basis that the officers reasonably suspected the complainant of committing the offence and that the offence of stealing is ‘serious’ in accordance with section 128(1) of the CIA given it carries a statutory penalty of seven years’ imprisonment under section 378 of *The Criminal Code*.

In its communications to me, the Commission emphasised that the term ‘serious offence’ is clearly defined under section 128(1)(a) of the CIA and that this definition includes the offence of stealing. It also outlined its view that while factors such as the value of items allegedly stolen may be relevant to the exercise of an officer’s discretion to exercise a power to arrest, those factors do not determine whether a legal power to arrest exists. The Commission noted further that, having established that the powers of arrest were enlivened for an offence of stealing, the issue was whether the police officers who arrested the complainant could reasonably have suspected that she committed the offence of stealing. Taking into account the information known by the arresting officers at the time of the arrest, the Commission concluded that the officers had reasonable grounds upon which to suspect the complainant had committed the stealing offence.

While maintaining that the arrest was lawful, the Commission noted that the powers of arrest under section 128(2) of the CIA are discretionary, and the question of whether the exercise of the officers’ discretion was appropriate is a separate issue. In this instance, the Commission concluded that while the arrest of the complainant was not unlawful on the basis that the offence of stealing is a ‘serious offence’ which triggered the powers of arrest under section 128(2) of the CIA, the officers’ conduct in arresting the complainant five days after allegedly stealing hair products of minimal value was oppressive. As such, the Commission concluded that this conduct constituted reviewable police action under section 3 of the CCM Act.

Having unsuccessfully recommended that the Commission reconsider its approach, my role as Parliamentary Inspector in this matter has reached its end. However, I remain concerned about the poor treatment the complainant received in the present instance and the impact it has had on her, notwithstanding that the officers concerned were subject to disciplinary action. In addition, I consider that the conclusions reached by the police and the Commission have broader, and disturbing, implications. That is, it appears to be assumed that *any* charge of stealing under section 378 of *The Criminal Code*, no matter how trivial, is to be considered ‘serious’ under the definition set out in section 128(1)(a) of the CIA and in turn to authorise arrest without a warrant in accordance with section 128(2). Presumably, this will be so even if the item taken has a value

of only a few dollars such as a chocolate bar taken from a shop. This conclusion is troubling given the breadth of items that could conceivably be stolen and the wide variation in the degree of culpability involved, a complexity which is reflected in the terms of section 426 of *The Criminal Code*.

Prior to tabling this report, I wrote to the Commission and to the Commissioner of Police, giving each of them an opportunity to make representations pursuant to section 200 of the CCM Act, generously defined. The Commissioner of Police declined to make a submission. The Commission's submission reiterated its position as to the lawfulness of the complainant's arrest, notwithstanding that the arresting officers' conduct constituted reviewable police action, as set out above.

I appreciate the forthcoming way the Commission has engaged with me but this remains a matter on which I respectfully disagree with its conclusion. Ultimately this is an issue that goes beyond both my office and the Commission and relates to the broader subject of police powers of arrest in Western Australia. Relevantly, I note that two other complaints that have come before me during the reporting period also include instances when a complainant was arrested in circumstances where it was not clear that an arrest, as distinct from a summons, was at all necessary. This is concerning given the significance of police powers of arrest and the need for them to be used only where strictly required.

Accordingly, I have formed the view that a change to the law in this area is desirable. On 2 June 2021 I wrote in some detail to the Attorney General to request that he consider amending the *Criminal Investigation Act 2006* provisions relating to police powers of arrest without a warrant. On 7 September 2021 the Attorney General wrote to me to advise that my correspondence had been forwarded to the Minister for Police for his consideration and that he had advised the Minister for Police that he had instructed his Department to assist in the event that the Minister decides to consider possible amendments to the CIA. At the time of writing this report I have not received a substantive response to the proposals in my letter.

## **Case 2: Referral to appropriate authority for action**

The second case relates to an allegation of corrupt behaviour by an officer within a government department. Although the allegation itself was ultimately found to be without substance, the series of events following my receipt of the complaint usefully illustrates my function in assessing the effectiveness and appropriateness of the Commission's procedures.

When the Commission receives an allegation of serious misconduct, it is required to assess the allegation, form an opinion and make a decision under section 33 of the CCM Act that it considers appropriate in the circumstances. Pursuant to section 33(1)(c), the Commission may refer an allegation to an independent agency or appropriate authority for action. Section 40(1) provides that the appropriate authority must prepare a detailed report of the action taken in relation to the allegation.

In this case, the Commission received the allegation, assessed it and referred the matter to the relevant government department for action pursuant to section 33(1)(c). It also wrote to the complainant to advise that the matter was now being dealt with by the department and all inquiries about the matter should be referred to the department. The department did not write to the complainant to advise that it was conducting an investigation, and also provided no update as to any outcome.



Accordingly, the complainant contacted my office over a year later to advise that it was still unclear whether the allegation had been investigated at all.

I then obtained access to the Commission's file and considered it. The file demonstrated that the Commission had requested an investigation report from the department and had been provided with a short document which stated that the complaint had been shown to be baseless. A 'report' consisting of four bullet points was provided a month later. It did not seem possible to determine with any certainty whether the actions taken by the department had been sufficient. In view of this I was concerned to note that the responses provided by the department appeared to have been accepted as adequate, with the matter regarded as closed by the Commission.

I wrote to the Commission to express my concerns. In my letter, I outlined my view that the provisions in the CCM Act that allow the Commission to refer allegations to appropriate authorities for investigation, with or without the Commission's involvement, serve two major purposes. First, these provisions recognise that it is simply not feasible for the Commission to investigate each allegation that comes before it. Second, the provisions allow officers of appropriate authorities to become involved in addressing allegations of serious misconduct, thus imparting to those officers the skills necessary to conduct an investigation under the CCM Act. I noted that where a seemingly inadequate investigation is accepted by the Commission, neither of these purposes is met. In this case I requested that the Commission conduct a review of the action taken by the department under section 41 of the CCM Act.

The Commission responded constructively. I met with the Acting Commissioner later that month to discuss the matter, and the following day I received a letter formally advising me that a section 41 review was to be conducted. This review is now complete, and it is clear that it was thorough and substantive. The Commission has concluded that notwithstanding some deficiencies in the department's approach, its investigation was sufficient and the conclusions it drew were open to it on the evidence. Importantly, it has drawn these deficiencies to the department's attention. The Commissioner has also advised that the Commission has implemented some improvements to its closure process for matters referred for action pursuant to section 33(1)(c) of the CCM Act. I consider this a satisfactory resolution of the issue.

## **General issues**

### **Outcomes Letters from the Commission and Restrictions on Disclosure in the CCM Act**

As noted previously in this report, the Commission is required to assess all allegations of serious misconduct that it receives and then determine what action to take under section 33 of the CCM Act. This section provides that the Commission may investigate the allegation (either on its own or in cooperation with an independent agency or appropriate authority), may refer the allegation to an independent agency or appropriate authority, or may take no action.

Where the Commission determines that it will take no action in response to an allegation a person has made, or where it has investigated an allegation and not been able to substantiate it, it will write to the person and advise that the matter is closed and no further action will be taken. Observations on the paucity of information provided in these letters have been made in several previous Annual Reports of this office prior to my term as Parliamentary Inspector, but the point bears repeating.

The outcomes letters I have seen in the course of my work will often contain very little specific detail. Instead, they provide some general information about the definition of 'serious misconduct' and advise the complainant that it has not been possible to form a



reasonable suspicion of serious misconduct in relation to the allegation or allegations made. On receiving a letter such as this, some people will be motivated to contact my office and make a complaint. In my experience, complainants may be confused and disheartened by the response they receive, concerned that their allegation may not have been properly considered, or frankly offended that the often lengthy materials supplied by them to support their allegation have received only a brief response.

Once I have obtained and read the Commission's file, if I take the view that its procedures have been effective and appropriate and its conclusions were open to it on the facts, then as a matter of practice I write to the complainant in question. In my letter I endeavour to explain this to the aggrieved complainant as best I can within the constraints imposed by the disclosure requirements in the CCM Act, which are discussed further below. Occasionally, and without giving legal advice to a complainant, I will provide a brief explanation of matters that are relevant to their case in order to provide context to the Commission's decision.

I acknowledge that the Commission receives thousands of communications each year from members of the public. Its Annual Report for the 2019-2020 financial year noted that the Commission had assessed 5,743 allegations during that reporting period. Clearly it would not be possible to provide fulsome explanations of each decision not to take action pursuant to section 33(1)(d). However, it seems to me that slightly more detailed letters from the Commission, responding to the specific information provided to it, would be welcomed by complainants.

When I have raised this issue with the Commission, it has advised that its ability to inform complainants of the reasons for its decisions is limited by the restrictions on disclosure contained in Part 9 of the CCM Act. The restrictions are stringent. For instance, the Act limits the occasions when a relevant person may disclose 'official information', which it defines as 'information acquired by the person by reason of, or in the course of, the performance of the person's functions under this Act'. No exception is made for communicating with a person about a complaint they have made, although the Commission can disclose official information when it has certified that disclosure is necessary in the public interest. I am, as noted above, subject to similar disclosure restrictions set out in Part 13, Division 4.

Although I appreciate the need for confidentiality in the context of allegations of serious misconduct or corruption, I am concerned that the limited information provided to complainants tends to adversely impact on their faith in the process by which such allegations are handled in Western Australia. I understand that a review of the CCM Act is in progress and I intend to make a submission to that review about the Act's restrictions on disclosure.

## **Body Worn Cameras**

The Commission's jurisdiction, and therefore my own, encompasses serious misconduct by all Western Australian public officers. The Commission has a particular focus on police officers due to the definition of 'serious misconduct' in the CCM Act which provides that all police misconduct is classified as 'serious' and therefore falls within the Commission's remit. Since commencing in the role of Parliamentary Inspector, several matters have come before me relating to complaints by individuals who allege that they were wrongfully arrested or otherwise poorly treated by police.

I have found the use of body worn cameras to be of great assistance in identifying potential misconduct by police officers, as well as in rebutting such allegations. In Western Australia, body worn cameras begin recording as soon as a firearm is removed from an officer's holster. Indeed, each body worn camera in the vicinity will begin recording. However, the activation of a

body worn camera is otherwise left to the individual officer's discretion. It would seem that there is potential to expand the existing use of body worn cameras so that they begin recording when a taser is used, and/or when a direction is given to a police dog given that both of these can cause great harm to a person but there is not always a record of their deployment. I note, relevantly, that I have received two complaints that relate to the use of police dogs during the reporting period, and I am cognisant of the injuries that can be inflicted by even a highly trained animal.

Several of the complaints which I considered in the exercise of my functions under section 195(1)(c) of the CCM Act would have been more easily resolved if body worn camera footage had been available. For example, I would have been greatly assisted by footage in one matter that concerned serious allegations about a police officer's conduct. The complainant and the officer provided diametrically opposed versions of the relevant events and, although the allegations were concerning, there was no way to verify either the complainant's or the officer's account. In this instance, the officer turned on his body worn camera just as the encounter ended, so there was no record of the interaction itself.

On 15 January 2021 I wrote to the Commissioner of Police to commend him on the implementation of the Body Worn Camera Project and to ask whether it was possible to increase the use of this technology. In doing so, I referred to the above incident as an example of the efficacy of body worn cameras. In particular, I asked whether it would be possible to mandate that cameras be activated whenever an officer began interacting with a member of the public in circumstances where it might be reasonably expected that emotions could become heightened. In the alternative, I asked whether it would be possible to require that officers carrying out police functions in areas that tend to attract complaints routinely switch on their body worn cameras.

On 8 February 2021, I received a response from the Commissioner of Police. His letter set out the WA Police Force policy pertaining to body worn cameras, noting that the policy aligns with other Australian policing jurisdictions nationally and with best practice. He also observed that the current approach takes account of numerous factors, including concerns about invading the privacy of members of the public and making it less likely for people to feel comfortable sharing intelligence with the police. Currently, the discretion whether to activate a body worn camera is among the decisions an on-duty officer is trusted to make in determining how to respond to a given situation.

I appreciate the points made by the Commissioner of Police, and I also understand that recording, storing and viewing footage is a very resource intense process. However, I remain of the view that increased use of body worn cameras would ultimately assist both the police and the Commission, as well as my office. Indeed, my understanding is that in Victoria and Queensland, police officers are expected to deploy these cameras whenever they are exercising any police power.

### **Recommendations relating to the Office of the Parliamentary Inspector**

One of the recommendations from the September 2020 JSCCCC report entitled *If not the CCC...then where?* concerned my office. This was Recommendation 11, which related to the need to ensure that the office was sufficiently resourced to provide services that are culturally appropriate and accessible for Aboriginal people. In furtherance of this aim, my Principal Advisor and I have completed the Public Sector Commission's Aboriginal and Torres Strait Islander cultural awareness program, which is endorsed by the Aboriginal Advisory Council of Western Australia. We have also completed face-to-face cultural awareness training conducted by practitioners at Curtin University.

## **Auditing of the Commission's records**

Between 2008 and 2018 the Office of the Parliamentary Inspector conducted audits of the Commission's operational and related documents on a quarterly basis by having the Parliamentary Inspector's professional assistant attend the Commission to examine the documents and maintain audit-related statistics. In his Annual Report for the 2018-2019 financial year, my predecessor the late Hon Michael Murray AM QC informed the Parliament that he had instituted a new procedure, with the agreement of the Commission, whereby the auditable documents were delivered securely to his office. This approach has continued since that time and I appreciate the Commission's assistance with the audit each quarter.

## **Additional reporting requirements 2020-21**

### **Record-keeping by the PICCC**

The office complies with section 19 of the *State Records Act 2000* which requires every State Organisation to have a record-keeping plan approved by the State Records Commission and that the organisation and its employees comply with that plan. The current record-keeping plan was approved on 10 March 2016 and has recently been reviewed, and an amended plan is due by 30 November 2021. The office utilises the Department of Justice's Electronic Document and Records Management Systems (EDRMS) database as its official record-keeping system for administrative files. Investigation files and audit files are not currently captured or stored on EDRMS. This is because of the confidential nature of the information contained within these files. The office has a register of audit files and this register is maintained on a secure server.

### **Occupational safety, health and injury management and the National Strategic Plan for Asbestos Awareness and Management 2019-2023**

The office has experienced no workplace fatalities, injuries or lost work time due to injury during the reporting period. Nor, to the best of my knowledge, did any of these occur during the two prior years. The office has a very low risk of injury and occupational health and safety training have not been required. Reporting on progress under the National Strategic Plan for Asbestos Awareness and Management 2019-2023 is undertaken by the Department of Justice on the office's behalf.

### **WA Multicultural Policy Framework**

Owing to the small size of the office, no multicultural plan has been submitted for the 2020-21 financial year.

### **Compliance with public sector standards and ethical codes**

The office is not an office in the public service but complies with public sector standards. Ethical conduct and integrity are fundamental to the work of the office.



## Auditor General

### INDEPENDENT AUDITOR'S OPINION

2021

#### Parliamentary Inspector of the Corruption and Crime Commission

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Opinion

I have audited the financial statements of the Parliamentary Inspector of the Corruption and Crime Commission which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Appropriations for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Parliamentary Inspector of the Corruption and Crime Commission for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

### Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Parliamentary Inspector of the Corruption and Crime Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

## Responsibilities of the Parliamentary Inspector for the financial statements

The Parliamentary Inspector is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Parliamentary Inspector is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Parliamentary Inspector of the Corruption and Crime Commission.

## Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## Report on the audit of controls

### Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Parliamentary Inspector of the Corruption and Crime Commission. The controls exercised by the Parliamentary Inspector of the Corruption and Crime Commission are those policies and procedures established by the Parliamentary Inspector to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Parliamentary Inspector of the Corruption and Crime Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

## The Parliamentary Inspector's responsibilities

The Parliamentary Inspector is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

## Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

## Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Parliamentary Inspector of the Corruption and Crime Commission for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Parliamentary Inspector of the Corruption and Crime Commission are relevant and appropriate to assist users to assess the Parliamentary Inspector's performance and fairly represent indicated performance for the year ended 30 June 2021.



## **The Parliamentary Inspector's responsibilities for the key performance indicators**

The Parliamentary Inspector is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as it determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Parliamentary Inspector is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

## **Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

## **My independence and quality control relating to the reports on controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Other information**

The Parliamentary Inspector is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

## **Matters relating to the electronic publication of the audited financial statements and key performance indicators**

This auditor's report relates to the financial statements, controls and key performance indicators of the Parliamentary Inspector of the Corruption and Crime Commission for the year ended 30 June 2021 included on the Parliamentary Inspector's website. The Parliamentary Inspector of the Corruption and Crime Commission's management is responsible for the integrity of the Parliamentary Inspector of the Corruption and Crime Commission's website. This audit does not provide assurance on the integrity of the Parliamentary Inspector of the Corruption and Crime Commission's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
30 August 2021

## Key Performance Indicators

### Certification of Key Performance Indicators for the Year Ended 30 June 2021

I hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of the Parliamentary Inspector of the Corruption and Crime Commission's performance, and fairly represent the performance of the Office of the Parliamentary Inspector of the Corruption and Crime Commission for the financial year ended 30 June 2021.



Matthew Zilko SC

20 August 2021

# PERFORMANCE INDICATOR REPORT

For the period 1 July 2020 to 30 June 2021.

## OUTCOMES AND SERVICES

### RELATIONSHIPS TO GOVERNMENT GOALS

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's service and desired outcome, and the government goal it contributes to.

Government Goal	Desired Outcome	Service
Sustainable Finances:  Responsible financial management and better service delivery	An informed Parliament on the integrity of the Corruption and Crime Commission.	Evaluation of the effectiveness and appropriateness of Corruption and Crime Commission operations.

### KEY PERFORMANCE INDICATORS

The Parliamentary Inspector is required under Section 61 of the *Financial Management Act 2006* and Treasurer's Instruction TI 904, to disclose key performance indicators in the annual report.

The following performance indicators should be read in conjunction with the accompanying notes to the Key Performance Indicators. Explanations are provided where there is a significant variation of more than 10% between 2020-2021 actual results and budget targets or between actual results of current year and prior year.



## KEY EFFECTIVENESS INDICATOR

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020- 2021 Target	2020-21 Actual
Number of reports completed and tabled in Parliament within target timeframes *	1	1	1	1	1

\* The Parliamentary Inspector is not required to report to Parliament until after the audit of these Key Performance Indicators, therefore the report referred to in the effectiveness indicator is the annual report for the previous year.

The Annual Report for the 2019-2020 financial year could not be tabled by the original 24 September 2020 deadline as the Auditor General's opinion could not be provided before 18 September 2020. Accordingly, an extension to 13 October 2020 was obtained pursuant to section 65 of the *Financial Management Act 2006*. This deadline was met.

The Parliamentary Inspector seeks to achieve the outcome of *an informed Parliament on the integrity of the Corruption and Crime Commission*. The indicator is measured by determining if the Parliamentary Inspector met the statutory annual reporting requirements contained in section 203 of the *Corruption, Crime and Misconduct Act 2003* i.e.

### **203. Annual report to Parliament**

- (1) *The Parliamentary Inspector is to prepare, within 3 months after 30 June of each year, a report as to his or her general activities during that year.*
- (2) *The Parliamentary Inspector is to cause a copy of a report prepared under this section to be laid before each House of Parliament, or dealt with under section 206, within 21 days of the preparation of the report.*
- (3) *This section does not limit Part 5 of the Financial Management Act 2006 and the report required under this section may be prepared and dealt with in conjunction with the report required under that Part.*

This measure is a key indicator of performance because timeliness of reporting is essential if the Parliament is to base decisions on the information provided by the Parliamentary Inspector.

## KEY EFFICIENCY INDICATORS

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual
Average cost per investigation/case	\$7,356	\$8,997	\$10,005*	\$8,668	\$5,056
Cost of the audit function as a percentage of total cost of operations	41%	37%	13%*	40%	35%

\*NB The key efficiency indicators for the 2019-2020 financial year were affected by the departure of key personnel from the Office, which had the result that the customary detailed records of the time expended on the Office's audit function as distinct from its investigation function were not kept between October 2019 and March 2020. The key efficiency indicators were calculated using the records that were kept during six months of the financial year (July-September 2019 and April-June 2020). This issue was disclosed to the OAG and to the Parliament in 2020. The Office notes that the gap in the records was not systemic in nature but resulted from the departures of key personnel. Further, once the issue was discovered it was immediately rectified. Since April 2020, detailed records of the time allocated to the audit function have been maintained as per the Office's usual practice.

### AVERAGE COST PER INVESTIGATION/CASE

The average cost per investigation/case is calculated by determining the total cost of the investigation function and dividing it by the number of investigations closed for the period. During the 2020-2021 financial year, 74 investigations/cases were closed.

The total cost of the investigation function is calculated by determining the percentage of salaries devoted to the investigation function and then applying that percentage to the total expenditure of the Parliamentary Inspector for the period. This gives the total cost of the investigation function.

The number of specific investigations conducted and completed by the Parliamentary Inspector is recorded electronically. Each investigation is commenced by receipt of a written complaint and recorded in a complaints register. When the investigation is completed it is recorded as closed. The number of investigations is drawn from this information.

The average cost per investigation/case is lower than the target estimate, and this can be attributed to the higher number of investigations/cases both received and closed during the 2020-2021 financial year. By way of comparison, 57 investigations/cases were finalised in the 2019-2020 financial year.

### COST OF THE AUDIT FUNCTION AS A PERCENTAGE OF TOTAL COST OF OPERATIONS

The cost of the audit function as a percentage of the total cost of operations is calculated by determining the percentage of total Parliamentary Inspector salaries devoted to the audit function and then applying that percentage to the total expenditure of the Parliamentary Inspector for the period. For example, if 50% of salaries cost is devoted to the audit function then it is considered that 50% of the total cost of the Office is devoted to the audit function.

During the 2020-2021 financial year, the audit function represented 35% of the work of the office, and therefore 35% of the total cost of operations was devoted to the audit function.

The 2020-2021 Actual was slightly below the target estimate, but this can be attributed to the increase in investigations/cases over the past financial year, meaning that a higher proportion of the office's work than expected was devoted to investigations.



Office of the Parliamentary Inspector of the Corruption and Crime Commission of  
Western Australia


## Financial Statements

### Certification of Financial Statements

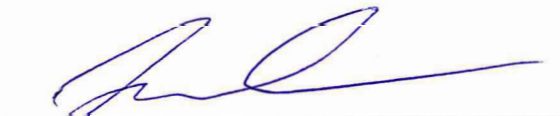
For the reporting period ended 30 June 2021

The accompanying financial statements of the Office of the Parliamentary Inspector of the Corruption and Crime Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ending on 30 June 2021 and the financial position as at 30 June 2021.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.

  
\_\_\_\_\_  
**Matthew Zilko SC**  
Accountable Authority

20 August 2021

  
\_\_\_\_\_  
**John Deery**  
Chief Finance Officer

20 August 2021

## Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

The Office has pleasure in presenting its audited general purpose reduced disclosure requirements financial statements for the financial reporting period ended 30 June 2021 which provides users with the information about the Office's stewardship of resources entrusted to it. The financial information is presented in the following structure:

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**Office of the Parliamentary Inspector of the Corruption and Crime Commission of  
Western Australia**

PRIMARY FINANCIAL STATEMENTS

**Statement of Comprehensive Income**

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expenses	2.1	288,208	322,780
Supplies and services	2.2	153,696	174,268
Depreciation expenses	4.1.1	30,735	32,106
Accommodation expenses	2.2	64,494	84,246
Other expenses	2.2	38,456	30,659
<b>Total cost of services</b>		<b>575,589</b>	<b>644,059</b>
<b>NET COST OF SERVICES</b>		<b>575,589</b>	<b>644,059</b>
<b>Income from State Government</b>			
Service appropriation	3.1	659,000	695,000
Resources received	3.1	121,860	140,293
<b>Total income from State Government</b>		<b>780,860</b>	<b>835,293</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>205,271</b>	<b>191,234</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>205,271</b>	<b>191,234</b>

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

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## PRIMARY FINANCIAL STATEMENTS

### Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	522,464	351,312
Receivables	5.1	4,056	2,401
Other current assets	5.3	222	7,318
<b>Total Current Assets</b>		<b>526,742</b>	<b>361,031</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	5.2	291,000	259,000
Property, plant and equipment	4.1	126,922	157,657
<b>Total Non-Current Assets</b>		<b>417,922</b>	<b>416,657</b>
<b>TOTAL ASSETS</b>		<b>944,664</b>	<b>777,688</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.4	16,440	73,656
Employee related provisions	2.1.1	16,216	-
<b>Total Current Liabilities</b>		<b>32,656</b>	<b>73,656</b>
<b>Non-Current Liabilities</b>			
Employee related provisions	2.1.1	2,705	-
<b>Total Non-Current Liabilities</b>		<b>2,705</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>35,361</b>	<b>73,656</b>
<b>NET ASSETS</b>		<b>909,303</b>	<b>704,032</b>
<b>EQUITY</b>			
Contributed equity	8.7	160,000	160,000
Accumulated surplus	8.7	749,303	544,032
<b>TOTAL EQUITY</b>		<b>909,303</b>	<b>704,032</b>

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

**Office of the Parliamentary Inspector of the Corruption and Crime Commission of  
Western Australia**

**PRIMARY FINANCIAL STATEMENTS**

**Statement of Changes in Equity**

For the year ended 30 June 2021

	Note	Contributed equity \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2019	8.7	160,000	352,798	512,798
Total comprehensive income for the period		-	191,234	191,234
Balance at 30 June 2020		<u>160,000</u>	<u>544,032</u>	<u>704,032</u>
Balance at 1 July 2020		160,000	544,032	704,032
Total comprehensive income for the period		-	205,271	205,271
Balance at 30 June 2021		<u>160,000</u>	<u>749,303</u>	<u>909,303</u>

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



**Office of the Parliamentary Inspector of the Corruption and Crime Commission of  
Western Australia**

PRIMARY FINANCIAL STATEMENTS

**Statement of Cash Flows**

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		627,000	663,000
<b>Net cash provided by State Government</b>		<b>627,000</b>	<b>663,000</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(334,509)	(650,945)
Supplies and services		(58,480)	(74,706)
Accommodation		(53,665)	(84,246)
GST payments on purchases		(13,424)	(14,416)
<b>Receipts</b>			
GST receipts from taxation authority		3,787	15,521
Other receipts		443	-
<b>Net cash provided by (used in) operating activities</b>		<b>(455,848)</b>	<b>(808,792)</b>
Net increase/(decrease) in cash and cash equivalents		171,152	(145,792)
Cash and cash equivalents at the beginning of the period		351,312	497,104
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	6.1	<b>522,464</b>	<b>351,312</b>

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



**Office of the Parliamentary Inspector of the Corruption and Crime Commission of  
Western Australia**

PRIMARY FINANCIAL STATEMENTS

**Summary of Consolidated Account Appropriations**

For the year ended 30 June 2021

	2021 Budget Estimate \$	2021 Supplementary Funding \$	2021 Revised Budget \$	2021 Actual \$	2021 Variance \$
<u>Delivery of Services</u>					
Item 71 Net amount appropriated to deliver services	480,000	-	480,000	480,000	-
Amount Authorised by Other Statutes - Corruption and Crime Commission Act 2003	179,000	-	179,000	179,000	-
<b>Total appropriations provided to deliver services</b>	<b>659,000</b>	<b>-</b>	<b>659,000</b>	<b>659,000</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>659,000</b>	<b>-</b>	<b>659,000</b>	<b>659,000</b>	<b>-</b>

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 1. *Basis of preparation*

The Office of the Parliamentary Inspector of the Corruption and Crime Commission (the Office) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Office on 20 August 2021.

### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA)
- 2) The Treasurer's Instructions (TIs)
- 3) Australian Accounting Standards (AASs) – Reduced Disclosure Requirements
- 4) Where appropriate, those AASs paragraphs applicable for not-for-profit entities have been applied.

The *FMA* and TIs take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

### Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior, to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Use of our funding

#### Expenses incurred in the delivery of services

This section provides additional information about how the Office's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Office in achieving its objectives and the relevant notes are:

	Notes	2021 \$	2020 \$
Employee benefits expense	2.1	288,208	322,780
Employee benefits provisions	2.1.1	18,921	-
Supplies and services	2.2	153,696	174,268
Accommodation expenses	2.2	64,494	84,246
Other expenditure	2.2	38,456	30,659

#### 2.1 Employee benefits expenses

	2021 \$	2020 \$
Employee benefits	266,386	289,292
Superannuation - defined contribution plans	21,822	33,488
<b>Total employee benefits expenses</b>	<b>288,208</b>	<b>322,780</b>
Add: AASB 16 Non-monetary benefits	-	-
Less: Employee Contributions (per the statement of comprehensive income)	-	-
<b>Net employee benefits</b>	<b>288,208</b>	<b>322,780</b>

**Employee Benefits:** Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, profit-sharing and bonuses; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the Gold State Superannuation (GSS) (concurrent contributions), the West State Superannuation (WSS), the Government Employees Superannuation Board (GESB), or other superannuation funds.

**AASB 16 Non-monetary benefits:** Non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of Vehicle benefits are measured at the cost incurred by the Office.

**Employee Contributions:** Contributions made to the Office by employees towards employee benefits that have been provided by the Office. This includes both AASB 16 and non-AASB 16 employee contributions.



# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 2.1.1 Employee related provisions

	2021	2020
	\$	\$
<b>Current</b>		
<u>Employee benefits provisions</u>		
Annual leave <sup>(a)</sup>	10,663	-
Long service leave <sup>(b)</sup>	5,410	-
	<u>16,073</u>	<u>-</u>
<u>Other provisions</u>		
Employment on-costs <sup>(c)</sup>	143	-
<b>Total current employee related provisions</b>	<u>16,216</u>	<u>-</u>
<b>Non-Current</b>		
<u>Employee benefits provisions</u>		
Long service leave <sup>(b)</sup>	2,681	-
	<u>2,681</u>	<u>-</u>
<u>Other provisions</u>		
Employment on-costs <sup>(c)</sup>	24	-
<b>Total non-current employee related provisions</b>	<u>2,705</u>	<u>-</u>
<b>Total employee related provisions*</b>	<u>18,921</u>	<u>-</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

There was no balance recorded for total employee related provisions in 2019-20 as the two permanent employees of the Office retired before the end of the financial year and the Office took on seconded employees from other agencies to fill the vacated positions.

- (a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

- (b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as **current** liabilities as the Office does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Office has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Office does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

- (c) **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenditure', Note 2.2 and are not included as part of the Office's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2021	2020
	\$	\$
<u>Employee on-costs provision</u>		
Carrying amount at start of period	-	17,352
Additional/(reversals of) provisions recognised	167	(17,352)
<b>Carrying amount at end of period</b>	<u>167</u>	<u>-</u>

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 2.1.1 Employee related provisions (continued)

#### Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Office's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

### 2.2 Other expenditure

	2021 \$	2020 \$
<b>Supplies and services</b>		
Communications	312	2,871
Consumables	10,264	5,401
Consultants and contractors	21,260	25,703
Services received free of charge (note 3.1)	121,860	140,293
<b>Total supplies and services expenses</b>	<b>153,696</b>	<b>174,268</b>
 <b>Accommodation expenses</b>		
Rental	64,494	84,246
<b>Total accommodation expenses</b>	<b>64,494</b>	<b>84,246</b>
 <b>Other expenses</b>		
Insurance for Property, Liability, Workers Compensation, Miscellaneous	6,338	5,775
Other expenditure <sup>(a)</sup>	32,118	24,884
<b>Total other expenses</b>	<b>38,456</b>	<b>30,659</b>
<b>Total other expenditure</b>	<b>256,646</b>	<b>289,173</b>

(a) Includes bank fees, court transcripts, electricity, travel and audit fees.

**Supplies and services expenses** are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

**Rental expenses** include:

- i) Short-term leases with a lease term of 12 months or less;
- ii) Low-value leases with an underlying value of \$5,000 or less;
- iii) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs; and
- iv) Government Office Accommodation under a Memorandum of Understanding Agreement with the Department of Finance for the leasing of office accommodation.

**Repairs, maintenance and cleaning costs** are recognised as expenses as incurred.

**Other operating expenses** generally represent the day-to-day running costs incurred in normal operations.



# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Our funding sources

#### How we obtain our funding

This section provides additional information about how the Office obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Office and the relevant notes are:

	Notes	2021 \$	2020 \$
Income from State Government	3.1	780,860	835,293

#### 3.1 Income from State Government

	2021 \$	2020 \$
Appropriation received during the period:		
Service appropriation <sup>(a)</sup>	659,000	695,000
<b>Total appropriation received during the period</b>	<b>659,000</b>	<b>695,000</b>
Resources received from other public sector entities during the period: <sup>(b)</sup>		
Department of Justice provided		
Financial, human resources and information technology services	110,009	127,539
Department of Finance provided		
Lease accommodation services	11,851	12,754
<b>Total resources received</b>	<b>121,860</b>	<b>140,293</b>
<b>Total Income from State Government</b>	<b>780,860</b>	<b>835,293</b>

- (a) **Service Appropriations** are recognised as revenues at fair value in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset).

- (b) **Resources received from other public sector entities** free of charge or for nominal cost are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.



# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Key assets

Assets the Office utilises for economic benefit or service potential

This section includes information regarding the key assets the Office utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets.

	Notes	2021 \$	2020 \$
Property, plant and equipment	4.1	126,922	157,657
<b>Total key assets</b>		<b>126,922</b>	<b>157,657</b>

#### 4.1 Property, plant and equipment

	Leasehold Improvement \$	Office equipment \$	Total \$
<b>Year ended 30 June 2021</b>			
<b>1 July 2020</b>			
Gross carrying amount	304,612	8,227	312,839
Accumulated depreciation	(147,230)	(7,952)	(155,182)
<b>Carrying amount at start of period</b>	<b>157,382</b>	<b>275</b>	<b>157,657</b>
Depreciation	(30,461)	(274)	(30,735)
<b>Carrying amount at 30 June 2021</b>	<b>126,921</b>	<b>1</b>	<b>126,922</b>
Gross carrying amount	304,612	8,227	312,839
Accumulated depreciation	(177,691)	(8,226)	(185,917)

#### Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

#### Subsequent measurement

Subsequent to initial recognition of an asset, items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 4.1.1 Depreciation and impairment

#### Charge for the period

	2021	2020
	\$	\$
Leasehold Improvement	30,461	30,461
Office equipment	274	1,645
<b>Total depreciation for the period</b>	<b>30,735</b>	<b>32,106</b>

As at 30 June 2021 there were no indications of impairment to property or plant and equipment.

All surplus assets at 30 June 2021 have either been classified as assets held for sale or have been written-off.

#### Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Leasehold improvement	10 years or the remaining useful life, whichever is lower
Office Equipment	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

#### Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss. Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Office is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Office's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2021 \$	2020 \$
Receivables	5.1	4,056	2,401
Amounts receivable for services (Holding Account)	5.2	291,000	259,000
Other current assets	5.3	222	7,318
Payables	5.4	16,440	73,656

#### 5.1 Receivables

	2021 \$	2020 \$
<u>Current</u>		
Receivables	-	443
GST receivable	4,056	1,958
<b>Total receivables</b>	<b>4,056</b>	<b>2,401</b>

The Office does not hold any collateral or other credit enhancements as security for receivables.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 20 days.

#### 5.2 Amounts receivable for services (Holding Account)

	2021 \$	2020 \$
Non-current	291,000	259,000
<b>Total non-current</b>	<b>291,000</b>	<b>259,000</b>
<b>Total Amounts receivable for services</b>	<b>291,000</b>	<b>259,000</b>

**Amounts receivable for services** represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

#### 5.3 Other current assets

	2021 \$	2020 \$
Prepayments	222	7,318
<b>Total other current assets</b>	<b>222</b>	<b>7,318</b>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.



# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 5.4 Payables

	2021	2020
	\$	\$
<u>Current</u>		
Trade payables	7,734	36
Accrued salaries	8,706	73,620
<b>Balance at end of period</b>	<b>16,440</b>	<b>73,656</b>

**Payables** are recognised at the amounts payable when the Office becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Office considers the carrying amount of accrued salaries to be equivalent to its fair value.

## 6. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Office:

	Notes
Cash and cash equivalents	6.1

### 6.1 Cash and cash equivalents

	2021	2020
	\$	\$
Cash and cash equivalents	522,464	351,312
<b>Balance at end of period</b>	<b>522,464</b>	<b>351,312</b>

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash on hand which is subject to insignificant risk of changes in value.

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Financial instruments and contingencies

	Notes
Financial instruments	7.1
Contingent assets and contingent liabilities	7.2

#### 7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting date are:

	2021 \$	2020 \$
<u>Financial Assets</u>		
Cash and cash equivalents	522,464	351,312
Financial assets at amortised cost <sup>(a)</sup>	291,000	259,443
<b>Total financial assets</b>	<b>813,464</b>	<b>610,755</b>
<u>Financial Liabilities</u>		
Financial liabilities at amortised cost <sup>(b)</sup>	16,440	73,656
<b>Total financial liability</b>	<b>16,440</b>	<b>73,656</b>

(a) The amount of Financial assets at amortised cost excludes GST recoverable from the Australian Taxation Office (ATO) (statutory receivable).

(b) The amount of Financial liabilities at amortised cost excludes GST recoverable from the ATO (statutory payable).

#### 7.2 Contingent assets and liabilities

There were no contingent liabilities and contingent assets as at 30 June 2021 (2020: nil).



# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related parties	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Equity	8.7
Supplementary financial information	8.8
Explanatory Statement	8.9

#### 8.1 Events occurring after the end of the reporting period

There were no events occurring after the end of the reporting period.

#### 8.2 Key management personnel

The Office has determined key management personnel to include senior officers of the Office.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for the accountable authority and senior officers of the Office for the reporting period are presented within the following bands:

	2021	2020
<b>Compensation of members of the accountable authority</b>		
<b>Compensation Band (\$)</b>		
180,001 - 190,000	-	1
130,001 - 140,000	1	-
<b>Compensation of senior officers</b>		
<b>Compensation Band (\$)</b>		
170,001 - 180,000	-	1
130,001 - 140,000	1	-
30,001 - 40,000	-	1
10,001 - 20,000	2	-
0 - 10,000	1	1
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Total compensation of senior officers</b>	<u>296,788</u>	<u>406,441</u>

Total compensation includes the superannuation expense incurred by the Office in respect of senior officers.

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 8.3 Related party transactions

The Office is a wholly owned public sector entity of the State of Western Australia.

Related parties of the Office include:

- all Cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board.

### Material transactions with related parties:

Outside of normal citizen type transactions with the Office, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

### 8.4 Related bodies

The Office had no related bodies during the financial year (2020: nil).

### 8.5 Affiliated bodies

The Office had no affiliated bodies during the financial year (2020: nil).

### 8.6 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2021 \$	2020 \$
Auditing the accounts, controls, financial statements and key performance indicators	17,600	17,225

### 8.7 Equity

The Western Australia Government holds the equity interest in the Office on behalf of the community. Equity represents the residual interest in the net assets of the Office.

	2021 \$	2020 \$
<b>Contributed equity</b>		
Balance at start of period	160,000	160,000
Balance at end of period	<u>160,000</u>	<u>160,000</u>
<b>Accumulated surplus</b>		
Balance at start of period	544,032	352,798
Result for the period	205,271	191,234
Balance at end of period	<u>749,303</u>	<u>544,032</u>
<b>Total Equity at end of period</b>	<u><u>909,303</u></u>	<u><u>704,032</u></u>

# **Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **8.8 Supplementary financial information**

There were no losses of public moneys or other public property through theft or default during the financial year (2020: nil).

There were no write offs of public money or other public property during the financial year (2020: nil).

There were no gifts of public property during the financial year (2020: nil)

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 8.9 Explanatory statement

All variances between estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances, which are generally greater than 10% and 1% of Total Cost of Services of the prior period actual for the Statements of Comprehensive Income and Statement of Cash Flows and are greater than 10% and 1% of Total Assets of the estimate for the Statement of Financial Position.

### Statement of Comprehensive Income Variances

	Note	Estimate 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between estimate and actual \$	Variance between actual results for 2021 and 2020 \$
<b>COST OF SERVICES</b>						
Expenses						
Employee benefits expense	1A	455,000	288,208	322,780	(166,792)	(34,572)
Supplies and services	2B	210,000	153,696	174,268	(56,304)	(20,572)
Depreciation		32,000	30,735	32,106	(1,265)	(1,371)
Accommodation expenses	3C	72,000	64,494	84,246	(7,506)	(19,752)
Other expenses	D	40,000	38,456	30,659	(1,544)	7,797
<b>Total cost of services</b>		<b>809,000</b>	<b>575,589</b>	<b>644,059</b>	<b>(233,411)</b>	<b>(68,470)</b>
<b>Income</b>						
Other Income		-	-	-	-	-
<b>Total income other than income from State Government</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET COST OF SERVICES</b>		<b>809,000</b>	<b>575,589</b>	<b>644,059</b>	<b>(233,411)</b>	<b>(68,470)</b>
<b>Income from State Government</b>						
Service appropriation		659,000	659,000	695,000	-	(36,000)
Resources received free of charge	4E	142,000	121,860	140,293	(20,140)	(18,433)
<b>Total income from State Government</b>		<b>801,000</b>	<b>780,860</b>	<b>835,293</b>	<b>(20,140)</b>	<b>(54,433)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(8,000)</b>	<b>205,271</b>	<b>191,234</b>	<b>253,551</b>	<b>14,037</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(8,000)</b>	<b>205,271</b>	<b>191,234</b>	<b>213,271</b>	<b>14,037</b>

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 8.9 Explanatory statement (continued)

#### Statement of Financial Position Variances

	Note	Estimate 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between estimate and actual \$	Variance between actual results for 2021 and 2020 \$
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		343,000	522,464	351,312	179,464	171,152
Receivables		2,000	4,056	2,401	2,056	1,655
Other asset		8,000	222	7,313	(7,778)	(7,096)
<b>Total Current Assets</b>	5F	<b>353,000</b>	<b>526,742</b>	<b>361,031</b>	<b>173,742</b>	<b>165,711</b>
<b>Non-Current Assets</b>						
Amounts receivable for services	G	291,000	291,000	259,000	-	32,000
Property, plant and equipment	H	126,000	126,922	157,657	922	(30,735)
<b>Total Non-Current Assets</b>		<b>417,000</b>	<b>417,922</b>	<b>416,657</b>	<b>922</b>	<b>1,265</b>
<b>TOTAL ASSETS</b>		<b>770,000</b>	<b>944,664</b>	<b>777,688</b>	<b>174,664</b>	<b>166,976</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		74,000	16,440	73,656	(57,560)	(57,216)
Provisions		-	16,216	-	16,216	16,216
<b>Total Current Liabilities</b>	6I	<b>74,000</b>	<b>32,656</b>	<b>73,656</b>	<b>(41,344)</b>	<b>(41,000)</b>
<b>Non-Current Liabilities</b>						
Provisions		-	2,705	-	2,705	2,705
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>2,705</b>	<b>-</b>	<b>2,705</b>	<b>2,705</b>
<b>TOTAL LIABILITIES</b>		<b>74,000</b>	<b>35,361</b>	<b>73,656</b>	<b>(38,639)</b>	<b>(38,295)</b>
<b>NET ASSETS</b>		<b>696,000</b>	<b>909,303</b>	<b>704,032</b>	<b>213,303</b>	<b>205,271</b>
<b>EQUITY</b>						
Contributed equity		160,000	160,000	160,000	-	-
Accumulated surplus		536,000	749,303	544,032	213,303	205,271
<b>TOTAL EQUITY</b>		<b>696,000</b>	<b>909,303</b>	<b>704,032</b>	<b>213,303</b>	<b>205,271</b>



# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 8.9 Explanatory statement (continued)

#### Statement of Cash Flows

	Note	Estimate 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between estimate and actual \$	Variance between actual results for 2021 and 2020 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		627,000	627,000	663,000	-	(36,000)
Net cash provided by State Government		<b>627,000</b>	<b>627,000</b>	<b>663,000</b>	<b>-</b>	<b>(36,000)</b>
<b>Utilised as follows:</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	7J	(455,000)	(334,509)	(650,945)	120,491	316,436
Supplies and services	8K	(69,000)	(58,480)	(74,706)	10,520	16,226
Accommodation	9L	(72,000)	(53,665)	(84,246)	18,335	30,581
GST payments on purchases		(16,000)	(13,424)	(14,416)	2,576	992
Other payments	10	(39,000)	-	-	39,000	-
<b>Receipts</b>						
GST receipts from taxation authority	11M	16,000	3,787	15,521	(12,213)	(11,734)
Other receipts		-	443	-	443	443
<b>Net cash used in operating activities</b>		<b>(635,000)</b>	<b>(455,848)</b>	<b>(808,792)</b>	<b>179,152</b>	<b>352,944</b>
<b>Net increase in cash and cash equivalents</b>						
Cash and cash equivalents at the beginning of the period		(8,000)	171,152	(145,792)	179,152	316,944
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>351,000</b>	<b>351,312</b>	<b>497,104</b>	<b>312</b>	<b>(145,792)</b>
		<b>343,000</b>	<b>522,464</b>	<b>351,312</b>	<b>179,464</b>	<b>171,152</b>

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 8.9 Explanatory statement (continued)

#### Major Estimate and Actual (2021) Variance Narratives:

1. Employee Benefits decreased by \$166,792 (37%) compared to the estimate largely due to the incoming Parliamentary Inspector only having worked for eight months of this financial year commencing employment in November 2020.
2. Supplies and Services decreased by \$56,304 (27%) compared to the estimate mostly due to the decrease in Human Resources services received free of charge from the Department of Justice.
3. Accommodation Expenses decreased by \$7,506 (10%) compared to the estimate largely because the lease incentive offered in the new lease agreement was taken in abatement of rent over the rental period.
4. Resources received free of charge decreased by \$20,140 (14%) compared to the estimate primarily due to a reduction in services provided by the Department of Justice during the transitional period between the retirement of the former Assistant to the Parliamentary Inspector until the appointment of the incoming Assistant.
5. Other assets decreased by \$7,778 (97%) compared to the estimate largely due to the inadvertent delay in payment for the rental accommodation.
6. Employee related provisions are \$16,216 higher than the estimate mainly due to the uncertainty of the timing of the appointment of the incoming Parliamentary Inspector during the budget cycle.
7. Employee Benefits Payments decreased by \$120,491 (26%) compared to the estimate mainly due to the incoming Parliamentary Inspector having commenced in November 2020.
8. Supplies and Services Payments decreased by \$10,520 (15%) compared to the estimate largely due to a reduction in communication costs, as well as, under the new lease agreement, a reduction in other costs such as parking bays and variable outgoings.
9. See variance explanation note 3.
10. Other payments were \$39,000 lower than the estimate mainly due to staff development budget allocation not being utilised.
11. GST Receipts decreased by \$12,213 (76%) compared to the estimate largely due to lower payments for supplies and services.

# Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia

## NOTES TO THE FINANCIAL STATEMENTS

### 8.9 Explanatory statement (continued)

#### Major Actual (2021) and Comparative (2020) Variance Narratives:

- A. Employee Benefits decreased by \$34,572 (11%) compared to the previous financial year largely because the previous Parliamentary Inspector and the previous Assistant to the Parliamentary Inspector retired in the previous financial year and received large leave payouts.
- B. Supplies and Services decreased by \$20,572 (12%) compared to the previous financial year mostly due to the decrease in Human Resources services received free of charge from the Department of Justice.
- C. Accommodation expenses decreased by \$19,752 (23%) compared to the previous financial year largely owing to the negotiation of a new lease with lower rentals.
- D. Other Expenses increased by \$7,797 (25%) compared to the previous financial year largely due to an increase in staff development expenses.
- E. Resources received free of charge decreased by \$18,433 (13%) compared to the previous financial year primarily due to a reduction in services provided by the Department of Justice during the transitional period between the retirement of the former Assistant to the Parliamentary Inspector until the appointment of the incoming Assistant.
- F. Other assets decreased by \$7,096 (97%) compared to the previous financial year largely due to the inadvertent delay in payment for the rental accommodation.
- G. Amounts receivable for services increased by \$32,000 (12%) compared to the previous financial year because current amounts receivable for services were not used for asset replacement.
- H. Property Plant and Equipment decreased by \$30,735 (19%) compared to the previous financial year which represents the yearly depreciation charge.
- I. Employee related provisions are \$16,216 higher than the previous financial year largely due to the appointment of the Parliamentary Inspector in November 2020 after the retirement of the previous Parliamentary Inspector in the previous financial year who was paid out his leave provisions. This resulted in the creation of new leave provisions for the incoming Parliamentary Inspector.
- J. Employee Benefits Payments decreased by \$316,436 (49%) compared to the previous financial year mainly due to the incoming Parliamentary Inspector having commenced in November 2020. In the previous financial year the Parliamentary Inspector and the Assistant to the Parliamentary Inspector both retired resulting in large leave payouts.
- K. Supplies and Services Payments decreased by \$16,226 (22%) compared to the previous financial year largely due to decreased use of consultants who were engaged in the previous financial year to set up the new lease agreement, and to a reduction in communication costs.
- L. See variance explanation note C.
- M. GST Receipts decreased by \$11,734 (76%) compared to the previous financial year largely due to lower payments for supplies and services.

