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

ANNUAL REPORT

1 JULY 2007 – 30 JUNE 2008

WESTERN AUSTRALIA
Laid on the Table of the
Legislative Assembly
24 SEP 2008
This paper should not be
removed from the Chamber



TABLE OF CONTENTS

2007/08 PICCC ANNUAL REPORT

PRELIMINARY OBSERVATIONS.....	1
1. ROLE AND FUNCTIONS OF THE PARLIAMENTARY INSPECTOR	2
1.1 ANALYSIS OF THE AUDIT AND OTHER FUNCTIONS OF THE INSPECTOR.....	4
2. POWERS OF THE PARLIAMENTARY INSPECTOR.....	9
3. THE OFFICE	10
4. RECORD-KEEPING PLAN	11
5. REPORT ON OPERATIONS.....	12
5.1 REFERRALS	12
5.2 NATURE OF REFERRALS	12
5.3 CO-OPERATION OF THE COMMISSION	12
5.4 MONITORING THE COMMISSION'S OPERATIONS.....	12
5.5 REPORTS TO THE STANDING COMMITTEE	12
5.6 PERFORMANCE INDICATORS.....	13
6. OPERATION OF THE COMMISSION	14
7. FINANCIAL STATEMENTS	15

PRELIMINARY OBSERVATIONS

This is my fifth Annual Report to Parliament as Parliamentary Inspector and my fourth Annual Report covering a full 12 months reporting period.

Section 203 of the *Corruption and Crime Commission Act 2003* (the Act) requires the Parliamentary Inspector to prepare, within 3 months of 30 June each year, a report as to his or her "general activities" during that year, and to cause it to be laid before each House of Parliament or under Section 206 (where a House is not sitting) within 21 days of the preparation of the Report.

During the reporting period I have received a total of 58 complaints concerning the Commission, either referred to me by the Commission itself or made directly to me. In the reporting period I have concluded 31 investigations, an increase of 57% on the financial year 2006 – 2007.

One of the functions of the Parliamentary Inspector is to "deal with matters of misconduct" on the part of the Commission and its officers. During the reporting period I made no finding of "misconduct" by any Commission officer or the Commission.

It continues to be necessary for me sometimes to clarify and explain the function of the Parliamentary Inspector to members of the public, to dispel the misconception that I perform an 'appellate role' where a member of the public is dissatisfied with a conclusion reached by the Commission with respect to his or her complaint. That, of course, is not my function. However, in "assessing the effectiveness and appropriateness of the Commission's procedures" (Act, s.195(1)(c)) it may be necessary to review and revisit the subject matter of a complaint to ensure that it has been properly and fairly assessed by the Commission.

I am satisfied that the Commission has, during the reporting period, fulfilled its statutory functions effectively and appropriately.

This report covers, in general terms, a number of matters including:

- Complaints and matters referred to the Inspector ;
- Co-operation by the Corruption and Crime Commission ;
- The operations of the Commission ;
- Acting Parliamentary Inspector ; and
- Reports to the Standing Committee or to Parliament.

1. ROLE AND FUNCTIONS OF THE PARLIAMENTARY INSPECTOR

The Office of the Parliamentary Inspector of the Corruption and Crime Commission is established by section 188 of the *Corruption and Crime Commission Act 2003* (the Act). I was appointed as the Parliamentary Inspector on 23 December 2003, for a term of 5 years running from 1 January 2004, by the Governor by Commission under the Public Seal of the State of Western Australia pursuant to section 189 of the Act on the recommendation of the Premier.

My appointment therefore ends on 31 December 2008.

A most important aspect of the office is that it is not an office in the public service. The Parliamentary Inspector is an officer of Parliament. The office is responsible to the Joint Standing Committee, established pursuant to section 216A, which comprises an equal number of members appointed by each House of Parliament. The office assists it in the performance of that Committee's functions.

The Parliamentary Inspector has the following functions under s195(1) of the Act:

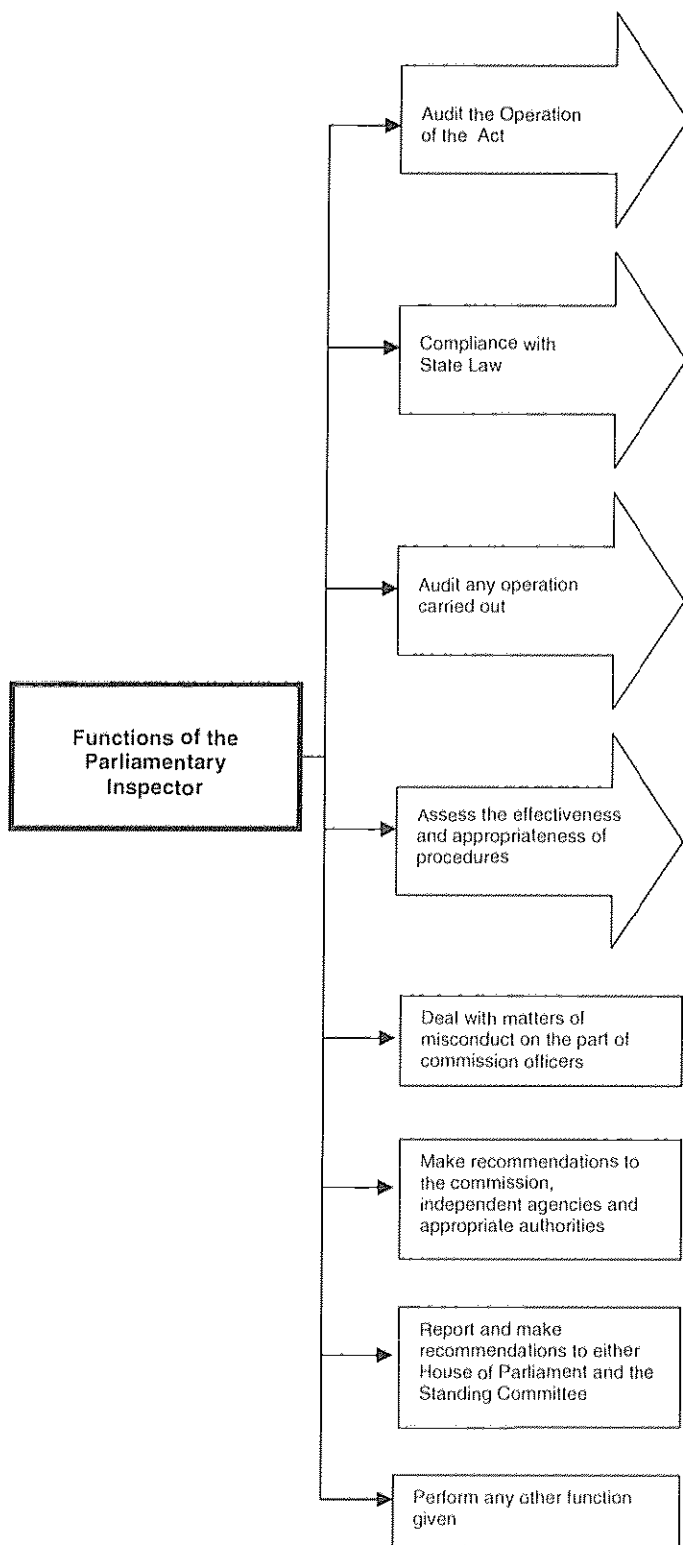
- (aa) to audit the operation of the Act;
- (a) to audit the operations of the Commission for the purpose of monitoring compliance with the laws of the State;
 - (b) to deal with matters of misconduct on the part of the Commission, officers of the Commission and officers of the Parliamentary Inspector;
- (cc) to audit any operation carried out pursuant to the powers conferred or made available by this Act;
- (c) to assess the effectiveness and appropriateness of the Commission's procedures;
- (d) to make recommendations to the Commission, independent agencies and appropriate authorities;
- (e) to report and make recommendations to either House of Parliament and the Standing Committee;
- (f) to perform any other function given to the Parliamentary Inspector under this or another Act

These functions may be performed on the Parliamentary Inspector's own initiative, at the request of the Minister, in response to a matter reported to the Parliamentary Inspector, in response to a reference by either House of Parliament, or in response to a reference from the Standing Committee or the Commission.

The Inspector may report to the Parliament or to the Standing Committee at any time on matters affecting the Commission, including the operational effectiveness and requirements of the Commission and any administrative or general policy matter relating to the functions of the Parliamentary Inspector.

The Inspector is also obliged to report annually to the Parliament about his or her general activities during the year. This report may be prepared in conjunction with the Annual Report required under the *Financial Management Act 2006*.

The key functions of the Parliamentary Inspector are summarised below:



1.1 ANALYSIS OF THE AUDIT AND OTHER FUNCTIONS OF THE INSPECTOR

The term "audit" is not defined in the Act. Following is my analysis of each of the "functions" listed in section 195(1) of the Act. 53% of the total hours worked in the reporting period was devoted to audit functions.

(aa) to audit the operation of the Act

This function is performed by reviewing Commission investigations pursuant to complaints made by members of the public; through the conduct of separate audit functions under s 195(1) of the Act; as a result of a request from the Minister, Parliament, the Commission or other stakeholders; through an inquiry held under s 197(1) of the Act; calling for submissions, or by a combination of these approaches.

I have approached this function on the basis that I will discuss any perceived shortcomings in the operation of the Act with the Commissioner, and report any such matters to the Standing Committee with my recommendation.

During the reporting period a difference of opinion has arisen between the Parliamentary Inspector and the Commission regarding the scope of the Parliamentary Inspector's "audit function" and powers. That difference is yet to be resolved.

This has arisen from the Parliamentary Inspector's actions in critically reviewing, and reporting to the Parliament with respect to a number of investigations and resultant reports by the Commission in which opinions of "misconduct" were expressed by the Commission, concerning several individuals.

I undertook the reviews following complaints made by those individuals that the Commission's conclusions were flawed.

My reports on those matters were as follows:

- Report concerning Mr John D'Orazio MLA dated 17 July 2007 on the Commission's embargoed report dated 7 June 2007;
- Report concerning Mr Paul Frewer dated 8 February 2008 on the Commission's Smiths Beach dated 5 October 2007;
- Report concerning Mr Michael Allen dated 7 March 2008 on the Commission's Smiths Beach report dated 5 October 2007;
- Report dated 7 April 2008 concerning Mr John D'Orazio MLA on the Commission's report dated 21 December 2007.

Essentially the Commission has contended that to review and table a report critical of the Commission's investigation and report is beyond the scope of the Parliamentary Inspector's powers.

The question is whether the Parliamentary Inspector has the power (as in my opinion the Parliamentary Inspector does) to:-

- review investigations carried out by the Commission;
- review reports tabled by the Commission and its assessments of evidence and conclusions by reference to whether the Commission has reached a conclusion or expressed an opinion which no reasonable decision-maker could, on the available evidence, have reached; or has failed to take into account relevant considerations; or has denied "natural justice" to a person; or has made an error as to jurisdiction or law;
- express an opinion or conclusion that a finding or opinion by the Commission is, by reason of one or more of the abovementioned factors, flawed and in error, and
- recommend to the Commission that it publicly acknowledge its error.

The public expression by the Commission of an opinion of "misconduct" by a person can obviously have a devastating effect on the reputation and career of that person. It is therefore, in my view, essential that the Commission recognise that the Parliamentary Inspector may critically review the Commission's investigation and conclusions. Otherwise the only recourse which such a person would have is the very limited (and expensive) one of recourse to a Court to seek a declaration or order setting aside the Commission's determination.

In the cases of Messrs Frewer and Allen, following a recommendation in the Commission's report expressing an opinion of "misconduct", a very careful and detailed departmental inquiry was conducted by an independent public officer with the conclusion, in each case, that neither had a "case to answer". I have recommended that where the Commission in future proposes to make an "adverse finding" against a public officer it should, without prior publication, refer the proposed finding to the Director General with a recommendation that an inquiry be conducted; and that before any decision is made to publish an opinion of "misconduct" it should await a report on that inquiry and give that report proper consideration.

Another issue which has arisen is whether the Commission has the power to table a report responding to a report by the Parliamentary Inspector. The Commission has done so on one occasion - in my opinion, acting beyond its power.

In accordance with Section 200 of the Act I have, before tabling a report critical of an investigation and report by the Commission, given the Commission notice of my proposed adverse findings, giving it the opportunity to respond. Inclusion of the Commission's response, either in summary or by annexure, should be sufficient to enable the Parliament and the public to appreciate the issues and judge for themselves.

During the reporting period 42% of the time devoted to the auditing functions was utilized for this function.

(a) to audit the operations of the Commission for the purpose of monitoring compliance with the laws of the State

This function is fulfilled in two core areas. The first is to provide assurance that the Commission uses its powers lawfully and appropriately when acting under statutes such as the *Surveillance Devices Act 1998*. The second is to provide assurance that the Commission does not use secrecy or confidentiality provisions to prevent normal accountability mechanisms from applying.

On 30 May 2008 a complete audit was concluded of the following activities of the Commission under this function:

1. all warrants issued to the Commission under the *Surveillance Devices Act 1998* from the inception of the Commission (46 warrants in total);
2. all Assumed Identities Operations authorized by the Commissioner from the inception of the Commission (146 authorisations in total), and
3. all Controlled Operations authorized by the Commissioner from the inception of the Commission (13 operations in total).

The Commission provided full cooperation and timely assistance during this audit process.

During the reporting period 15% of the time devoted to the auditing functions was utilized for this function.

(b) to deal with matters of misconduct on the part of the Commission, officers of the Commission and officers of the Parliamentary Inspector

This function has hitherto been performed on a reactive basis. That is to say, by investigating complaints received by me; either by referral from the Commissioner; when a complaint of misconduct by Commission officers comes to the notice of the Commissioner; directly from a complainant; by referral from the Standing Committee, or by referral from others (such as the Attorney General). With the full employment of a Principal Legal Officer in February 2008 this function, as with all audit functions under s 195(1) of the Act, is now able to be performed on a pro-active basis.

During the reporting period I have referred to the Acting Parliamentary Inspector, Mr Ken Martin QC, several matters on which I have asked him to conduct an inquiry pursuant to s 197 of the Act following my investigation and report on certain issues which arose out of the Commission's Smiths Beach Report. The purposes of the Acting Parliamentary Inspector's inquiry include a determination whether there has been any misconduct by any Commission officer and to assess the appropriateness of procedures followed in the Commission's Smiths Beach investigation. I expect that the Acting Parliamentary Inspector will be reporting on the result of that inquiry before the end of 2008 calendar year.

(cc) to audit any operation carried out pursuant to the powers conferred or made available by this Act

This provision was inserted in response to a recommendation by the Legislation Committee of the Legislative Council. The report of the Committee makes its intent clear:

"Given the CCC's extensive coercive powers, the Committee recommends an amendment which provides that the Parliamentary Inspector is to have the ability to directly audit any operation carried out pursuant to the powers conferred or made available by the CCC Act. This will include operations conducted by the Police Service using exceptional powers granted by the CCC pursuant to the organised crime function."

This function enables the Inspector to examine all operations and investigations of the Commission, including those using the special powers conferred under the Act. It is similar to that of the Inspector of the Police Integrity Commission in New South Wales who has direct access to that Commission's operational information via a room within the Commission's premises.

This function may be undertaken:

- at the request of the Minister;
- at the request of Parliament; or
- on the Inspector's own initiative, in which case operations could be selected:
- arising from the conduct of other auditing functions;
- at random;
- on a risk assessment basis (such as where the use of special powers is extensive), or
- on a public interest basis.

In the reporting period I have not received any request by the Minister or reference by the Standing Committee or either House of Parliament to perform this audit function in relation either to any specific operation of the Commission, or generally. This audit function is to determine whether the operations, investigations and the use of special powers by the Commission:

- complied with the legislation in terms of the mandatory procedures for authorisation, monitoring, reporting and other accountability conditions;
- conformed to the policies and procedures established by the Commission;
- were conducted in a timely manner, and
- involved the reasonable use of special powers in the circumstance of the case.

The aim of this form of monitoring is to:

- reduce risk of unnecessary use of or abuse of the special powers by reason of awareness that such operations may be independently monitored, and
- promote procedural improvements.

Operations carried out by the Commission often involve the application for, and use of, warrants under the Commonwealth *Telecommunication (Interception and Access) Act 1979*. In response to a proposal by me to conduct an audit of the Commission's use of the powers conferred on it by that Act, and to audit applications made by the Commission for warrants to intercept telephone communications, the Commission has denied access, contending that although the Parliamentary Inspector is an "eligible authority" under the Commonwealth Act, the Parliamentary Inspector has no power to audit the Commission's compliance with the requirements of that Act (which is not State legislation).

It is my view that the Parliamentary Inspector has the power to audit applications for such warrants when they have been made during a Commission operation. As at the date of this report that issue remains unresolved. In the result I am unable to report that this important aspect of the operations of the Commission has been audited by the Parliamentary Inspector.

During the reporting period 43% of the time devoted to the auditing functions was utilized for this function.

(c) to assess the effectiveness and appropriateness of the Commission's procedures

This function requires the Parliamentary Inspector to monitor the specific procedures associated with functions and powers unique to the Commission. This function is carried out in a variety of ways including the fulfilment of other auditing functions that require a simultaneous assessment of the effectiveness and appropriateness of the Commission's procedures; inquiries; consideration of complaints of misconduct against the Commission or its officers; consideration of complaints from members of the public concerning decisions made by the Commission; requests from Ministers; requests from Parliament and requests from the Joint Standing Committee. The outstanding disagreement with the Commission in respect to my powers to audit applications made under the *Telecommunication (Interception and Access) Act 1979* negatively impacts upon my ability to fully assess the effectiveness and appropriateness of all Commission procedures.

Functions (d), (e) and (f)

See above. These functions are self-explanatory and require no analysis.

2. POWERS OF THE PARLIAMENTARY INSPECTOR

The Parliamentary Inspector has power to do all things necessary or convenient for the performance of the functions under s 196(2) of the Act.

The Commission is to notify the Parliamentary Inspector whenever it receives an allegation that concerns, or may concern, an officer of the Commission. At any time the Parliamentary Inspector may review the Commission's acts and proceedings with respect to its consideration of such an allegation. Upon such a review the Parliamentary Inspector may notify the Commission that the matter is to be removed to the Parliamentary Inspector for consideration and determination.

On receipt of such a notice the Commission is to comply with its terms. Upon removal the Parliamentary Inspector may annul the Commission's determination and substitute another. Where the Parliamentary Inspector proposes to act under s 196 the Commission must be given a reasonable opportunity to show cause why its determination should not be annulled.

The Parliamentary Inspector must not undertake a review of a matter that arises from, or can be dealt with under, a jurisdiction created by, or that is subject to, the *Industrial Relations Act 1979*. This provision has, in several instances, caused me to advise complainants that their complaints are not within my jurisdiction.

Section 198 of the Act provides that the Parliamentary Inspector is not to "interfere with, obstruct, hinder or delay any lawful operation of the Commission". The Commission has expressed a broader view of the interpretation of this provision than I hold, but I am confident that this issue will be resolved.

3. THE OFFICE

The Parliamentary Inspector's Office has suitable office premises within the Perth Central Business District. The postal address of this office is Locked Bag 123, Perth Business Centre WA 6849. The office telephone number is (08) 9323 2222 and the facsimile number is (08) 9325 3280. The email address is piccc@piccc.wa.gov.au and the website address is www.piccc.wa.gov.au.

The position of Parliamentary Inspector is not a full time one. I have found it convenient to operate the Inspectorate from my barrister's chambers, at 45 St Georges Terrace Perth and to use my personal secretarial staff for matters related to the Corruption and Crime Commission and my duties as Parliamentary Inspector.

Mr Murray Alder was engaged as Principal Legal Officer to the Parliamentary Inspector in February 2008 to complete the audit functions and to perform other duties as required. This officer is located on Floor 12, 141 St Georges Terrace, Perth. Mr Alder's assistance to date has been invaluable, enabling the Parliamentary Inspector to take a more proactive approach to the "audit" functions. Mr Alder has a law degree and a background in law enforcement. Although engaged for an initial term of 12 months, to February 2009, I intended to extend the term for a further 3 years.

The Parliamentary Inspector's office operates appropriate computer systems which are maintained by the office, and back up tapes are kept off site for extra security.

4. RECORD-KEEPING PLAN

The *State Records Act 2000* requires at section 19 that each agency has a record-keeping plan. The Parliamentary Inspector's Office has a record keeping plan which was finalised on 31 July 2005.

The TRIM Context system of electronic record keeping is currently in place, which will ultimately improve easy access to the recorded information.

5. REPORT ON OPERATIONS

5.1 REFERRALS

During the reporting period I received **58** referrals.

5.2 NATURE OF REFERRALS

Most of the referrals were allegations that a complaint made to the Commission was not dealt with by the Commission in a manner which was satisfactory to the complainant. In some cases the subject matter of the complaint did not come within the Commission's jurisdiction, or after investigation, the Commission had been unable to find prima facie evidence of misconduct.

Matters referred to me frequently involve consideration of considerable documentary material as well as correspondence with the complainant. Occasionally it is necessary to interview the complainant and others to progress and finalise the complaint. Telephone and email inquiries are also received from members of the public who wish to initiate complaints about Commission officers or a decision made by the Commission.

5.3 CO-OPERATION OF THE COMMISSION

The Commission has co-operated fully and promptly in dealing with requests by the Parliamentary Inspector for further information where required.

5.4 MONITORING THE COMMISSION'S OPERATIONS

It is intended that the Principal Legal Officer will, in the year ending 30 June 2009, conduct random audits of files relating to the Commission's operations.

5.5 REPORTS TO THE STANDING COMMITTEE

By Section 201 of the Act I may at any time if I consider it appropriate to do so make a referral to the Standing Committee on, *inter alia*, any matters affecting the Commission, including the operational effectiveness and requirements of the Commission.

In discussion with the Standing Committee I have agreed that where a matter relating to the Commission arises, which may be seen to one of public interest, I will endeavour to confer with the Standing Committee before deciding whether to report.

5.6 PERFORMANCE INDICATORS

In my annual report to Parliament for 2006/07 I noted that a review of the Parliamentary Inspector for the Corruption and Crime Commission's (PICCC's) outcome statement and Key Performance Indicators (KPIs) was undertaken in February 2007. A revised Outcome Based Management (OBM) structure and suite of KPIs was endorsed by the Outcome Structure Review Group in March 2007. I further advised that the new suite of KPIs would be introduced in 2007/08. This has been successfully implemented in March 2008 and accurately measures the productivity and effectiveness of my office.

Outcomes and Key Effectiveness Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Actual	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: An informed Parliament on the integrity of the Corruption and Crime Commission					
The number of investigations completed and reported to parliament within target timeframes.	N/A	N/A	1	1	

Key Efficiency Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Actual	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per investigation/case	N/A	\$17,900	\$17,451	\$8,607	Employment of Principal Legal Officer to assist in investigations
Cost of audit function as a percentage of total cost of operations	N/A	41%	15%	30%	Employment of Principal Legal Officer to conduct audit functions
Full Time Equivalents (FTEs)	1	2	2	2	

6. OPERATION OF THE COMMISSION

The Commission has published 'Notification Guidelines' to inform relevant agencies (and the public) of the functions of the Commission and how to notify suspected misconduct. I have reviewed the Guidelines and am satisfied that they provide accurate and helpful information, which can be obtained on the Commission's website.

The Commissioner has been careful to ensure that any matter which might arguably come within my function is referred to me. He has also kept me informed on matters pertaining to the Commission's operation and is available to confer with me as required.

Any complaints against Commission officers are placed on the relevant file, which is forwarded to me by the Commissioner himself, and the complainant is informed of that.

The Commission's website explains the role of the Parliamentary Inspector and how complaints against the Commission may be forwarded to me.

I consider that during the reporting period the Commission has established a sound framework for ensuring that its various functions, as detailed in Part 2, Division 2 of the Act, are being adequately addressed. They are:

- Prevention and Education;
- Misconduct investigations;
- Police Royal Commission; and
- Functions in relation to the (former) Anti-Corruption Commission.

I also consider that all complaints of misconduct received by the Commission are thoroughly assessed and that the criteria used in making the Commission's decision on whether to proceed further to an investigation are appropriate, taking into account among other things the age of the matter, the degree of public importance or interest and the significance to the individual complaint.

In the period under review a considerable amount of work was necessary to complete my investigation of matters arising out of the Smiths Beach report, and the complaints made by and on behalf of Mr D'Orazio. This required references to the Commission for further information and comment, and lengthy correspondence.

This caused the Commission to assert, in an open hearing before the Joint Standing Committee, that the time spent by it in dealing with "Parliamentary Inspector matters" was a matter of concern, having a "significant impact" on the conduct of "the Commission's business". When I questioned the Commission about this matter, it provided me with a detailed report of time spent by Commission officers "attributable to dealing with the Parliamentary Inspector matters" - a total of approximately 1,000 hours up to 10 March 2008.

I am unable to comment on the time spent, most of which appears to relate to dealing with issues raised by me with regard to the Commission's opinions of "misconduct", on which, as noted earlier, I ultimately reported.

All of the matters raised by the Parliamentary Inspector with the Commission for its response and comment were important and necessary for the Parliamentary Inspector to perform the functions of the Parliamentary Inspector provided in the Act.

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

Cash Flow Statement

For the year ended 30 June 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		127,000	512,000
Holding account drawdowns		-	10,000
Capital contributions		-	-
Net cash provided by State Government		127,000	522,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(197,204)	(133,652)
Supplies and services		(44,232)	(20,299)
Accommodation		-	-
Capital user charge		-	(28,376)
GST payments on purchases		(1,582)	(1,123)
Receipts			
GST receipts from taxation authority		1,654	1,470
Net cash provided by/(used in) operating activities	18	(241,364)	(181,980)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		-	-
Purchase of non-current physical assets		(2,599)	-
Net cash provided by/(used in) investing activities		(2,599)	-
Net increase/(decrease) in cash and cash equivalents		(116,963)	340,020
Cash and cash equivalents at start of period		781,383	441,363
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18	664,420	781,383

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

1 Australian Equivalents to International Financial Reporting Standards

General

The financial statements for the Parliamentary Inspector of the Corruption and Crime Commission (the "Commission" for the purpose of these notes) for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Commission has adopted, where relevant to its operations, new and revised standards and interpretations from their operative dates as issued by the Australian Accounting Standards Board (AASB) and formerly the Urgent Issues Group (UIG).

The Australian Accounting Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to International Accounting Standards Board (IASB) Interpretations and those only applicable in Australia.

The AASB has decided to maintain the Statements of Accounting Concepts (SAC 1 and SAC 2) and has continued to revise and maintain accounting standards and the interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do not have an equivalent IASB Standard or Interpretation.

Early Adoption of Standards

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No standards and interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the financial year ended 30 June 2008.

2 Summary of Significant Accounting Policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions (TI's). Several of these are modified by the TI's to vary the application, disclosure, format and wording. For example, AASB 116 requires land and buildings to be measured at cost or fair value; TI 954 mandates the fair value option.

The Financial Management Act and the TI's are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has 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.

Modifications or clarifications to accounting standards through the TI's are to provide certainty and ensure consistency and appropriate reporting across the public sector.

Notes to the Financial Statements

For the year ended 30 June 2008

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

(c) Reporting Entity

The reporting entity comprises the Commission and no other related bodies.

(d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as Contributions by Owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital contributions (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.

(e) Income

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of services

Revenue is recognised upon delivery of the service to the client or by reference to the stage of completion of the transaction.

Service appropriations

Service appropriations are recognised as revenues at nominal value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited into the Commission's bank account or credited to the holding account held at the Department of Treasury and Finance. See note 10 'Income from State Government' for further detail.

Notes to the Financial Statements

For the year ended 30 June 2008

(f) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the in expended Portion of the borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to Get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted Average interest rate applicable to the Commission's outstanding borrowings during the year, in this case 6.3% (2007:6.3%)

(g) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment costing \$1,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$1,000 are recognised as an expense in the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost. For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the cost model is used for the measurement of property, plant and equipment. Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. See note 14 'Property, Plant and Equipment'.

Depreciation

All non-current assets 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 using the straight line method, using rates which are periodically reviewed. Estimated useful lives for each class of depreciable asset are:

Office equipment	10 years
Computers	5 years
Leasehold improvements	10 years

(h) Impairment of Assets

Property, plant and equipment are tested for any indication of impairment at each balance sheet date. 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. As the Commission is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less cost to sell and depreciated replacement cost.

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

Notes to the Financial Statements

For the year ended 30 June 2008

(i) Financial Instruments

The Commission has two categories of financial instrument:

- loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables
- Bank overdraft
- WATC/Bank borrowings
- Finance lease liabilities
- Amounts due to the Treasurer

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(k) Accrued Salaries

Accrued salaries (see note 16 'Other Liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value. The last pay day in 2007/08 was 26 June; therefore an accrual of 2 days was necessary in this financial year.

(l) Amounts Receivable for Services (Holding Account)

The Commission receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement. See also note 10 'Income from State Government' and note 12 'Amounts Receivable for Services'.

Notes to the Financial Statements

For the year ended 30 June 2008

(m) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

An allowance for impairment of receivables can only be raised if there is objective evidence of impairment.

(n) Payables

Payables are recognised at the amounts payable when the Commission 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 they are generally settled within 30 days.

(o) Borrowings

All loans payable are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

(p) Amounts due to the Treasurer

The amount due to the Treasurer is in respect of a Treasurer's advance. Initial recognition and measurement and subsequent measurement, is at the amount repayable. Although there is no interest charged, the amount repayable is equivalent to fair value as the period of the borrowing is for less than 12 months with the effect of discounting not being material.

(q) Provisions

Provisions are liabilities of uncertain timing or account and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date.

Provisions – Employee Benefits

The liability for annual and long service leave expected to be settled within 12 months after the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity they match, as closely as possible, the estimated future cash outflows.

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation (GSS) scheme, a defined benefit lump sum scheme also closed to new members. Both schemes are administered by the Government Employees Superannuation Board (GESB).

Notes to the Financial Statements

For the year ended 30 June 2008

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation (WSS) Scheme. Employees commencing employment on or after 16 April 2007 became members of the GESB Super (GESBS) Scheme. Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to the GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. The WSS Scheme and the GESBS Scheme are defined contribution schemes as these contributions extinguish all liabilities in respect of the WSS Scheme and the GESBS Scheme.

Provisions - Other

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

(r) Superannuation Expense

The superannuation expense in the Income Statement represents defined contribution plans - Employer contributions paid to the West State Superannuation (WSS) Scheme and the Government Employees Superannuation Board Super (GESBS) Scheme.

Members of the Commission commencing employment prior to 16 April 2007 became non-contributory members of the WSS Scheme. Members of the Commission commencing employment on or after 16 April 2007 became members of the GESBS Scheme. Both of these schemes are accumulation schemes. The Committee makes concurrent contributions to the Government Employees Superannuation Board (GESB) on behalf of members of the Commission in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. The WSS Scheme and the GESBS Scheme are defined contribution schemes as these contributions extinguish all liabilities in respect of the WSS Scheme and the GESBS Scheme.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided by the Committee in the current year.

(s) Resources Received Free of Charge

Resources received free of charge that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

(t) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Notes to the Financial Statements

For the year ended 30 June 2008

3 Disclosure of Changes in Accounting Policy and Estimates

Initial Application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Commission.

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Commission's exposure to risks, including enhanced disclosure regarding components of the Commission's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

Future Impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Commission has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Commission but are not yet effective. Where applicable, the Commission plans to apply these Standards and Interpretations from their application date.

<u>Title</u>	<u>Operative for reporting periods beginning on/after</u>
<p>AASB 101 'Presentation of Financial Statements' (September 2007). This has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from nonowner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.</p>	<p>1 January 2009</p>
<p>Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'</p> <p>The existing requirements in AAS27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. The new and revised Standards make some modifications to disclosures, otherwise there will be no financial impact.</p>	<p>1 July 2008</p>
<p>AASB 1004 'Contributions' (December 2007)</p>	<p>1 July 2008</p>
<p>AASB 1050 'Administered Items' (December 2007)</p>	<p>1 July 2008</p>
<p>AASB 1052 'Disaggregated Disclosures' (December 2007)</p>	<p>1 July 2008</p>

Notes to the Financial Statements

For the year ended 30 June 2008

AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007)

1 July 2008

Interpretation 1038 'Contributions by Owners to Wholly-Owned Public Sector Entities (revised) (December 2007). The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation.

1 July 2008

These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 only apply to government departments. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise, there will be no financial impact.

The following Australian Accounting Standards and Interpretations are not applicable to the Commission as they will have no impact or do not apply to not-for-profit entities.

AASB 8	'Operating Segments'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' - paragraphs 1 to 8
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 - Group and Treasury Share Transactions'

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 \$	2007 \$
4 Employee Benefits Expenses		
Salaries and wages	188,231	122,638
Superannuation (West State)	16,284	11,035
	204,515	133,673
5 Supplies and Services		
Goods and supplies	1,721	910
Services and contracts	13,818	8,562
Resources received free of charge (note 10)	150,658	26,273
	35,745	43,276
6 Depreciation		
Office equipment and computers	5,438	5,271
Leasehold improvements	-	-
	5,438	5,271
7 Accommodation Expenses		
Building rental operating lease expenses	-	-
	-	-
<p>Since December 2005, the PICCC no longer have any leased premises. The only employee of the PICCC, Malcolm McCusker, now works from his own law chambers.</p>		
8 Capital User Charge		
Capital user charge	-	28,376
	-	28,376
<p>The charge was a levy applied by Government for the use of its capital. In 2006-07, the final year in which the charge was levied, a single payment was made equal to the appropriation for 2006-07 less any adjustment relating to 2005-06.</p>		
9 Other Expenses		
Communication expenses	9,073	8,519
Other expenses ^(a)	20,284	1,651
	29,357	10,170

^(a) Includes bank fees; freight charges; other insurance; rates; court transcripts; electricity; staff travel and accommodation; and staff training.

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 \$	2007 \$
10 Income from State Government		
Appropriation revenue received during the year:		
Service appropriations ^(a)	144,000	529,000
	<u>144,000</u>	<u>529,000</u>
Resources received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
Department of the Attorney General	150,658	
- accounting, human resources and information technology services		24,530
Department of Housing and Works		
- property management services		1,743
	<u>150,658</u>	<u>26,273</u>
Total Income from State Government	<u>294,658</u>	<u>555,273</u>

^(a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

^(b) Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenue (except where the contributions of assets or services are in the nature of contributions by owners in which case the Commission shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

	2008 \$	2007 \$
11 Receivables		
GST receivable	317	388
	<u>317</u>	<u>388</u>

	2008	2007
12 Amounts Receivable for Services		
Current	48,000	31,000
Non-current	-	-
	<u>48,000</u>	<u>31,000</u>

This represents the non-cash component of service appropriations. See note 2(k) 'Amounts Receivable for Services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

	2008	2007
13 Other Assets		
Prepayments	-	-
	<u>-</u>	<u>-</u>

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 \$	2007 \$
14 Property, Plant and Equipment		
<u>Office equipment and computers</u>		
At cost	32,016	29,417
Accumulated depreciation	(20,260)	(14,822)
	11,756	14,595
<u>Leasehold improvements</u>		
At cost	139,100	139,100
Accumulated depreciation	(139,100)	(139,100)
	-	-
	11,756	14,595
<u>Reconciliation</u>		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below.		
Office equipment and computers		
Carrying amount at start of period	19,867	24,124
Depreciation	(5,271)	(4,257)
Carrying amount at end of period	14,596	19,867
Leasehold improvements		
Carrying amount at start of period	-	-
Depreciation	-	-
Carrying amount at end of period	-	-
15 Payables		
Accrued salaries	2,061	482
Trade and other creditors	665	-
	-	1,294
16 Provisions		
Current:		
Annual Leave	4,427	-
Non-Current:		
Long Service Leave	1,305	-
	5,732	-

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 \$	2007 \$
17 Equity		
Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community.		
Contributed equity		
Balance at start of period	160,000	160,000
Capital contributions ^(a)	-	-
Balance at end of period	<u>160,000</u>	<u>160,000</u>

^(a) Capital contributions (appropriations) have been designated as contributions by owners in Treasurer's Instruction TI 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' and are credited directly to equity.

Accumulated surplus		
Balance at start of period	666,884	324,846
Result for the period	(110,849)	342,038
Balance at end of period	<u>556,035</u>	<u>666,884</u>

18 Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	664,420	781,383
	<u>664,420</u>	<u>781,383</u>

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(405,507)	(213,235)
Non-cash items:		
Depreciation	5,438	5,271
Resources received free of charge	150,658	26,273
(Increase)/decrease in assets:		
Other current assets	-	637
Increase/(decrease) in liabilities:		
Current payables	2,244	(1,294)
Other current liabilities	4,427	21
Provisions Non Current	1,305	-
Net change in GST receivable	71	347
Net cash provided by/(used in) operating activities	<u>(241,364)</u>	<u>(181,980)</u>

Notes to the Financial Statements

For the year ended 30 June 2008

Significant variances between actuals for 2007 and 2008 - Total appropriation to deliver services:

	Actual 2008 \$	Actual 2007 \$
Expenses		
Employee benefits expenses	188,231	122,638
Superannuation (West State)	16,284	11,035
Supplies and services	166,197	35,745
Capital user charge	-	28,376
Other expenses	29,357	10,170
Service appropriations	144,000	529,000
Resources free of charge	150,658	26,273

Employee benefits expenses

The main increase in salaries and wages and superannuation was due to the appointment of the Principal Legal Officer during the year.

Supplies and services

The main reason for this variation is as a result of accommodation changes in Westralia Square to accommodate the Principal Legal Officer appointed during the year. These costs were paid for by the Department of the Attorney General and charged as a Resource Free Of Charge.

Capital User Charges

Capital User Charges were phased out in 2006-2007 and discontinued in 2007-2008

Other expenses

Advertising costs were incurred for the recruitment of the Principal Legal Officer during the year.

Service Appropriations

Appropriations were reduced in 2007-2008 for Recurrent Funding in order to reduce the PICCC cash balance

Resources free of charge

The main reason for the variation in Resources Free Of Charge is as a result of accommodation charges in Westralia Square to accommodate the Principal Legal Officer appointed during the year. These costs were paid for by the Department of the Attorney General and charged as a Resource Free Of Charge.

Notes to the Financial Statements

For the year ended 30 June 2008

20 Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, receivables and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 20. Credit risk associated with the authority's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due. The Authority has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Interest rate risk

The Authority is not exposed to interest rate risk because cash and cash equivalents are non-interest bearing, and it has no borrowings.

(b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2008	2007
	\$	\$
Financial Assets		
Cash and cash equivalents	664,420	781,383
Restricted cash and cash equivalents	-	-
Loans and receivables (a)	48,000	31,000
	712,420	812,383

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 \$	2007 \$
Financial Liabilities		
Bank overdraft		
Financial liabilities measured at amortised cost	2,726	482
	2,726	482

(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable)

(c) Financial Instruments Disclosure

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Authority's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Authority. The contractual maturity amounts in the table are representative of the discounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

The Authority does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

	2008	Weighted average interest rate	Variable Interest Rate	Non- Interest Bearing	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Adjustment for discounting	Total
	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets												
Cash and cash equivalent assets	664,420											664,420
Restricted cash and cash equivalent assets	-											-
Receivables	-											-
Loans and advances	-											-
Amounts receivable for services	48,000											48,000
Total financial assets	712,420											712,420
Financial liabilities												
Payables	2,726											2,726
Other borrowings	-											-
Finance lease liabilities	-											-
Total financial liabilities	2,726											2,726
Net financial asset/(liabilities)	709,694											709,694

	2007	Weighted average interest rate %	Variable Interest Rate	Non- Interest Bearing	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Adjustment for discounting	Total
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets												
Cash and cash equivalent assets	781,383											781,383
Restricted cash and cash equivalent assets												-
Receivables												-
Loans and advances												-
Amounts receivable for services	31,000											31,000
Total financial assets	812,383											812,383
Financial liabilities												
Payables	482											482
Other borrowings												-
Finance lease liabilities												-
Total financial liabilities	482											482
Net financial assets/(liabilities)	811,901											811,901

a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable)

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 \$	2007 \$
21 Remuneration of Members of the Commission		
Total remuneration of Members of the Accountable Authority:	133,652	144,691

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands, are:

\$10,001 - \$20,000*	1	
\$130,001 - \$140,000	1	1
Total remuneration of members of the Accountable Authority:	\$149,807	\$133,652

The total remuneration includes the superannuation expense incurred by the Accountable Authority in respect of members of the Accountable Authority.

No member of the Accountable Authority is a member of the Pension Scheme.

*Acting during the period 20 August 2007 to 14 September 2007

Remuneration of Senior Officers

The number of senior officers other than senior officers reported as members of the Commission, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands, are:

\$40,001 - \$50,000	1	
Total remuneration of senior officers:	\$47,479	

The total remuneration includes the superannuation expense incurred by the commission in respect of senior officers other than senior officers reported as members of the Commission.

No senior officer is a member of the Pension Scheme.

22 Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators	13,300	10,500
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The expense is included in note 5 'Supplies and Services'. It is an estimate for the audit fees incurred during the financial year ended 30 June 2008 (estimate for 2006 was \$10,500).

23 Events Occurring After The Balance Sheet Date

There were no events occurring after the balance date at the end of the financial year.

24 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2008 (2007: nil)

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

Notes to the Financial Statements

For the year ended 30 June 2008

25 Related Bodies

The Commission had no related bodies during the financial year (2007: nil).

26 Affiliated Bodies

The Commission had no affiliated bodies during the financial year (2007: nil).

27 Supplementary Financial Information

- There were no losses of public moneys or other public property through theft or default during the financial year (2007: nil).
- There were no write offs of public money or other public property during the financial year (2007: nil).
- There were no gifts of public property during the financial year (2007: nil).