

# Independent Commissioner Against Corruption

Financial report  
for the year ended  
30 June 2021



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## To the Independent Commissioner Against Corruption Independent Commissioner Against Corruption

### Opinion

I have audited the financial report of the Independent Commissioner Against Corruption for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Independent Commissioner Against Corruption as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Independent Commissioner Against Corruption and the Director Corporate Services.

### Basis for opinion

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

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

## **Responsibilities of the Independent Commissioner Against Corruption for the financial report**

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

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

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Independent Commissioner Against Corruption for the financial year ended 30 June 2021.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Independent Commissioner Against Corruption's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Independent Commissioner Against Corruption
- conclude on the appropriateness of the Independent Commissioner Against Corruption's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

**Auditor-General**

23 September 2021

**Independent Commissioner Against Corruption  
(ICAC)**

**Financial Statements**

For the year ended 30 June 2021

**Independent Commissioner Against Corruption**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

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We certify that the

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



The Honourable Ann Vanstone QC  
Independent Commissioner Against Corruption  
*20* September 2021



Vicki Tomlinson  
Director Corporate Services  
*20* September 2021

**Independent Commissioner Against Corruption**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
SA Government grants, subsidies and transfers	2.1	13 875	19 535
Services received free of charge	2.2	171	66
Donated asset	2.3	149	-
Recoveries and other income	2.4	10	14
<b>Total income</b>		<b>14 205</b>	<b>19 615</b>
<b>Expenses</b>			
Employee benefits expenses	3.2	8 380	9 379
Supplies and services	4.1	4 215	4 808
Depreciation and amortisation	4.2	1 136	1 164
Loss on revaluation of PP&E	5.2	186	-
Borrowing costs	4.3	-	1
Other expenses	4.4	38	35
<b>Total expenses</b>		<b>13 955</b>	<b>15 387</b>
<b>Net result</b>		<b>250</b>	<b>4 228</b>
<b>Total comprehensive result</b>		<b>250</b>	<b>4 228</b>

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

**Independent Commissioner Against Corruption**  
**Statement of Financial Position**  
*as at 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	11 209	11 434
Receivables	6.2	274	154
<b>Total current assets</b>		<b>11 483</b>	<b>11 588</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	2 585	3 319
Intangible assets	5.4	84	256
<b>Total non-current assets</b>		<b>2 669</b>	<b>3 575</b>
<b>Total assets</b>		<b>14 152</b>	<b>15 163</b>
<b>Current liabilities</b>			
Payables	7.1	504	775
Financial liabilities	7.2	20	14
Employee benefits	3.3	1 346	1 530
Other liabilities	7.3	136	188
<b>Total current liabilities</b>		<b>2 006</b>	<b>2 507</b>
<b>Non-current liabilities</b>			
Payables	7.1	55	97
Financial liabilities	7.2	11	18
Employee benefits	3.3	586	1 057
Other liabilities	7.3	135	375
<b>Total non-current liabilities</b>		<b>787</b>	<b>1 547</b>
<b>Total liabilities</b>		<b>2 793</b>	<b>4 054</b>
<b>Net assets</b>		<b>11 359</b>	<b>11 109</b>
<b>Equity</b>			
Retained earnings		11 359	11 109
<b>Total equity</b>		<b>11 359</b>	<b>11 109</b>

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



**Independent Commissioner Against Corruption**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

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	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2019</b>	<u>6 881</u>	<u>6 881</u>
Net result for 2019-20	<u>4 228</u>	<u>4 228</u>
<b>Total comprehensive result for 2019-20</b>	<u>4 228</u>	<u>4 228</u>
<b>Balance at 30 June 2020</b>	<u>11 109</u>	<u>11 109</u>
Net result for 2020-21	<u>250</u>	<u>250</u>
<b>Total comprehensive result for 2020-21</b>	<u>250</u>	<u>250</u>
<b>Balance at 30 June 2021</b>	<u><u>11 359</u></u>	<u><u>11 359</u></u>

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

**Independent Commissioner Against Corruption**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

		2021	2020
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
SA Government grants, subsidies and transfers		13 875	19 535
Recoveries		8	57
<b>Cash generated from operating activities</b>		<b>13 883</b>	<b>19 592</b>
<b>Cash outflows</b>			
Employee benefits payments		(9 121)	(9 019)
Supplies and services		(4 568)	(4 683)
Interest paid		-	(1)
<b>Cash used in operating activities</b>		<b>(13 689)</b>	<b>(13 703)</b>
<b>Net cash provided by / (used in) operating activities</b>	8.1	<b>194</b>	<b>5 889</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(400)	(551)
<b>Cash used in investing activities</b>		<b>(400)</b>	<b>(551)</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(400)</b>	<b>(551)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(19)	(24)
<b>Cash used by financing activities</b>		<b>(19)</b>	<b>(24)</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>(19)</b>	<b>(24)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(225)</b>	<b>5 314</b>
Cash and cash equivalents at the beginning of the reporting period		11 434	6 120
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>11 209</b>	<b>11 434</b>

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

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1 About the Independent Commissioner Against Corruption**

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

**1.1. Basis of preparation**

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

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

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

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

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

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

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Commissioner has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

**1.2. Objectives and programs**

The ICAC Act established the Commissioner and the OPI.

The Commissioner is established to:

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

The Commissioner has the following functions:

- (a) to identify corruption in public administration and to -
  - (i) investigate and refer it for prosecution; or
  - (ii) refer it to a law enforcement agency for investigation and prosecution;
- (b) to assist inquiry agencies and public authorities to identify and deal with misconduct and maladministration in public administration;

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1.2. Objectives and programs (continued)**

- (c) to refer complaints and reports to inquiry agencies, public authorities and public officers and to give directions or guidance to public authorities in dealing with misconduct and maladministration in public administration, as the Commissioner considers appropriate;
  - (ca) to identify serious or systemic misconduct or maladministration in public administration;
  - (cb) to exercise the powers of an inquiry agency in dealing with serious or systemic maladministration in public administration if satisfied that it is in the public interest to do so;
  - (cc) to exercise the powers of an inquiry agency in dealing with serious or systemic misconduct in public administration if the Commissioner is satisfied that the matter must be dealt with in connection with a matter the subject of an investigation of a kind referred to in paragraph (a)(i) or a matter being dealt with in accordance with paragraph (cb);
- (d) to evaluate the practices, policies and procedures of inquiry agencies and public authorities with a view to advancing comprehensive and effective systems for preventing or minimising corruption, misconduct and maladministration in public administration;
- (e) to conduct or facilitate the conduct of educational programs designed to prevent or minimise corruption, misconduct and maladministration in public administration;
- (f) to perform other functions conferred on the Commissioner by the ICAC Act or any other Act.

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

- (a) to receive and assess complaints about public administration from members of the public;
- (b) to receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies, public authorities and public officers;
- (c) to refer complaints and reports to inquiry agencies, public authorities and public officers in circumstances approved by the Commissioner or make recommendations to the Commissioner in relation to complaints and reports;
  - (ca) to give directions or guidance to public authorities in circumstances approved by the Commissioner;
- (d) to receive disclosures of public interest information in accordance with the *Public Interest Disclosure Act 2018*;
- (e) to perform other functions assigned to the Office by the Commissioner.

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

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

**1.3. Impact of COVID-19 pandemic on the ICAC and OPI**

There has been no material impact on the operations of the ICAC and OPI due to the COVID-19 pandemic.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**1.4. Significant transactions with government related entities**

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

- SA Government transfers received from the Department of Treasury and Finance (DTF) of \$13.9 million.
- 100% of accommodation payments relate to accommodation supplied by the Department of Infrastructure and Transport (DIT) and cars supplied by Fleet SA.
- Services received free of charge from Shared Services SA of \$0.068 million. Refer note 2.2.
- Services Received free of charge from the Department of the Premier and Cabinet of \$0.103m. Refer note 2.2.

**2. Income**

**2.1. SA Government grants, subsidies and transfers**

	2021	2020
	\$'000	\$'000
SA Government transfers	13 875	19 535
<b>Total SA Government grants, subsidies and transfers</b>	<b>13 875</b>	<b>19 535</b>

SA Government transfers are recognised on receipt.

SA Government transfers consist of \$12.513 million (\$14.5 million) for operational funding and \$1.362 million (\$5.0 million) for capital projects via the Attorney-General's Department's intra-government transfers.

**2.2. Services received free of charge**

	2021	2020
	\$'000	\$'000
Services received free of charge - Department of the Premier and Cabinet	103	-
Services received free of charge - Shared Services SA	68	66
<b>Total services received free of charge</b>	<b>171</b>	<b>66</b>

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

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

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

**2.3. Donated Assets**

	2021	2020
	\$'000	\$'000
Donated assets	149	-
<b>Total donated asset</b>	<b>149</b>	<b>-</b>

The donated asset of \$149 000 is an adjustment to lease incentive for future years to account for the portion of the Commissioner's leased premises that has been sub-let to a separate SA Government agency.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**2.4. Recoveries and other income**

	2021	2020
	\$'000	\$'000
Sundry recoveries	10	14
<b>Total recoveries and other income</b>	<b>10</b>	<b>14</b>

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

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the ICAC include the Commissioner, the Deputy Independent Commissioner Against Corruption (Deputy Commissioner) and eight members of the management team who have responsibility to support the Commissioner to lead the strategic direction and management of the ICAC and the OPI, including employees who acted in those positions from time to time during the period. Total compensation for key management personnel was \$2.4 million in 2020-21 and \$2.1 million in 2019-20.

	2021	2020
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short-term employee benefits	1 962	1 915
Post-employment benefits	178	181
Other long-term employment benefits	234	-
<b>Total compensation</b>	<b>2 374</b>	<b>2 096</b>

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

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

The Commissioner is independent and accountable to the SA Parliament.

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

**3.2. Employee benefits expenses**

	2021	2020
	\$'000	\$'000
Salaries and wages	6 770	7 383
Employment on-costs - superannuation	702	781
Annual leave	564	647
Employment on-costs - other	391	437
Long service leave	(73)	107
Skills and experience retention leave	26	24
<b>Total employee benefits expenses</b>	<b>8 380</b>	<b>9 379</b>

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

**Employment on-costs – superannuation**

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

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**3.2 Employee benefits expenses (continued)**

**Executive remuneration**

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

	2021	2020
	Number	Number
\$154 001 to \$174 000	4	6
\$174 001 to \$194 000	2	-
\$194 001 to \$214 000	2	3
\$214 001 to \$234 000	1	1
\$334 001 to \$354 000	-	1
\$394 001 to \$414 000	1	-
\$414 001 to \$434 000	1	-
\$474 001 to \$494 000	1	-
\$514 001 to \$534 000	-	1
<b>Total</b>	<b>12</b>	<b>12</b>

The total remuneration received by those employees for the year was \$2.9 million (2020: \$2.6 million).

The table includes all employees (including the Commissioner and Deputy Commissioner) whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the ICAC.

**3.3. Employee benefits liability**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Annual leave	643	768
Long service leave	465	509
Accrued salaries and wages	228	230
Skills and experience retention leave	10	23
<b>Total current employee benefits</b>	<b>1 346</b>	<b>1 530</b>
<b>Non-current</b>		
Long service leave	586	1 057
<b>Total non-current employee benefits</b>	<b>586</b>	<b>1 057</b>
<b>Total employee benefits</b>	<b>1 932</b>	<b>2 587</b>

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



**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**3.3. Employee benefits liability (continued)**

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

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

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

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

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided at note 10.1.

**Independent Commissioner Against Corruption**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

#### 4. Expense

Employee benefits expenses are disclosed in note 3.2.

##### 4.1. Supplies and services

	2021	2020
	\$'000	\$'000
Accommodation	1 412	1 627
Information and communications technology	1 352	1 486
Outsourced services	381	398
Legal fees	272	358
Contract staff	181	135
Shared Services SA charges	68	66
Consultants	73	114
Employee training	70	51
Repairs, maintenance and minor purchases	60	90
Employee related payments	38	119
Office expenses	37	45
Internal audit fee	31	31
Website development	20	8
Promotions and publications	20	43
Tax and taxable payments	15	34
Motor vehicle expenses	9	11
Telephone related expenses	9	67
Other	167	125
<b>Total supplies and services</b>	<b>4 215</b>	<b>4 808</b>

##### Accommodation

All of the Commissioner's accommodation is provided by DIT under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16. Information about accommodation incentives relating to this arrangement is shown at note 7.3.

##### Consultants

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

	2021	2021	2020	2020
	Number	\$'000	Number	\$'000
Below \$10 000	10	35	9	36
\$10 000 or above	2	38	2	78
<b>Total</b>	<b>12</b>	<b>73</b>	<b>11</b>	<b>114</b>

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**4.2. Depreciation and amortisation**

	2021 \$'000	2020 \$'000
<b>Depreciation</b>		
Information technology assets	182	325
Plant and equipment	69	61
Right-of-use vehicles	19	27
<b>Total depreciation</b>	<b>270</b>	<b>413</b>
<b>Amortisation</b>		
Leasehold improvements	694	579
Intangible assets	172	172
<b>Total amortisation</b>	<b>866</b>	<b>751</b>
<b>Total depreciation and amortisation</b>	<b>1 136</b>	<b>1 164</b>

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

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

**Useful life**

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

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

During the year, ICAC reassessed the useful lives of leasehold improvements, resulting in a reduction in the estimated useful life. As a result future depreciation expense will increase by \$592 000.

**Review of accounting estimates**

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

A fit out project conducted in 2017 was deemed to have a useful life of ten years. The useful life of the asset has been adjusted in 2020-21 to bring it in line with the end of the lease on 30 June 2023. The depreciation schedule has been adjusted in future years to depreciate the asset to zero dollar value by the end of the lease on 30 June 2023.

The Commissioner revalued her leasehold improvements downwards at 30 June 2021. Future depreciation expense will reduce by \$186 000 as a result.

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**4.3. Borrowing costs**

	2021	2020
	\$'000	\$'000
Interest expense on lease liabilities	-	1
<b>Total borrowing costs</b>	<b>-</b>	<b>1</b>

The Commissioner does not capitalise borrowing costs.

**4.4. Other expenses**

	2021	2020
	\$'000	\$'000
Audit fees	38	35
<b>Total other expenses</b>	<b>38</b>	<b>35</b>

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$38 000 (\$35 000). No other services were provided by the Auditor-General's Department.

**5. Non-financial assets**

**5.1. Property, plant and equipment by asset class**

Property, plant and equipment comprises of tangible assets owned and right-of-use (leased) assets.

	2021	2020
	\$'000	\$'000
<b>Accommodation and leasehold improvements</b>		
Leasehold improvements at cost (deemed fair value)	1 525	5 469
Accumulated depreciation	-	(3 063)
<b>Total accommodation and leasehold improvements</b>	<b>1 525</b>	<b>2 406</b>
<b>Information technology assets</b>		
Information Technology assets at cost (deemed fair value)	3 355	2 630
Accumulated depreciation	(2 598)	(2 444)
<b>Total information technology assets</b>	<b>757</b>	<b>186</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	688	690
Accumulated depreciation	(428)	(359)
<b>Total plant and equipment</b>	<b>260</b>	<b>331</b>
<b>Capital work in progress</b>		
Capital work in progress at cost	11	365
<b>Total capital work in progress</b>	<b>11</b>	<b>365</b>
<b>Right-of-use vehicles</b>		
Right-of-use vehicles at cost	61	42
Accumulated depreciation	(29)	(11)
<b>Total right-of-use vehicles</b>	<b>32</b>	<b>31</b>
<b>Total property, plant and equipment</b>	<b>2 585</b>	<b>3 319</b>

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**5.2. Property, plant and equipment owned by the Commissioner**

Property, plant and equipment owned by the Commissioner with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Commissioner is recorded at fair value. Detail about the Commissioner's approach to fair value is set out in note 10.2.

**Impairment**

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

Revaluation of leasehold improvements was undertaken in 2021 as detailed in note 10.2.

**Reconciliation**

<b>2021</b>	<b>Accommodation</b>	<b>Plant &amp;</b>	<b>Information</b>	<b>Capital Work</b>	<b>Total</b>
	<b>and leasehold</b>	<b>equipment</b>	<b>Technology</b>	<b>in progress</b>	
	<b>Improvements</b>		<b>assets</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July 2020</b>	2 406	331	186	365	3 288
Acquisitions	-	-	-	400	400
Depreciation and amortisation	(694)	(69)	(182)	-	(945)
Revaluation decrement	(186)	-	-	-	(186)
Transfers to/(from) capital WIP	-	-	754	(754)	-
Other	(1)	(2)	(1)	-	(4)
<b>Carrying amount at 30 June 2021</b>	<b>1 525</b>	<b>260</b>	<b>757</b>	<b>11</b>	<b>2 553</b>

<b>2020</b>	<b>Accommodation</b>	<b>Plant &amp;</b>	<b>Information</b>	<b>Capital Work</b>	<b>Total</b>
	<b>and leasehold</b>	<b>equipment</b>	<b>Technology</b>	<b>in progress</b>	
	<b>Improvements</b>		<b>assets</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July 2019</b>	2 922	324	511	-	3 757
Acquisitions	-	-	-	496	496
Depreciation and amortisation	(579)	(61)	(325)	-	(965)
Transfers to/(from) capital WIP	63	68	-	(131)	-
<b>Carrying amount at 30 June 2020</b>	<b>2 406</b>	<b>331</b>	<b>186</b>	<b>365</b>	<b>3 288</b>

**Independent Commissioner Against Corruption**  
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**5.3. Property, plant and equipment leased by the Commissioner**

Right-of-use assets for property, plant and equipment leased by the Commissioner is measured at cost. Additions to leased property, plant and equipment during 2020-21 were \$19 000 (2020: \$58 000).

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

The Commissioner has a limited number of leases:

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

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Commissioner's maturity analysis of her lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.1.

**Impairment**

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

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**5.4. Intangible assets**

	2021	2020
	\$'000	\$'000
<b>Externally acquired intangible assets</b>		
Computer software and licences	867	867
Less accumulated amortisation	(783)	(611)
<b>Total externally acquired intangible assets</b>	<u>84</u>	<u>256</u>
<b>Total intangible assets</b>	<u><u>84</u></u>	<u><u>256</u></u>

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

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

**Impairment**

There were no indications of impairment of intangible assets at 30 June 2021.

**Reconciliation**

	Externally acquired software	Total
	\$'000	\$'000
<b>2021</b>		
Carrying amount at 1 July 2020	256	256
Amortisation	(172)	(172)
<b>Total as at 30 June 2021</b>	<u>84</u>	<u>84</u>

	Externally acquired software	Total
<b>2020</b>		
Carrying amount at 1 July 2019	428	428
Amortisation	(172)	(172)
<b>Total as at 30 June 2020</b>	<u>256</u>	<u>256</u>

**Independent Commissioner Against Corruption**  
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**6. Financial assets**

**6.1. Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer	11 189	11 414
Cash on hand	20	20
<b>Total cash and cash equivalents</b>	<b>11 209</b>	<b>11 434</b>

**Deposits with the Treasurer**

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

**6.2. Receivables**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Trade receivables	32	2
Prepayments	242	152
<b>Total current receivables</b>	<b>274</b>	<b>154</b>

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

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

Refer to note 10.3 for further information on risk management.

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



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## 7. Liabilities

Employee benefits liabilities are disclosed in note 3.3.

### 7.1. Payables

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Trade payables	292	549
Accrued expenses	37	35
Employment on-costs	175	191
<b>Total current payables</b>	<u>504</u>	<u>775</u>
<b>Non-current</b>		
Employment on-costs	55	97
<b>Total non-current payables</b>	<u>55</u>	<u>97</u>
<b>Total payables</b>	<u><u>559</u></u>	<u><u>872</u></u>

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

Statutory payables do not arise from contracts.

The net amount of GST recoverable from the ATO is included as part of payables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

#### Employment on-costs

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

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

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has remained the same as the 2020 rate (42%). The average factor for the calculation of employer superannuation on-costs has increased to 10.1% (9.8%). These rates are used in the employment on-costs calculation. The net financial effect of the changes in the current financial year on employment on-costs and employee benefit expense is immaterial.

Refer to note 10.3 for further information on risk management.

**Independent Commissioner Against Corruption**  
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**7.2. Financial liabilities**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Lease liabilities	20	14
<b>Total current financial liabilities</b>	<u>20</u>	<u>14</u>
<b>Non-current</b>		
Lease liabilities	11	18
<b>Total non-current financial liabilities</b>	<u>11</u>	<u>18</u>
<b>Total financial liabilities</b>	<u><u>31</u></u>	<u><u>32</u></u>

The Commissioner measures financial liabilities including borrowings/debt at amortised cost.

All material cash outflows are reflected in the lease liabilities disclosed above.

**7.3. Other liabilities**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Accommodation incentive	136	188
<b>Total current other liabilities</b>	<u>136</u>	<u>188</u>
<b>Non-current</b>		
Accommodation incentive	135	375
<b>Total non-current other liabilities</b>	<u>135</u>	<u>375</u>
<b>Total other liabilities</b>	<u><u>271</u></u>	<u><u>563</u></u>

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

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**8. Other disclosures**

**8.1. Cash flow**

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

Total cash outflows for leases was \$19 000 (2020: \$24 000).

***Reconciliation of net result to cash flows from operating activities***

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	11 209	11 434
Balance as per the Statement of Cash Flows	11 209	11 434
<b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by operating activities	194	5 889
<b>Add / (less) non-cash items</b>		
Services received free of charge - expense	(171)	(66)
Decrements on revaluation of non-current assets	(186)	-
Services received free of charge - income	171	66
Depreciation and amortisation	(1 136)	(1 164)
Donated assets	149	-
Lease incentive amortisation	143	188
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	92	(70)
(Increase)/decrease in payables	311	(300)
(Increase)/decrease in employee benefits	683	(315)
<b>Net result</b>	<b>250</b>	<b>4 228</b>

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## 9. Outlook

### 9.1. Unrecognised commitments

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

#### Expenditure commitments

	2021	2020
	\$'000	\$'000
Within one year	1 560	1 311
Later than one year but not longer than five years	1 168	2 227
<b>Total other commitments</b>	<b>2 728</b>	<b>3 538</b>
Software maintenance <sup>(1)</sup>	302	96
Other <sup>(2)</sup>	2 426	3 442
<b>Total</b>	<b>2 728</b>	<b>3 538</b>

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

<sup>(2)</sup> Other commitments relate to purchase orders placed for goods and services before 30 June 2021 and MoAA with DIT for accommodation.

### 9.2. Contingent assets and liabilities

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

In the ordinary course of operations, the Commissioner may become liable to pay costs or to receive costs arising from legal proceedings. As at 30 June 2021, it is not possible to reliably estimate the total court costs that may be receivable or payable in respect of one legal proceeding that is yet to conclude.

### 9.3. Impact of standards and statements not yet effective

The Commissioner has assessed that there is no impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

### 9.4. COVID-19 pandemic outlook for the ICAC and OPI

The COVID-19 pandemic is not expected to have a material impact on the operations of the ICAC and OPI in 2021-22.

### 9.5. Events after the reporting period

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

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**10. Measurement and risk**

**10.1. Long service leave liability - measurement**

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

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

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

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 0.75% (2020) to 1.25% (2021).

The actuarial assessment performed by the DTF has left the salary inflation rate at 2.5% for long service leave liability and 2% for annual leave and skills, experience and retention leave liability.

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$146 000 and employee benefits expense of \$146 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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## **10.2. Fair value measurement**

### **Fair value measurement**

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

### **Initial recognition**

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

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

### **Revaluation**

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

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

The independent valuer arrived at fair value based on the actual cost of the assets. The impact of this is a net revaluation decrement of \$186 000.

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

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

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

### **Fair value hierarchy**

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

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

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

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

The Commissioner has categorised all leasehold improvements, information technology assets and plant and equipment assets (refer to note 5.1) into level 3 for 2020 and 2021. The Commissioner's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers into or out of fair value hierarchy levels during the reporting period.

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**10.2. Fair value measurement (continued)**

**Plant and equipment**

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

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### **10.3. Financial instruments**

#### **Financial risk management**

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

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

#### **Liquidity risk**

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

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

#### **Credit risk**

The Commissioner is not exposed to any credit risk.

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

#### **Market risk**

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

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

#### **Categorisation of financial instruments**

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



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**10.3. Financial instruments (continued)**

**Classification of financial instruments**

The Commissioner measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	2021 Carrying amount / fair value \$'000	2021 Contractual maturities*	
			Within 1 year \$'000	1 - 5 years \$'000
<b>Financial assets</b>				
<b>Cash and cash equivalents</b>				
Cash and cash equivalents	6.1	11 209	11 209	-
<b>Financial assets at amortised cost</b>				
Receivables**	6.2	32	32	-
<b>Total financial assets</b>		<b>11 241</b>	<b>11 241</b>	<b>-</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Payables **	7.1	292	292	-
Financial liabilities	7.2	31	31	-
<b>Total financial liabilities</b>		<b>323</b>	<b>323</b>	<b>-</b>

Category of financial asset and financial liability	Note	2020 Carrying amount / fair value \$'000	2020 Contractual maturities*	
			Within 1 year \$'000	1 - 5 years \$'000
<b>Financial assets</b>				
<b>Cash and cash equivalents</b>				
Cash and cash equivalents	6.1	11 434	11 434	-
<b>Financial assets at amortised cost</b>				
Receivables**	6.2	2	2	-
<b>Total financial assets</b>		<b>11 436</b>	<b>11 436</b>	<b>-</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Payables **	7.1	549	549	-
Other financial liabilities	7.2	32	14	18
<b>Total financial liabilities</b>		<b>581</b>	<b>563</b>	<b>18</b>

\*Maturity analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

\*\* Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

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**10.3. Financial instruments (continued)**

**Statutory receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as Payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.