

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

**ANNUAL REPORT
2022-2023**



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TO: The Parliament of Western Australia

I present the Annual Report for the year ending 30 June 2023 pursuant to section 203 of the *Corruption, Crime and Misconduct Act 2003*.



**MATTHEW ZILKO SC
PARLIAMENTARY INSPECTOR**



INDEX

	Page
Introduction and acknowledgments	4
The workload of the office	5
Reports tabled with the Joint Standing Committee	7
Update on case discussed in 2021-2022 Annual Report	9
Cases during the 2022-2023 reporting period	11
Legislative issues	15
Additional reporting requirements	16
Independent Auditor's report	17
Certification of key performance indicators	22
Certification of financial statements	27

THIS REPORT

This Annual Report is made pursuant to section 203 of the *Corruption, Crime and Misconduct Act 2003* (WA) (the CCM Act) and concerns my office's general activities in 2022-2023.

THE OFFICE OF PARLIAMENTARY INSPECTOR

Part 13 of the CCM Act creates the office of the Parliamentary Inspector, and sections 195 and 196 set out its functions and powers. My primary responsibilities under the CCM Act are:

- auditing the operation of the CCM Act;
- overseeing the activities of the Corruption and Crime Commission (Commission);
- keeping the Parliament informed of material issues concerning the Commission;
- dealing with misconduct on the part of the Commission and its officers;
- assessing the effectiveness and appropriateness of the Commission's procedures;
- informing the Parliament of issues that arise in exercising my functions and powers; and
- assisting the Joint Standing Committee on the Corruption and Crime Commission (Joint Standing Committee) to perform its functions.

In carrying out these functions, I am greatly assisted by the positive working relationship between my office and the Commission, as well as by the contribution of the persons and organisations referred to below.

I carry out my statutory duties with support from my Principal Advisor Sarah Burnside, and this work would be made significantly more difficult without the administrative, accounting, human resources, IT, secretarial and budgetary services we receive from the Department of Justice.

Pursuant to section 193 of the CCM Act, the Hon John Chaney SC is the Acting Parliamentary Inspector and is able to perform my functions when I am absent or conflicted. I appreciate his contribution to the work of the office during such periods.

Until recently, Matthew Howard SC was also an Acting Parliamentary Inspector. However, as of 17 July 2023 he is now a Judge of the Supreme Court of Western Australia. I thank him for his several years of service to the office and congratulate him on this well-deserved appointment.

I also acknowledge the role of the Joint Standing Committee. The Committee is chaired by Matthew Hughes MLA with the Hon. Dr Steve Thomas MLC serving as Deputy Chair and also includes the Hon. Klara Andric MLC and the Hon. Mia Davies MLA. In February 2023 Shane Love MLA left the Committee and took on leadership of the National Party in the Legislative Assembly. I thank Mr Love for his involvement in the Joint Standing Committee and welcome his replacement, Ms Davies. Finally, I express my appreciation for the work of the Committee's research officers, Suzanne Veletta and Jovita Hogan.

This is my third Annual Report as Parliamentary Inspector. It has been another busy and interesting year, during which I have tabled two reports on matters affecting the Commission and my office, taken on a steadily increasing number of cases and overseen changes to the audit processes of the office, as outlined in this Report.

THE WORKLOAD OF THE OFFICE

During the 2022-2023 financial year, my office undertook 140 new investigations/cases and finalised 147 investigations/cases. These both represented increases from the previous financial year, during which the office dealt with 109 new investigations/cases and finalised 119.

Of the matters finalised in 2022-2023, 131 were commenced in the reporting period, and 16 were commenced in previous financial years. Each case is different, and some will take longer to finalise than others, particularly where the Commission refers them to another agency for action pursuant to section 33(1)(c) of the CCM Act. The oldest investigation/case finalised in the reporting period is the case discussed at pages nine to ten of this Annual Report, as it dates from the 2020-2021 financial year.

Most investigations/cases carried out by me originate in complaints made to my office, as outlined below. As the above figures demonstrate, the number of complaints received by me continues to rise, but at present this increase is manageable within my office's current resourcing. If at any point I find that the volume of complaints impairs my ability to carry out my statutory functions, I will raise the matter with the Joint Standing Committee.

Investigative work

Section 195(1)(c) of the CCM Act enables me to assess the effectiveness and appropriateness of the Commission's procedures. This subsection is the source of what has been termed my investigation function.

When I receive a complaint from a member of the public about a decision made by the Commission, I request its file on the matter and assess the procedures it has used. In so doing, I am not conducting a merits review but effectively checking for process failure.

If I form the view that the procedures used by the Commission were free from error and the conclusions it reached were open on the available materials, I have no further role to play. In those instances, I close my file and write to the complainant to outline the reasons for my decision. If I am not satisfied on these counts, I will either seek clarification from the Commission as to its reasoning, or request that it reassess an allegation.

During the reporting period 59.5% of the office's work was devoted to investigations/cases. The nature and the number of investigations/cases undertaken in 2022-2023 were as follows:

- There were 66 complaints about some aspects of the Commission's assessment or investigation of allegations of serious misconduct. This was eleven more complaints than were received in the 2021-2022 financial year.

As always, the complaints varied widely in terms of subject matter and seriousness, including (for example) allegations of unlawful arrest, fraud, and conflict of interest. The complainants themselves also came from all walks of life. For instance, some were members of the public who had raised concerns about alleged misconduct that had affected them personally and others were public sector employees who had sought to 'blow the whistle' on perceived misconduct in their workplaces.

- The Commission notified me of 63 allegations made about it or one of its officers, in accordance with an agreed protocol, pursuant to section 196(4) of the CCM Act. This was 24 more than during the previous year. This increase does not represent any cause for

concern, as the bulk of these allegations required no action from me. This is because, in implementing the protocol referred to above, the Commission informs me of even the most trivial of claims made about its officers. Many of these allegations can be seen simply as expressions of a person's disappointment or disagreement with the outcome of their complaint to the Commission.

- No new matters were referred to my office by the Joint Standing Committee. However, I was finally able to close a case that it had referred to me during the 2020-2021 financial year. This was because, after a significant delay, the relevant agency concluded its investigation of the allegations concerned. During the reporting period, I wrote to the Joint Standing Committee three times on the matter.
- The office received one complaint relating to the manner in which I had dealt with a previous complaint, and which reflected a misunderstanding of my functions under the CCM Act.
- The office received ten allegations that were classed as miscellaneous, which was five fewer than in the previous reporting period.

These miscellaneous complaints related to matters that fell outside of my and the Commission's remit (such as alleged misconduct on the part of persons who were not Western Australian public officers) or were made by persons who had not yet lodged an initial complaint with the Commission to enliven my jurisdiction under section 195(1)(c) of the CCM Act. Other miscellaneous matters included instances in which a person withdrew their complaint or failed to provide clarificatory information about it when requested to do so.

Audit work

During the reporting period 40.5% of the office's work was devoted to my audit function. This function is enumerated in sections 195(1)(aa), (a) and (cc) of the CCM Act, which provide that I am to audit the operation of the Act itself and the Commission's operations under both the Act and other Western Australian legislation.

The specific manner in which these audits are to be conducted is not prescribed, but I am empowered, by section 196(2) of the CCM Act, 'to do all things necessary or convenient for the performance of [my] functions'. These audits have traditionally been conducted in two principal ways. First, when I assess the Commission's procedures in response to a complaint from a member of the public, I am effectively auditing the way in which the Commission has dealt with an allegation received by it.

Second, the office formally audits the Commission's use of its statutory powers on a quarterly basis. Each quarter, relevant records are made available to my office for scrutiny, and I appreciate the Commission's assistance and efficiency in this regard. Nevertheless, in my 2021-2022 Annual Report, I foreshadowed that I was considering ways in which the audit process could be enhanced to provide a more comprehensive oversight of the Commission's operations.

I met with the Commissioner and raised this issue in late 2022. I am pleased to report that, following our productive discussion, I am now provided with copies of the closure reports prepared at the conclusion of each of the Commission's investigations. These give me a detailed insight into the Commission's day-to-day activities which complements the oversight achieved via the traditional quarterly audit.

REPORTS TABLED WITH THE JOINT STANDING COMMITTEE

During the past year I tabled two reports with the Joint Standing Committee pursuant to sections 199 and 201 of the CCM Act. These reports were subsequently tabled in the Parliament on 30 March 2023 and are briefly summarised below.

Supplementary report on unlawful detention in public hospitals

The first report I tabled was effectively an addendum to my 2022 *Report on the definition of 'public officer'*. It provided details of a case, *State of Western Australia v Smith*,¹ of which I had recently become aware.

As in the case of the complaint that was the subject of my earlier report, *WA v Smith* concerned a patient at a hospital who had allegedly been assaulted by security guards. In the case the subject of my previous report, the complainant had attempted to leave his hospital room to meet his wife elsewhere in the building and was forcibly returned to his room. In *Smith*, the patient sought to leave the hospital premises to smoke a cigarette. He was brought back inside the building by five security guards, and when all six parties fell down, one of the security guards sustained a fractured right ankle in the ensuing struggle.

Mr Smith was charged with assault causing grievous bodily harm in circumstances of aggravation and pleaded not guilty. As he had no fixed place of residence, he was not granted bail. Instead, he was remanded in custody for over a year and a half whilst awaiting a trial date. At trial, Mr Smith raised two defences: first, that he had acted in self-defence and, second, that the fracture of the security guard's ankle was entirely unintended and was an accident that could not have been reasonably foreseen by him. He was found not guilty.

In directing the jury as to the relevant law at trial, Her Honour Black DCJ explained that none of the hospital staff had any right to prevent the patient from leaving the hospital or to detain him within it. Their actions in compelling the patient to return to the hospital were, therefore, unlawful. In short, as Black DCJ observed:

Mr Smith was allowed to walk out. No one had the right to lay a hand on him, and no one had the right to detain him...he should have been allowed to leave.

Instead, as noted above, he was assaulted, charged with a serious criminal offence, and incarcerated for over a year before being acquitted. I concluded my report by suggesting that in view of this case, and the complaint discussed in my previous report, there was a need to ensure hospital staff are made aware of the state of the law so that future incidents of this kind are avoided.

When the Joint Standing Committee tabled my report, it recommended that the Minister for Health consider it and report to Parliament as to the action, if any, proposed to be taken by the government with respect to the matters raised therein.

I am pleased to say that this recommendation was accepted. In a response tabled in Parliament on 8 August 2023, the Minister for Health advised that the Acting Director General of the Department of Health had written to all Health Service Provider Chief Executives to make it clear that detaining any person in hospital against their will is only lawful in very limited circumstances, and that where these circumstances do not apply, a person who presents to hospital is at liberty to discharge themselves. The Minister also outlined, in some detail, the key

¹ DC/CRI/PER/IND/1788/2021

activities that the letter described as being required to further strengthen awareness of the law in this regard.

Can the Commission decline to form an opinion that serious misconduct has occurred despite the definition being met?

My second report focused on the nature of the Commission's power to form an opinion of serious misconduct under the CCM Act. It originated in an allegation of police misconduct that had been made to the Commission and then to my office.

The complaint related to actions taken by a police officer which had been found, by the Magistrates Court, to have been unlawful. Although the officer had apparently been under the impression that he was lawfully arresting and detaining the complainant for failure to comply with the *Criminal Investigation (Identifying People) Act 2002*, an error made by him had the result that his detention of her was unlawful. In the course of detaining the complainant the officer also assaulted her, and she was left with significant injuries from his police dog.

To my mind, as a matter of statutory interpretation, the unlawfulness of the officer's actions meant that they amounted to serious misconduct. This outcome would be the case regardless of his subjective state of mind as it resulted from the straightforward application of the definitions of 'reviewable police action', 'police misconduct' and 'serious misconduct' which are contained in section 3 of the CCM Act.

Nevertheless, the Commission investigated the complaint and concluded that the officer had not engaged in any act that constituted serious misconduct. I formed the view that this conclusion was inconsistent with the intent of the CCM Act and as such had not been open to the Commission.

Correspondence exchanged between my office and the Commission demonstrated that we were agreed that all unlawful actions by a police officer would constitute serious misconduct as a result of the definitions in section 3 of the CCM Act. However, the Commission maintained that, in its view, section 22(1) of the CCM Act allows it to note that the definition of serious misconduct has been met but to elect not to form an opinion in that regard. I cannot agree with this proposition.

Believing it to be undesirable for the Commission and my office to hold opposing views on such an important question as this, I suggested in my report that consideration be given to amending the CCM Act to make Parliament's intention clear.

When it tabled the report, the Committee recommended that the Attorney General direct the Department of Justice to examine the issues raised therein as part of its project to modernise the CCM Act, and report to Parliament as to the action, if any, proposed to be taken by the government.

The Government Response to this recommendation was tabled in Parliament on 8 August 2023. In it, the Attorney General advised that he had instructed the Department of Justice to consider the report and provide advice on changes that may be required to resolve any ambiguity about the ability of the Commission to form an opinion of serious misconduct. The Attorney General concluded that following his review of the advice from the Department, he would submit any proposed changes to the CCM Act for consideration by the Parliament.

UPDATE ON CASE DISCUSSED IN 2021-2022 ANNUAL REPORT

In my last Annual Report, I discussed a matter which had at that stage been active during my entire term as Parliamentary Inspector to date.² The case related to allegations of unlawful arrest and excessive use of force. Following intervention from my office, the Commission referred these allegations to WA Police for action in April 2021. As noted in my previous Annual Report, this referral was followed by ‘a period of extraordinary and most unsatisfactory delay’, and I advised that when I was finally able to close my file on the case, I intended to report to Parliament on it.

After more than two years, the WA Police investigation has now been completed. Having reviewed the actions taken by police, the Commission also determined that it was appropriate to report to Parliament on the matter, and its *Report on oversight of a police investigation into an arrest for disorderly conduct* was tabled in Parliament on 25 May 2023. In view of the Commission’s report, which I discuss here in some detail, I decided that there was no need for me to table a separate report of my own on the matter.

As noted in the Commission’s report, the investigation conducted by WA Police concluded that the complainant’s arrest for disorderly behaviour was lawful, the charges brought against him were appropriate, and the force used had not gone beyond what was reasonable in the circumstances. The WA Police investigation also found that one of the arresting officers had used unprofessional language and unnecessarily escalated the situation, and a Managerial Notice was issued to the relevant officer.

The Commission found, correctly in my view, that the actions taken by WA Police in conducting its investigation were inadequate. Its report emphasised three significant failings by police. These were the unreasonable delay in finalising the investigation, a lack of transparency, and poor record-keeping. The Commission recommended that WA Police review and amend its relevant policies and procedures to clearly articulate acceptable timeframes for investigation and review, including internal reviews of such investigations.

The Commission also expressed disagreement with some of the investigation’s conclusions. In particular, it formed the view that the police had acted oppressively in arresting and charging the complainant. Nevertheless, the Commission noted that it was not empowered to substitute its own view for that of an investigating agency, and that its role was limited to reviewing the way in which allegations of serious misconduct had been dealt with. Ultimately, the Commission accepted that the outcomes reached by WA Police had been open on the available materials. For the reasons set out below, I respectfully disagree.

Like the Commission, I was concerned about the inordinate amount of time taken to investigate two relatively simple allegations. In addition, the number of occasions on which the investigation was allocated, re-allocated, and reviewed within WA Police suggested to me that within at least some areas of the force there was a degree of inability or unwillingness to properly investigate the complaint. At worst, the passing of the enquiry from one officer to another over such a long period could lead an objective observer to think that efforts had been made to obtain an outcome in which the arrest was justified, despite internal views to the contrary.

For my part, on the basis of the available evidence, including body worn camera footage, I am not persuaded that the arresting officers can have reasonably suspected the complainant of committing the offence of disorderly behaviour in public contrary to section 74A(2)(a) of the *Criminal Code*. Therefore, in my view it was not open to WA Police to conclude that the

² ‘Case 1 – Alleged Unlawful Arrest’, *Annual Report 2021-2022*, pages 7-8.

complainant's arrest was lawful. I am not alone in this view. As the Commission's report noted, within WA Police there were multiple desktop reviews of the initial investigation, with each review reaching differing opinions as to whether the complainant's conduct had met the elements of the offence of disorderly behaviour and, therefore, whether his arrest had been lawful.³

The offence of disorderly behaviour may not be well understood and merits a brief discussion. Section 74A(1) of the *Criminal Code* provides that to 'behave in a disorderly manner' includes (a) to use insulting, offensive or threatening language; and (b) to behave in an insulting, offensive or threatening manner. The weight of authority makes it very clear that this definition requires much more than merely inappropriate, undesirable, or obnoxious conduct.

In the WA Supreme Court in 2019, Smith J observed that the 'disorderly behaviour must be objectively seriously disruptive of public order and not merely a private affront or annoyance to either the person to whom it is directed or a person present'.⁴ As recently as last year, the Supreme Court (per Mitchell J, as his Honour then was) further clarified that:

The object of s 74A(2)(a) is to secure the ability of persons to exercise, without undue disturbance, the rights and freedoms involved in the use and enjoyment of public places. Behaviour is 'offensive', so as to constitute behaving in a disorderly manner in a public place within the meaning of s 74A(2)(a), when it would so offend a reasonable person as to prevent or interfere with that person's lawful use and enjoyment of a public place in the relevant circumstances, to such an extent as to merit criminal punishment...it cannot reasonably be thought that, by enacting s 74A, Parliament objectively intended to criminalise any behaviour whatsoever that might irritate or cause displeasure or affront to someone in a public place.⁵

Mitchell J's decision has also been cited with approval in more recent Supreme Court cases.⁶ In the circumstances, there can be no doubt as to the proper construction of the terms used in section 74A(1) of the *Criminal Code* and the nature of the behaviour required to constitute the offence in section 74A(2).

In this instance, the complainant's behaviour was captured on the officers' body worn cameras. There is nothing in the resulting footage which indicates that his conduct prevented or interfered with the ability of other shoppers to lawfully use and enjoy the shopping centre or that his behaviour rose above a 'private annoyance' to the police officers with whom he interacted.

In short, the arresting officers may well have 'suspected' that the complainant was committing the offence of disorderly behaviour in public, but such a suspicion cannot be said to be reasonable in the absence of conduct meeting the prescribed elements of the offence. As such, in my view, it was not open to WA Police to conclude that the arrest was lawful, and I recommended that the Commission reassess its conclusion.

The Commission reconsidered the matter. Notwithstanding the authorities referred to above, it remained of the opinion that the arrest, while oppressive, was lawful. In the circumstances, there is no further action available to me, other than to bring the matter to the attention of the Parliament in this Annual Report.

The Commission has undertaken to review the police response to its report in twelve months' time. It is to be hoped that any resulting changes ensure that future investigations conducted by WA Police do not suffer from the defects referred to above.

³ *Report on oversight of a police investigation into an arrest for disorderly conduct*, 25 May 2023, [45].

⁴ *CRC v Taylor* [2019] WASC 187 at [44].

⁵ *Moylan v Lee* [2022] WASC 195 at [2] and [19].

⁶ See *Peterson v Hawley* [2022] WASC 368; *Peterson v Maidment* [2022] WASC 369.

CASES DURING THE 2022-2023 REPORTING PERIOD

1. Complaints about Local Government

The complaints I receive vary greatly in terms of their subject matter, but over the past twelve months the number of allegations about local governments, and the strength of feeling expressed by the complainants, has been noteworthy.

The complaints included substantive allegations relating to undeclared conflicts of interest on the part of a Mayor or Councillor, the indirect use of a person's position as an elected member of a council to gain private benefits, providing inducements to electors during local government elections, and failing to act in the interests of ratepayers.

Many of the allegations made to the Commission, and then referred to my office, reflected a person's deep dissatisfaction with their local government but did not constitute serious misconduct. For instance, a lack of transparency, without more, is neither corrupt nor criminal. Similarly, a decision made by a local council (or, indeed, by any other public officer) may be ill-advised, uncommercial, or poorly communicated without involving serious misconduct as defined in the CCM Act.

Other cases have involved allegations that would, if substantiated, constitute serious misconduct, but could not be made out owing to the absence of any evidence of a corrupt intent on the part of the relevant person. I appreciate that proof of such an intent will generally be hard to come by, and that the abuse of one's position for personal gain can be a very subtle thing. Nevertheless, as I often have occasion to explain to complainants, it is not enough to point to a course of action taken by a public officer and assert that the underlying motivation must have been corrupt, when the action could equally have been a result of (for instance) incompetence, human error, unreasonableness, or rigidity in decision-making.

In the case of one of the complaints from the past year, the allegation appeared to have been made out. The investigation noted that there was evidence that the public officer concerned had indeed been involved in the purchase of a Council asset from a business owned by her partner, notwithstanding that a different business had been recommended and was offering a more competitive price. There was no record of a formal conflict of interest declaration having been made, and the public officer had signed a purchase order in relation to the sale despite not having a delegation to do so. Prima facie, this appeared to be an example of serious misconduct, but no finding was made because the relevant individual had left the Council by the time the investigation was concluded and in doing so had removed herself from the Commission's jurisdiction.

As an aside, this situation exemplifies a lacuna in the CCM Act – persons under investigation can escape the Commission's scrutiny by resigning from their positions and ceasing to be public officers. Speaking for myself, I am not persuaded that this outcome would have been intended by Parliament when it enacted the CCM Act, although I note that of course a person's resignation would not prevent the police from acting in respect of any alleged criminal offences which come to light during an investigation.

In sum, the complaints dealt with by me regarding the Commission's handling of allegations about local councils do not point to an upswell of serious misconduct or corruption, and my comments here should not be taken to suggest otherwise. However, if I may make an observation, there seems to be a rising sense of dissatisfaction and disquiet on the part of many members of the public regarding their local governments.

2. The Absence of Financial Gain does not Negate a Finding of Serious Misconduct

Generally speaking, the cases which are the subject of my reports to Parliament will be those on which the Commission and I are in disagreement, as such cases are more likely to raise substantive questions about the operation of the CCM Act. That may give the impression that I would reach a different view from the Commission as a matter of course.

In fact, in most, though not all, cases, on conducting my review I am satisfied that the Commission has reached conclusions that are consistent with the evidence and has made no errors in the process. Once I have reached that view my role becomes, effectively, to explain to a complainant why this is so. These explanations are necessary because, unfortunately, the aims and processes of the CCM Act are often not well understood.

In particular, there appears to be a confusion in the public mind between the criminal law, which focuses on harmful acts by individuals, and the appropriate punishments for those acts, and the way in which allegations of serious misconduct are dealt with pursuant to the CCM Act, which aims, more broadly, to reduce misconduct and improve integrity in the public sector.

One case I dealt with in the past year concerning an act of serious misconduct merits some discussion here as it is relevant to the Joint Standing Committee's current Inquiry on *What happens next? Beyond a finding of serious misconduct*. The Inquiry's terms of reference include sanctions imposed by public sector authorities after a finding of serious misconduct has been made, and in this case the adequacy of those sanctions was disputed by the complainant.

This case concerned a government department which possessed information about members of the public, including the complainant. In order to protect the privacy of all persons concerned, I have not identified the department, the complainant, or the relevant public officers.

An officer, A, who worked in one area of the department asked a colleague, B, who worked in a different area, to look the complainant up in a database to which B had access in order to find her contact details. After initially refusing, B complied with this request and gave A the complainant's unlisted telephone number. A, who had formerly been friends with the complainant but had not seen her for several years, used this number to call her.

For reasons that are unnecessary to discuss here, the complainant closely safeguarded her privacy. She was shocked to receive an unexpected and unsolicited telephone call and was left feeling shaken and anxious. She complained to the department at this violation of her privacy.

The department notified the Commission of the complaint in accordance with section 28 of the CCM Act and the Commission conducted an assessment and formed a reasonable suspicion of serious misconduct. It then referred the complainant's allegations back to the department for action pursuant to section 33(1)(c) of the CCM Act. The department carried out an investigation which determined that both A and B had breached the relevant Code of Conduct and misused departmental computer systems. It issued each of them with a written reprimand.

The department notified the Commission and the complainant of the outcome of its investigation. Being dissatisfied with the actions taken by the department, the complainant wrote to the Commission and then to my office, and I obtained and reviewed the Commission's file.

Its contents showed that the department had initially reported its employees' conduct to WA Police, which advised that there was insufficient criminality to prosecute and that the matter

would be better dealt with managerially. The file also demonstrated that the department's investigation had been thorough and well-documented.

The complainant had no quarrel with the findings made by the department and accepted by the Commission. The basis of her complaint to my office was her view that A and B had been inadequately punished given the distress she had experienced and the potential harm that could arise from a misuse of information held by government. She was aggrieved that both A and B had kept their jobs in the public service and that she had not received a personal apology from them.

I appreciated the complainant's perspective and had sympathy for her circumstances, but I was satisfied that the department's investigation had considered all inculpatory and exculpatory factors in determining the appropriate disciplinary action to take. Both A and B cooperated with the investigation, participated in interviews, and accepted that what they had done was wrong. There was no evidence that their conduct had been actuated by any desire to frighten or upset the complainant. On the contrary, A had heard that the complainant was unwell and wanted to contact her.

If this had been a case in which a departmental officer had accessed a person's private information in order to harass, intimidate or humiliate them, those motivations would certainly have been weighed by the investigators and no doubt the consequences would have been far more severe.

Where a public officer's conduct has been particularly egregious, it may be the subject of a published report by the Commission which is tabled in Parliament. Being named in such a report can, of course, carry significant consequences for the relevant officer, both personally and professionally. By its nature, this was not a case which would merit such an outcome.

The investigation accepted that the underlying motivations of both A and B were compassionate rather than malicious. However, it also determined that given the gravity of their conduct, it was necessary to issue formal reprimands, which would be placed on their human resources files. As this case demonstrates, it is possible for a public officer to engage in serious misconduct even if they obtained no financial or material benefit from their actions.

Having considered all the relevant materials, I was satisfied that the Commission had dealt with the allegations appropriately and had made no error in accepting the department's investigation as sufficient. This conclusion was more than open to the Commission to make, and I duly wrote to the complainant to outline my reasoning.

3. Failure to Notify Complainants of Investigation Outcomes Properly or At All

There will be occasions when, notwithstanding the thoroughness of an investigation, a complainant will remain dissatisfied due to factors such as a misunderstanding or a lack of transparency. Indeed, at times poor communication can be actively counterproductive, transforming a relatively minor issue into something more serious.

In this regard, I have in mind one recent matter I dealt with in which the Police Conduct Investigation Unit (PCIU) wrote an ambiguously worded letter to a complainant. This led to a significant misunderstanding on his part, as expressed in his complaint to the Commission. Unfortunately, it was some ten months before the PCIU finally wrote to the complainant to correct its error, by which time he was not receptive to its apology. Indeed, in his words, he had gone from being ‘a great supporter’ of police to someone who ‘despised and mistrusted’ them. Self-evidently, this was a most undesirable outcome.

When complainants are not informed at all of the outcome of an investigation, this can similarly corrode their faith in CCM Act processes. A number of the complaints I receive relate to allegations lodged with the Commission and subsequently referred back to the relevant agency for action pursuant to section 33(1)(c) of the CCM Act. In these circumstances, the agency will carry out an investigation and report to the Commission, which will review the actions taken to determine whether they were adequate. It is left to the investigating agency to notify the complainant of the outcome, unless the complainant has elected to remain anonymous.

On several occasions during the past year, I have been contacted by complainants who were not informed of the commencement, conclusion, or outcome of investigations into allegations made by them. Accordingly, earlier this year I wrote to the Commission and suggested that the current approach appeared to produce results that were, at best, inconsistent. It seemed to me that there were two possible courses of action. The Commission could either (a) assume responsibility for advising complainants of the outcome of allegations that have been referred to other agencies, or (b) explicitly advise those agencies that it is incumbent upon them to correspond with the relevant complainants. In my letter I expressed the view that, notwithstanding my appreciation of the Commission’s sizeable workload, the former approach would be preferable.

The Commission advised that it would be unable to take up my suggestion. In its response to my letter, it outlined its view that upon referring an allegation for action, it has no further role beyond reviewing the adequacy of the action taken. Moreover, the Commission considers that the restrictions on disclosure contained in section 152 of the CCM Act prevent it from informing a complainant of the outcome of an investigation conducted by an agency. I pause at this juncture to observe, as I have done previously, that although the Commission necessarily operates with a high degree of confidentiality, the CCM Act’s stringent restrictions on disclosure can be counterproductive from a complainant’s perspective.

Nevertheless, the Commission informed me that as a result of my raising this issue, it had amended its standard referral letter to agencies to include the direction to ‘Please promptly advise the reporting person directly of your investigation outcome’. In addition, it had amended its standard correspondence to a complainant where a referral has been made and the complainant expresses a wish to remain anonymous to alert the complainant that, owing to their preference for anonymity, they may not be notified by the relevant agency of the outcome of its investigative action. It is to be hoped that these amendments result in improved communication to complainants.

LEGISLATIVE ISSUES

1. Reasons for Decision under the *Criminal Injuries Compensation Act 2003*

During the past year I have twice had occasion to request reasons for decisions made pursuant to the *Criminal Injuries Compensation Act 2003* (CIC Act) in the exercise of my investigative function. Unfortunately, the CIC Act does not expressly enable an Assessor to provide such materials to any person who is not involved in the relevant application.

Although it would not be my standard practice to seek access to reasons for these decisions, there will be times when such documents are critically relevant to a complaint before me. I have therefore written to the Department of Justice to suggest that, in the course of developing proposals to modernise the CCM Act, it may also consider amending the CIC Act to enable Assessors to provide reasons to persons other than those involved in a matter, where this is in the public interest.

2. Access to Information obtained under the *Telecommunications (Interception and Access) Act 1979 (Cth)*

Another piece of legislation which affects my ability to carry out my functions has been raised by my predecessors on several occasions as well as by Parliamentary Inspectors and Commissioners in other States and Territories. I appreciate that it is not within the power of the Western Australian Parliament to rectify this situation as it relates to Commonwealth legislation, but I have noted it here so as to keep the Parliament informed of issues affecting my office.

The *Telecommunications (Interception and Access) Act 1979 (Cth)* (TIA Act) sets out the framework within which investigatory bodies can lawfully intercept telephone communications. It has caused difficulties for current and former Parliamentary Inspectors because it permits them only limited access to lawfully intercepted information or interception warrant information, hereafter referred to as ‘TI material’, obtained by the integrity agencies which they scrutinise.

In my own case, the TIA Act lists my office as an ‘eligible authority’. However, it provides that the only purpose for which I may deal with TI material is when I am exercising my function in section 195(1)(b) of the CCM Act and dealing with a matter of misconduct on the part of the Commission, an officer of the Commission or my own officers. Accordingly, in any files I obtain from the Commission that do *not* relate to that function, any TI material must be redacted. This has not yet proven to be a serious impediment to my work, but it is clearly far from optimal.

I am also unable to scrutinise the Commission’s applications for warrants under the TIA Act, including its supporting affidavits, nor its use of those warrants to intercept private telephone conversations. I do not suggest for a moment that there has been any impropriety in this regard, but this absence of oversight appears to run counter to the aims of not only the TIA Act but also the CCM Act.

I wrote to the Attorney General on this subject last year. I understand that he has written to the Commonwealth Attorney General, the Hon Mark Dreyfus KC MP, who has in turn given his support for legislative amendments to fix the problems identified above. This is a very welcome outcome, and it is to be hoped that the issue will be addressed in the not too distant future.

ADDITIONAL REPORTING REQUIREMENTS 2022-2023

1. Record-keeping

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 confirmation that the organisation and its employees comply with that plan.

The office's Record-Keeping Plan was submitted to the State Records Office on 23 March 2023 as an addendum to the Department of Justice's Record Keeping Plan (RKP 2023011). This arrangement reflects the fact that, although the office is a separate and independent entity under the CCM Act, it largely adopts the Department's policies and procedures in relation to records and information management.

The State Records Commission approved RKP 2023011, including the PICCC Record-Keeping Plan, at its meeting on 2 May 2023. In accordance with section 28 of the *State Records Act 2000*, the Plan is to be reviewed within five years of its approval date, and a report of the review must be submitted to the State Records Office by 2 May 2028.

The office uses 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, which is maintained on a secure server.

2. 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. The office has a very low risk of injury and occupational health and safety training has 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.

3. WA Multicultural Policy Framework

The office is included within the multicultural plan developed by the Department of Justice.

4. 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 REPORT

2023

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 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), 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 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 (applicable to Tier 2 Entities), 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 objective of my audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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.

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 are those policies and procedures established 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 the State's financial reporting framework (the overall control objectives).

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 in the incurring of liabilities have been in accordance with the State's financial reporting framework during the year ended 30 June 2023.

The Parliamentary Inspector's responsibilities

The Parliamentary Inspector is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investments 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 Engagement 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 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 designed 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 objective.

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 2023. 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 2023.

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 controls as the Parliamentary Inspector 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 Instructions 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 management relating to the report on financial statements, 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

The auditor's report relates to the financial statements and key performance indicators of the Parliamentary Inspector of the Corruption and Crime Commission for the year ended 30 June 2023 included in the annual report on the Parliamentary Inspector's website. The Parliamentary Inspector's management is responsible for the integrity of the Parliamentary Inspector's website. This audit does not provide assurance on the integrity of the Parliamentary Inspector'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 the annual report. If users of the financial statements 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.

Mark Ambrose

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 August 2023

Key Performance Indicators

Certification of Key Performance Indicators for the Year Ended 30 June 2023

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 2023.



Matthew Zilko SC

11 August 2023

PERFORMANCE INDICATOR REPORT

For the period 1 July 2022 to 30 June 2023.

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
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	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 2022-2023 actual results and budget targets or between actual results of current year and prior year.

KEY EFFECTIVENESS INDICATOR

	2020-21 Actual	2021-22 Actual	2022-23 Target	2022-23 Actual
Number of reports completed and tabled in Parliament within target timeframes *	1	1	1	1

* The Parliamentary Inspector is also empowered to report to Parliament on any matters arising in the exercise of his functions, and in 2022-23 he provided two such reports pursuant to sections 199 and 201 of the *Corruption, Crime and Misconduct Act 2003*. These additional reports were tabled in Parliament on 30 March 2023. They are, however, not included in the above table as there was no target timeframe for them.

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.*

Each year this indicator is met when the Parliamentary Inspector tables his Annual Report in respect of the previous financial year.

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

	2020-21 Actual	2021-22 Actual	2022-23 Target	2022-23 Actual
Average cost per investigation/case	\$5,056	\$3,688	\$5,500	\$3,018
Cost of audit function as a percentage of total cost of operations	35%	41%	41%	40.5%

AVERAGE COST PER INVESTIGATION/CASE

The average cost per investigation/case is calculated using a two-step process. First, 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. Second, the total cost of the investigation function is divided by the number of investigations which were finalised by the office during the period. During the 2022-23 financial year, 147 investigation/cases were closed.

These calculations are supported by data maintained by the office. The number of specific investigations conducted by the Parliamentary Inspector is recorded electronically. Each investigation is commenced by receipt of a written complaint and recorded in a register of complaints. When the investigation is completed, it is recorded as closed.

The average cost per investigation/case is \$3,018. This is significantly lower than the target because more cases were finalised during the reporting period than had been expected. By way of comparison, during 2021-22, 119 cases were finalised and during 2020-21, 74 cases were finalised. On the assumption that this trend will continue, and the average cost of investigations will continue to decrease accordingly, the budget target for this key efficiency indicator for 2023-2024 has been set at a lower amount.

The increase in cases/investigations finalised can be attributed in large part to an increase in cases themselves. In 2021-22 the office undertook 109 new cases, and in 2022-23 it dealt with 140 new cases. This increase in investigations over the past three years can be attributed, at least in part, to the fact that since 1 January 2021 the Corruption and Crime Commission has made it a practice to inform all complainants of their ability to contact the Parliamentary Inspector if they are unhappy with the manner in which the Commission has dealt with their complaint.

There has also been a steady increase in allegations referred to the office by the Corruption and Crime Commission pursuant to section 196(4) of the *Corruption, Crime and Misconduct Act 2003*, which requires the Commission to notify the Parliamentary Inspector of any allegation about the Commission or one of its officers, and to a protocol between the Commission and the Parliamentary Inspector on the way in which this section is to be interpreted.

In 2022-23, the Commission sent the office 63 notifications, which was 24 more than during the previous financial year. However, the bulk of these allegations were minor and can be seen simply as expressions of a person's disappointment or disagreement with the outcome of their complaint to the Commission. Therefore, these matters were finalised relatively quickly, adding to the numbers of cases closed in 2022-23.

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 2022-23 financial year, the audit function represented 40.5% of the work of the office, and therefore 40.5% of the total cost of operations was devoted to the audit function. This is very close to the target of 41% and reflects the general trend in the division of the office's work over recent years.

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

Disclosures and legal compliance

Certification of financial statements

For the reporting period ended 30 June 2023

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 30 June 2023 and the financial position as at 30 June 2023.

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

11 August 2023


John Deery
Chief Finance Officer

11 August 2023



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

Financial statements

The Office of the Parliamentary Inspector of the Corruption and Crime Commission has pleasure in presenting its audited general purpose financial statements for the reporting period ended 30 June 2023 which provides users with the information about the Committee's stewardship of resource entrusted to it. The financial information is presented in the following structure:

Contents

Certification of financial statements

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

1. Basis of preparation

Statement of compliance

Basis of preparation

Contributed equity

Comparative information

Judgements and estimates

2. Use of our funding

2.1 (a) Employee benefits expenses

2.1(b) Employee related provisions

2.1.1 Employee related provisions (continued)

2.2 Other expenditure

3. Our funding sources

3.1 Income from State Government

Summary of Consolidated Account Appropriations

4. Key assets

4.1 Property, plant and equipment

5. Other assets and liabilities

5.1 Receivables

5.2 Amounts receivable for services (Holding Account)

5.3 Other current assets

5.4 Payables

6. Financing

6.1 Cash and cash equivalents

7. Financial instruments and contingencies

7.1 Financial instruments

7.2 Contingent assets and liabilities

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

8. Other disclosures

8.1 Events occurring after the end of the reporting period

8.2 Key management personnel

8.3 Related party transactions

8.4 Related bodies

8.5 Affiliated bodies

8.6 Remuneration of auditors

8.7 Supplementary financial information

9. Explanatory Statements

9.1 Explanatory statement for controlled operations

9.1.1 Statement of Comprehensive Income Variances

9.1.2 Statement of Financial Position Variances

9.1.3 Statement of Cash Flows Variances

**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 2023

	Notes	2023 \$	2022 \$
Cost of services			
Expenses			
Employee benefits expenses	2.1(a)	465,575	474,999
Supplies and services	2.2	134,839	140,366
Depreciation expenses	4.1	30,461	30,461
Accommodation expenses	2.2	70,143	66,760
Other expenses	2.2	44,508	31,312
Total cost of services		745,526	743,898
Net cost of services		745,526	743,898
Income from State Government			
Service appropriation	3.1	729,000	668,000
Resources received	3.1	109,630	115,728
Total income from State Government		838,630	783,728
Surplus for the period		93,104	39,830
Total comprehensive income for the period		93,104	39,830

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 2023

	Notes	2023 \$	2022 \$
Assets			
Current Assets			
Cash and cash equivalents	6.1	746,918	607,454
Receivables	5.1	2,833	28,758
Other current assets	5.3	10,330	7,863
Total Current Assets		760,081	644,075
Non-Current Assets			
Amounts receivable for services	5.2	355,000	323,000
Property, plant and equipment	4.1	65,999	96,460
Total Non-Current Assets		420,999	419,460
Total assets		1,181,080	1,063,535
Liabilities			
Current Liabilities			
Payables	5.4	12,194	19,051
Employee related provisions	2.1(b)	118,356	90,500
Total Current Liabilities		130,550	109,551
Non-Current Liabilities			
Employee related provisions	2.1(b)	8,293	4,851
Total Non-Current Liabilities		8,293	4,851
Total liabilities		138,843	114,402
Net assets		1,042,237	949,133
Equity			
Contributed equity		160,000	160,000
Accumulated surplus		882,237	789,133
Total equity		1,042,237	949,133

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 2023

	Contributed equity	Accumulated surplus	Total equity
	\$	\$	\$
Balance at 1 July 2021	160,000	749,303	909,303
Surplus	-	39,830	39,830
Total comprehensive income for the period	-	39,830	39,830
Balance at 30 June 2022	160,000	789,133	949,133
Balance at 1 July 2022	160,000	789,133	949,133
Surplus	-	93,104	93,104
Total comprehensive income for the period	160,000	93,104	93,104
Balance at 30 June 2023	160,000	882,237	1,042,237

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 2023

	Notes	2023 \$	2022 \$
Cash flows from the State Government			
Service appropriation		697,000	636,000
Net cash provided by the State Government		697,000	636,000
<i>Utilised as follows:</i>			
Cash flows from operating activities			
Payments			
Employee benefits		(427,603)	(416,944)
Supplies and services		(80,147)	(57,823)
Accommodation		(69,979)	(72,288)
GST payments on purchases		(14,574)	(12,903)
Receipts			
GST receipts from taxation authority		8,345	8,948
Other receipts		26,422	-
Net cash used in operating activities		(557,536)	(551,010)
Net increase in cash and cash equivalents		139,464	84,990
Cash and cash equivalents at the beginning of the period		607,454	522,464
Cash and cash equivalents at the end of the period		746,918	607,454

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

Notes to the financial statements

Notes to the financial statements

1. Basis of preparation

The Office of the Parliamentary Inspector of the Corruption and Crime Commission of Western Australia (the Office) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Office 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 11 August 2023.

Statement of compliance

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

- 1) the *Financial Management Act 2006 (FMA)*
- 2) Treasurer's instructions (TIs)
- 3) Australian Accounting Standards (AASs) – Simplified Disclosures
- 4) where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and TIs take precedence over AASs. Several AASs are modified by the 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.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Office as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

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

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 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.

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for Property, Plant and Equipment reconciliations.

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

Notes to the financial statements

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.

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
Employee benefits expenses	2.1(a)
Employee related provisions	2.1(b)
Other expenditure	2.2

2.1 (a) Employee benefits expenses

	2023 \$	2022 \$
Employee benefits	424,758	436,943
Superannuation – defined contribution plans	40,817	38,056
Employee benefits expenses	465,575	474,999
Add: AASB 16 Non-monetary benefits (not included in employee benefits expense)	-	-
Less: Employee Contributions (per the statement of comprehensive income)	-	-
Total employee benefits provided	465,575	474,999

Employee Benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards for employees.

Superannuation is the amount recognised in profit or loss of the Statement of comprehensive income and comprises employer contributions paid to the West State Superannuation Scheme, the Government Employees Superannuation Board (GESB), or other Super Guarantee.

AASB 16 non-monetary benefits are non-monetary employee benefits, predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 and are excluded from the employee benefits expense.

Employee Contributions are 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(b) Employee related provisions

	2023	2022
	\$	\$
Current		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	45,978	29,317
Long service leave ^(b)	63,278	54,834
	109,256	84,151
<u>Other provisions</u>		
Employment on-costs ^(c)	9,100	6,349
Total current employee related provisions	118,356	90,500
Non-current		
<u>Employee benefits provisions</u>		
Long service leave ^(b)	7,371	4,519
<u>Other provisions</u>		
Employment on-costs ^(c)	922	332
Total non-current employee related provisions	8,293	4,851
Total employee related provisions	126,649	95,351

Provision is made for benefits accruing to employees in respect of 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.

- (a) **Annual leave liabilities** are 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** are unconditional long service leave provisions and 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** involve settlements of annual and long service leave liabilities which 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 premiums, 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 expenses', 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'.

	2023	2022
	\$	\$
<u>Employee on-costs provision</u>		
Carrying amount at start of period	6,681	167
Additional/(reversals of) provisions recognised	3,341	6,514
Carrying amount at end of period	10,022	6,681

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

	2023 \$	2022 \$
Supplies and services		
Communications	311	299
Consumables	5,252	5,163
Consultants and contractors ^(a)	19,646	19,176
Services received free of charge (note 3.1)	109,630	115,728
Total supplies and services expenses	134,839	140,366
Accommodation expenses		
Rental	70,143	66,760
Total accommodation expenses	70,143	66,760
Other expenses		
Rental Car Bays	21,097	20,698
Insurance for Property, Liability, Workers Compensation, Miscellaneous	7,633	7,222
Travel expenditure	7,365	-
Other expenses	8,413	3,392
Total other expenses	44,508	31,312
Total other expenditure	249,490	238,438

(a) Includes audit fee.

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
Income from State Government	3.1

3.1 Income from State Government

	2023 \$	2022 \$
Appropriation received during the period:		
- Service appropriation ^(a)	729,000	668,000
Total service appropriation	729,000	668,000
Resources received from other public sector entities during the period: ^(b)		
- Services received free of charge:		
- Department of Justice: Financial, human resources and information technology services	96,485	104,242
- Department of Finance: Lease accommodation services	13,145	11,486
Total resources received	109,630	115,728
Total Income from State Government	838,630	783,728

- (a) **Service Appropriations** are recognised as income at the fair value of consideration received in the period in which the Office gains control of the appropriated funds. The Office gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.
- (b) **Resources received from other public sector entities** is recognised as income equivalent to the fair value of assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

Summary of Consolidated Account Appropriations

For the year ended 30 June 2023

	2023 Budget Estimate \$	2023 Supplementary Funding \$	2023 Amendments \$	2023 Revised Budget \$	2023 Actual \$	2023 Variance \$
<u>Delivery of Services</u>						
Item 72 Net amount appropriated to deliver services	495,000	13,000	(80,000)	428,000	428,000	-
Amount Authorised by Other Statutes						
- <i>Corruption and Crime Commission Act 2003</i>	181,000	-	120,000	301,000	301,000	-
Total appropriations provided to deliver services	676,000	13,000	40,000	729,000	729,000	-
Total consolidated account appropriations	676,000	13,000	40,000	729,000	729,000	-

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

Notes to the financial statements

4. Key assets

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

	Notes
Property, plant and equipment	4.1

4.1 Property, plant and equipment

	Leasehold Improvement \$	Office equipment \$	Total \$
Year ended 30 June 2023			
1 July 2022			
Gross carrying amount	304,612	8,227	312,839
Accumulated depreciation	(208,152)	(8,227)	(216,378)
Carrying amount at start of period	96,460	0	96,460
Depreciation	30,461	0	30,461
Carrying amount at end of period	65,999	0	65,999
Gross carrying amount	304,612	8,227	312,839
Accumulated depreciation	(238,612)	(8,227)	(246,839)

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 cost or significantly less than fair value, 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

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 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:

Asset	Useful life
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.

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.

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
Receivables	5.1
Amounts receivable for services (Holding Account)	5.2
Other current assets	5.3
Payables	5.4

5.1 Receivables

	2023 \$	2022 \$
<u>Current</u>		
GST receivable	2,833	2,336
Receivable from Department of Justice for transfer of leave provisions	-	26,422
Total receivables at end of the period	2,833	28,758

5.2 Amounts receivable for services (Holding Account)

	2023 \$	2022 \$
<u>Non-current</u>	355,000	323,000
Total Amounts receivable for services at end of period	355,000	323,000

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.

The amounts receivable for services are financial assets at amortised cost, and are not considered impaired. (i.e. there is no expected credit loss of the Holding Account).

5.3 Other current assets

	2023 \$	2022 \$
<u>Prepayments</u>	10,330	7,863
Total other current assets at end of period	10,330	7,863

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

	2023	2022
	\$	\$
<u>Current</u>		
Trade payables	1,208	9,604
Accrued salaries	10,986	9,447
Total payables at end of period	12,194	19,051

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 20 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. 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

	2023	2022
	\$	\$
Cash and cash equivalents	746,918	607,454
Balance at end of period	746,918	607,454

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

This note sets out the key risk management policies and measurement techniques of the Office.

	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 period are:

	2023 \$	2022 \$
Financial Assets		
Cash and cash equivalents	746,918	607,454
Financial assets at amortised cost ^(a)	355,000	349,422
Total financial assets	1,101,918	956,876
Financial Liabilities		
Financial liabilities at amortised cost ^(b)	12,194	19,051
Total financial liability	12,194	19,051

(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 2023 (2022: 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 party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Supplementary financial information	8.7

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:

	2023	2022
Compensation of members of the accountable authority		
Compensation Band (\$)		
300,001 - 350,000	1	1
Compensation of senior officers		
Compensation Band (\$)		
100,001 - 150,000	1	1
0 - 50,000	-	1
	2023	2022
	\$	\$
Total compensation of senior officers	465,575	474,999

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, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; 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 (2022: nil).

8.5 Affiliated bodies

The Office had no affiliated bodies during the financial year (2022: 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:

	2023 \$	2022 \$
Auditing the accounts, controls, financial statements and key performance indicators	20,250	18,100

8.7 Supplementary financial information

There were no losses of public moneys or other public property through theft or default during the financial year (2022: nil).

There were no write offs of public money or other public property during the financial year (2022: nil).

There were no gifts of public property during the financial year (2022: nil).

9. Explanatory Statements

This section explains variations in the financial performance of the Office.

	Notes
Explanatory statement for controlled operations	9.1

9.1 Explanatory statement for controlled operations

This explanatory section explains variations in the financial performance of the Office undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the:

- Estimate and actual results for the current year:
 - Total Cost of Services of the estimate for the Statement of comprehensive income and Statement of cash flows (i.e. 1% of \$818,000); and
 - Total Assets of the estimate for the Statement of financial position (i.e. 1% of \$944,000).
- Actual results for the current year and the prior year actual:
 - Total Cost of Services for the previous year for the Statements of comprehensive income and Statement of cash flows (i.e. 1% of \$743,898); and
 - Total Assets for the previous year for the Statement of financial position (i.e. 1% of \$1,063,535)

9.1.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and 2022 \$
Expenses						
Employee benefits expense		460,000	465,575	474,999	5,575	(9,424)
Supplies and services	1	200,000	134,839	140,366	(65,161)	(5,527)
Depreciation		32,000	30,461	30,461	(1,539)	-
Accommodation expenses	2	79,000	70,143	66,760	(8,857)	3,383
Other expenses	A	47,000	44,508	31,312	(2,492)	13,196
Total cost of services		818,000	745,526	743,898	(72,474)	1,628
Income						
Other Income		-	-	-	-	-
Total income other than income from State Government		-	-	-	-	-
Net cost of services		818,000	745,526	743,898	(72,474)	1,628
Income from State Government						
Service appropriation		676,000	729,000	668,000	53,000	61,000
Resources received	3	142,000	109,630	115,728	(32,370)	(6,098)
Total income from State Government		818,000	838,630	783,728	20,630	54,902
Surplus for the period		-	93,104	39,830	93,104	53,274
Total comprehensive income for the period		-	93,104	39,830	93,104	53,274

Major estimate and actual (2023) variance narratives:

- Supplies and Services show a favourable variance of \$65,161 (33%) due to lower expenditure than planned in professional services, external purchases and corporate support received free of charge.
- Accommodation expenses show a favourable variance of \$8,857 (11%) due to lease incentives.
- Resources received free of charge show a favourable variance of \$32,370 (23%) due to lower-than-planned corporate support received free of charge from the Department of Justice.

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

Notes to the financial statements

Major actual (2023) and comparative (2022) variance narratives:

A. Other Expenses increased by \$13,196 (42%) compared to the previous financial year mainly due to travel and conference costs incurred during the 2022-23 period.

9.1.2 Statement of Financial Position Variances

	Variance notes	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between estimate and actual \$	Variance between actual results for 2023 and 2022 \$
Assets						
Current Assets						
Cash and cash equivalents		522,000	746,918	607,454	224,918	139,464
Receivables		4,000	2,833	28,758	(1,167)	(25,925)
Other assets	4	0	10,330	7,863	10,330	2,467
Total current assets		526,000	760,081	644,075	234,081	116,006
Non-current assets						
Amounts receivable for services		355,000	355,000	323,000	-	32,000
Property, plant and equipment	C	63,000	65,999	96,460	2,999	(30,461)
Total non-current assets		418,000	420,999	419,460	2,999	1,539
Total assets		944,000	1,181,080	1,063,535	237,080	117,545
Liabilities						
Current Liabilities						
Payables		7,000	12,194	19,051	5,194	(6,857)
Provisions	5 D	25,000	118,356	90,500	93,356	27,856
Total current liabilities		32,000	130,550	109,551	98,550	20,999
Non-current liabilities						
Provisions		3,000	8,293	4,851	5,293	3,442
Total non-current liabilities		3,000	8,293	4,851	5,293	3,442
Total liabilities		35,000	138,843	114,402	103,843	24,441
Net assets			1,042,237	949,133	1,042,237	93,104
Equity						
Contributed equity		160,000	160,000	160,000	-	-
Accumulated surplus		749,000	882,237	789,133	133,237	93,104
Total Equity		909,000	1,042,237	949,133	133,237	93,104

Major estimate and actual (2023) variance narratives:

4. Other assets comprises of prepaid insurance for the 2023-24 period. The prepayment was not anticipated by the financial estimates.

5. Current provisions increased by 93,356 (373%) as the estimates did not plan for increases in leave balances.

Major actual (2023) and comparative (2022) variance narratives:

C. Property Plant and Equipment decreased by \$30,461 (32%) compared to the previous financial year which represents the yearly depreciation charge.

D. Current provisions increased by \$27,856 (31%) compared to the previous financial year due to increases in unused leave balances.

Notes to the financial statements

9.1.3 Statement of Cash Flows Variances

	Variance notes	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and 2022 \$
Cash flows from State Government						
Service appropriation		644,000	697,000	636,000	53,000	61,000
Net cash provided by State Government		644,000	697,000	636,000	53,000	9,000
Cash flows from operating activities						
Payments						
Employee benefits	6	(460,000)	(427,603)	(416,944)	32,397	(10,659)
Supplies and services	7 E	(105,000)	(80,147)	(57,823)	24,853	(22,324)
Accommodation	8	(79,000)	(69,979)	(72,288)	9,021	2,309
GST payments on purchases		(16,000)	(14,574)	(12,903)	1,426	(1,671)
Receipts						
GST receipts from taxation authority		16,000	8,345	8,948	(7,655)	(603)
Other receipts			26,422	-	26,422	26,422
Net cash used in operating activities		(644,000)	(557,536)	(551,010)	86,464	(6,526)
Net increase in cash and cash equivalents		-	139,464	84,990	139,464	54,474
Cash and cash equivalents at the beginning of the period		522,000	607,454	522,464	85,454	84,990
Cash and cash equivalents at the end of the period		522,000	746,918	522,464	224,918	224,454

Major estimate and actual (2023) variance narratives:

6. Employee benefits payments were lower than the estimate, mainly due to requiring less leave cover as there was less planned paid leave taken during the period.

7. Supplies and services show a favourable variance of \$24,853 (24%) due to lower-than-planned payments for professional services and external purchases.

8. Accommodation payments were lower than the estimate by \$9,021 (11%) largely due to lease incentives.

Major actual (2023) and comparative (2022) variance narratives:

E. Increase of \$24,853 (24%) mainly due to travel and conference costs incurred in the period 2022-23.

