

Office of the
Independent
Commissioner
Against
Corruption NT



Purpose of this report

The 2020–21 annual report of the Office of the Independent Commissioner Against Corruption (OICAC) has been prepared in order to comply with annual reporting requirements under section 128 of the *Independent Commissioner Against Corruption Act 2017* (ICAC Act), section 28 of the *Public Sector Employment and Management Act 1993* (PSEMA), sections 11 and 13 of the *Financial Management Act 1995* and part 9 of the *Information Act 2002*.

This annual report also highlights the performance of the OICAC in 2020–21 against approved budget outputs and key performance measures as published in the Northern Territory Government's 2020–21 Agency Budget Statements (Budget Paper no. 3).



Representation letter to the ICAC Minister (Chief Minister)

The Honourable Michael Gunner MLA
Chief Minister of the Northern Territory
GPO Box 3416
DARWIN NT 0800

Dear Chief Minister

I present the 2020–21 annual report on the activities and achievements of the Office of the Independent Commissioner Against Corruption (OICAC).

This report is submitted to you pursuant to the requirements of the *Public Sector Employment and Management Act 1993*, the *Financial Management Act 1995* and the *Information Act 2002*. In my capacity as Accountable Officer, I advise that to the best of my knowledge and belief:

- a) proper records of all transactions affecting the office are kept and that employees under my control observe the provisions of the *Financial Management Act 1995*, the Financial Management Regulations and Treasurer's Directions
- b) procedures within the office afford proper internal control, and these procedures are recorded in the strategic risk register and the Accounting and Property manual, which has been prepared in accordance with the requirements of the *Financial Management Act 1995*
- c) there is no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records
- d) in accordance with the requirements of section 15 of the *Financial Management Act 1995*, the internal audit capacity available to the office is adequate and the results of internal audits have been reported to the accountable officer
- e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions
- f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied
- g) the office's records management provisions are working in compliance with the *Information Act 2002*.

Yours sincerely



Mr Michael Riches
Independent Commissioner Against Corruption
15 September 2021



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Commissioner's foreword



Maintaining integrity in public institutions requires a commitment from every public officer to act appropriately and to take seriously the powers and duties given to them.

I commenced as the Northern Territory Independent Commissioner Against Corruption on 6 July 2021. I am honoured to have been appointed.

The Office of the ICAC has been in operation for less than three years. While it is still a young organisation and we continue to develop our expertise and capabilities, I think its impact upon integrity in public administration is already evident. That is pleasing.

Because this annual report deals with the financial year prior to my appointment, I will not offer commentary about that period. The report speaks for itself. However, I will take this opportunity to express my views about the future.

As the new Commissioner, my focus will be four-fold.

First, I will continue to build the organisation's capability and capacity. I am pleased with the solid foundation already established and the commitment and enthusiasm of my staff. We will continue to refine our skills, expertise and capacity, all of which are necessary to be an effective and efficient integrity agency. Professionalism, fairness, expertise, integrity and independence will be hallmarks of this office.

Second, I will focus my investigation activities on what I consider to be the most serious or significant allegations of improper conduct. I think that is what the public expects me to do. Corrupt conduct and serious anti-democratic conduct will be my focus. I do not intend to investigate misconduct or unsatisfactory conduct except in exceptional circumstances. We will conduct fewer investigations at any one time in order to focus resources and bring about more timely conclusions.

Third, my office will expand the manner in which it engages and supports public bodies to improve integrity within their institutions. While investigations into improper conduct will remain a central and important part of our work, of equal importance will be our role in prevention and education. That will be achieved through better analysis of our intelligence to identify trends, issues and hotspots, and to share information of relevance with agencies. So too will we support agencies (through education programs, audits, reviews and other prevention activities) to better identify integrity risks and the solutions to those risks. We will also support agencies to review and improve the protections afforded to whistleblowers.



Finally, to the extent that I am permitted to bring to the attention of the Parliament, and the public, issues pertaining to integrity in public administration, I am committed to doing so. It is important for the Parliament, and for the public, to understand my office's activities, and the issues that might affect public integrity. Many integrity risks are common throughout public institutions. It is important that issues identified and lessons learned are shared broadly to maximise their impact.

I am enthusiastic about the role my office and I can play in the Northern Territory. But to be successful, we rely upon timely information. That means people must be willing to come forward. Public officers and public bodies have mandatory reporting obligations. But people outside public administration will also have

information that may be relevant to my activities. I encourage any person who has information about potential improper conduct to bring that information to our attention.

If I do not know, I cannot act.

Those who engage in serious improper conduct are a scourge to public administration. Not only can significant economic harm arise, but an individual's improper actions can erode public confidence in an agency and destroy trust, confidence and morale within that agency.

The actions of the few can have a significant negative impact upon the vast majority of public officers who go about their duties with diligence and integrity.

Individuals who choose to abuse their power and breach the trust invested in them have no place in

public administration. They ought to be held to account. Public bodies must ensure that their systems and processes guard against the risks of impropriety. Public leaders have a key role to play. Failing to ensure adherence to proper process, turning a blind eye to wrong-doing or failing to effectively manage obvious risks ought not be tolerated.

Maintaining integrity in public institutions requires a commitment from every public officer to act appropriately and to take seriously the powers and duties given to them.

It is a great privilege to serve the public, and that privilege ought never be abused.

I am committed to playing my part in advancing public integrity in the Northern Territory.

Deputy CEO's overview



Preventing, detecting and responding to corruption is everyone's business and we can't do it alone.

2020-21 was particularly busy for the office as we consolidated our operational phase and challenged ourselves to focus on the greatest impact on preventing, detecting and treating improper conduct.

Community confidence in the OICAC remained high throughout the year, as evidenced by the reports we received. We continued to build relationships with agencies around investigations or oversight. A number of investigations were concluded during the year, some of which were made public, and agencies responded well to the corruption prevention recommendations. The information sessions we delivered in 2020-21 had high uptake and equally pleasing levels of satisfaction from participants.

COVID-19 presented logistical challenges for our staffing and business model during 2020-21, prompting us to review how we engage with our external clients (reporters) and stakeholders. Looking ahead, we will continue to work closely with and learn from stakeholders in both the private and public sectors to understand their needs and how we can improve our practices.

Engagement and awareness of the OICAC grew last year, with website users increasing from 8,235 the previous year to 11,253 – an increase of 37%. Page views increased by 125% to 98,660.

Preventing, detecting and responding to corruption is everyone's business, and we can't do it alone. The role of stakeholders, including Northern Territory Public Service (NTPS) agencies, local government councils, integrity partners and the public, is critical to our ability to amplify our work in overseeing and referring matters, identifying risks and alerting agencies to them.

Accountability remained a strategic focus for the OICAC in 2020-21. We acknowledge that learning from our mistakes is an important element of growth. An important accountability function in the ICAC Act is that of the Inspector of the ICAC, who is charged with independently assessing complaints against the OICAC. While there were no findings against the office during the year, we continued to learn from the Inspector's oversight and guidance.

We also focussed on our strategic priority of attracting, valuing, retaining and developing our people. An audit of our recruitment and onboarding processes indicated effective and compliant practices. It also indicated opportunity for improvement in updating the onboarding policy to reflect procedures followed and adopting best practice pre-employment screening by integrity agencies in other jurisdictions. The internal audit also recommended the office adopt more thorough background checks and psychometric assessments. These were implemented immediately.

We are blessed with talented and dedicated staff. In 2020–21, we focussed on their professional development with training opportunities in the areas of resilience, investigative capabilities and wellbeing. Our People Matter survey results, finalised in May 2021, showed our officers believe

in our purpose and are united in our direction. In 2021–22, we will work on improving our internal communication and decision-making processes.

Prudent budget management was a focus last year, and despite our rapid expansion and increasing operational tempo, in 2020–21 we had an overall underspend from our approved budget.

We valued the oversight from the Estimates Committee, the Auditor-General's office and the Buy Local Industry Advocate during the year, and we continued to exercise fiscal restraint, acknowledging

the tight economic environment we operate in. We engaged local providers for investigative and legal services during 2020–21 and increased recruitment and training so that by the end of the financial year we could reduce the reliance on outsourced providers.

Our increasing use of technology in 2020–21 streamlined the reporting process. This helped protect confidentiality of information, and allowed more dynamic analysis of reporting trends and for us to track investigation progress against milestones. It also improved our



ability to monitor implementation of our recommendations and the subsequent impact with agencies.

We commenced upgrading the OICAC website during the year to provide better access to critical services and educational material, and to better report our outcomes in a more transparent way. We also commenced working on an intranet to improve internal communications and increase visibility of our governance framework for staff. Both contribute to achieving two of our aims: building organisational capability and capacity, and strengthening confidence in the OICAC and public administration.

We continued to focus on investigative outcomes and their sanctions last year, particularly in relation to criminal prosecutions. The Northern Territory Legislative Assembly made it clear that we are not a prosecuting agency, nor are we part of the existing disciplinary process that is available to government agencies. We will continue to produce investigative outcomes that shine the light on poor practices and behaviour, and sometimes, investigations may lead to criminal prosecutions. However, our real value and impact lies in the recommendations arising from investigations. While we acknowledge the specific and general deterrence that flows from punitive outcomes, our focus will remain on the broader context: specifically, what environment existed to allow the improper conduct to flourish, and how we can influence and guide agencies to reduce the likelihood of such behaviour being repeated.

Another challenge we face is the time it takes to investigate a matter properly and the threshold required to make a finding, including observing proper natural justice processes. The Commissioner is very careful about making findings because of the impact on agencies' and individuals'

reputations, and the legislative requirement to meet the evidentiary threshold of 'balance of probability'. Interstate experience indicates that the greatest impact comes from bigger investigations, which invariably involve a greater resource commitment and have longer run times. In 2020–21, the Darwin Turf Club investigation fell into that category.

The OICAC has been operating for two and a half years – embryonic by most standards – but it has rapidly matured. We constantly analyse our performance, we are accountable to a variety of oversight bodies and we willingly participated in a legislative review to ensure we are properly empowered to carry out our functions and that we focus on the greatest impact.

Commissioner Kenneth Fleming QC left the OICAC on 5 July 2021, after 3 productive years at the helm. We managed a complicated process to transition powers and responsibilities to incoming Commissioner, Michael Riches. With adequate resourcing, excellent staff and a proven track record of delivering significant outcomes, we look forward to consolidating and moving from the operational phase to a more strategic posture in the year ahead.





I Our activities at a glance

for the period 1 July 2020 to 30 June 2021

Reports/allegations received

369 reports

CONTAINING

472 allegations



68%

of reports assessed
within 30 days



641

reports/allegations
assessed including previous
years' reports



45

allegations **referred
to an agency** for
action and oversight



436

allegations
closed

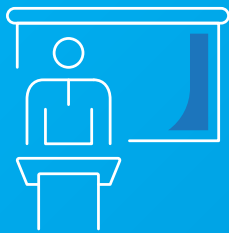
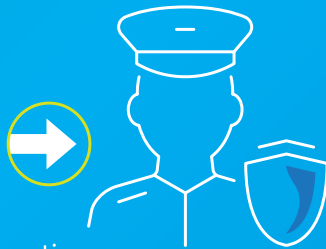
27

improper
conduct
investigations
finalised



3

referrals to
police or
Director of
Public Prosecutions



56

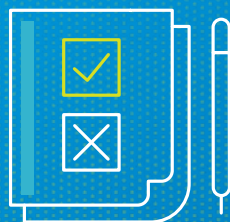
prevention
initiatives delivered



1,252

people
attended
**information
sessions**

93% of
recommendations
accepted or
partially accepted



I Our outcomes

Engaging with our stakeholders

CEO and nominated recipient forum and consultation on mandatory reporting guidelines

In April 2021, the office held a forum on improper conduct for Northern Territory Public Service (NTPS) agency CEOs, nominated recipients and governance staff. Thirty-eight people attended the forum in person or online, and 90.9% of attendees rated the forum very good or good.

The OICAC executive presented on identifying improper conduct, mandatory reporting obligations, the role of nominated recipients, common corruption risks and corruption prevention.

We also took the opportunity to ask agencies what their concerns were and what resources and guidance they would like the office to provide.

We gave attendees revised draft mandatory reporting guidelines to ensure agencies and officers understand their obligations.

The draft guidelines were then sent to all NTPS agencies for consultation and feedback. Final guidelines will be issued in 2021–22.

Dialling up data and streamlining operations

Use of Condor across the office

We implemented the Condor case management system in June 2020. During 2020–21, the OICAC's priority was to fully embed the new system across all operational areas to improve consolidating case records, streamline matter and case management, and enhance data and reporting. The system enables real-time reporting of case numbers, investigation outcomes and improper conduct trends and risks, which all inform the office's priorities and actions.

Condor allows people to submit reports online, which improves our efficiency by reducing manual processing of reports. It also improves the user experience because reporters can upload attachments with their report and get a submission receipt. The receipt gives the reporter assurance that the OICAC has received their report, and it has also reduced duplicate submissions.

Condor allows officers to itemise allegations within a case and attribute them to individuals or organisations. This improves the assessment process and statistical reporting, allowing the OICAC to build a repository of individual or organisation involvements and identify potential systemic improper conduct risks.

The Prevention and Engagement unit uses Condor to manage section 23 audit and reviews, and policy recommendations arising from investigations. The unit is also researching the ability for Condor to be the office's stakeholder management system.

The Investigations unit is transitioning to the Condor case management system as the single source of truth for tracking, recording and reporting all investigations through all stages of the investigation process.

Impact of our work

When the OICAC refers a matter to a public body for action, we ask the public body to report the outcomes of its actions back to the office. This enables us to ensure the public body has dealt with the matter appropriately. The outcomes from referred OICAC matters include:

- separating employees where improper conduct by them has been substantiated
- review of policy, delegation and governance frameworks
- implementing risk control measures
- remedial training to individuals and groups where improper conduct, or the risk of improper conduct occurring, has been identified
- disciplinary action and formal cautions
- staff counselling
- identifying additional improper conduct for action
- discontinuing contractor engagements
- reviewing and improving processes
- resolving unsubstantiated allegations.

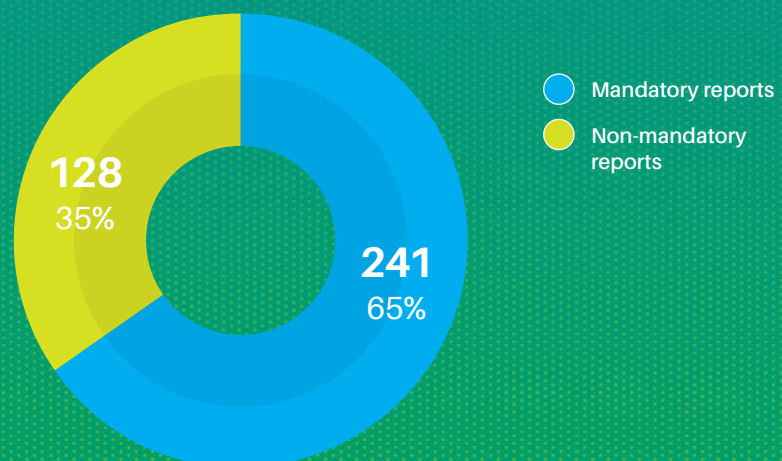
Increased engagement leads to a rise in mandatory reporting by public officers

In 2020–21, the OICAC engaged with public bodies and public officers to deliver information sessions and awareness training, including mandatory reporting obligations under section 22 of the ICAC Act.

As a result, mandatory reports increased from 148 reports in 2019–20 to 241 reports in 2020–21 and now account for 65% of reports to the OICAC.



REPORTS RECEIVED TO 30 JUNE 2021



Preventing and responding to retaliation

Whistleblower protection is a key part of the ICAC Act and informs the work and priorities of each business unit. Anonymity and confidentiality is the first line of defence when protecting whistleblowers, and public bodies are primarily responsible for protecting public officers from retaliation.

The office acknowledges every report with information about whistleblower protection, including the reporter's responsibility to inform the OICAC about retaliation. When the office seeks to make enquiries about a report, the Assessments unit first consults the report maker to obtain consent and to understand the likely risk of any possible retaliation prior to taking action. Consideration of whistleblowers, protection and retaliation is taken into account during the planning stage of every investigation.

The OICAC has issued:

- guidelines and practice directions about voluntary protected communications issues
- frameworks and practices for minimising risks of retaliation
- fact sheets on whistleblower protections, risk assessments and plans.

At the CEO and nominated recipient forum, whistleblower protections and the office's guidelines were discussed, and the office committed to developing further resources and education on this topic. Information sessions tailored to agencies included information about protected communications, whistleblower protection and examples of approaches to retaliation minimisation and protection.

At year end, the office was investigating two cases relating to retaliation by other agencies.

OCTOBER 2020

Investigation into the conduct of Ashley Brown



Commissioner Kenneth Fleming found that former Department of Health Security and Site Manager Mr Ashley Brown engaged in corrupt conduct when he lied about his qualifications and falsified certificates of Aboriginality in order to win a Northern Territory Government position advertised under 'special measures' provisions.

This investigation uncovered serious and systemic improper conduct risks in the NTPS's recruitment and disciplinary frameworks in that they do not adequately detect candidates who falsify their applications or qualifications, or candidates who have been subject to disciplinary action elsewhere in the NTPS.

The OICAC made a range of recommendations to the Department of Health about its recruitment practices for security guards. It also made recommendations to the Office of the Commissioner for Public Employment (OCPE) about risk-based employment screening guidelines, mandatory pre-employment declarations, record keeping of special measures documentation, and an across-government register of public officers who have been subject to disciplinary action. Importantly, several recommendations made as a consequence of the investigation have been accepted by the OCPE.

APRIL 2021

Investigation into alleged unsatisfactory conduct by Northern Territory Public Service public officers - procurement

This investigation concerned allegations that public officers in an NTPS department may have engaged in unsatisfactory conduct while undertaking a select procurement.

The investigation found that there was insufficient evidence of unsatisfactory conduct but that the public officers failed to adhere to best practice. It also found that the NTPS procurement guidelines were not fit for purpose and/or poorly understood.

Procurement is a significant corruption risk for the Northern Territory Government. As such, the OICAC made a number of corruption-prevention recommendations to NTPS agencies around procurement reform, capability development, and awareness and training.

JUNE 2021

Investigations into individuals with findings of corrupt conduct

Two investigations exposed existing weaknesses in the NTPS's employment and recruitment framework. Commissioner Kenneth Fleming made findings of corrupt conduct in both cases.

The first investigation dealt with the alleged theft of patient money at Royal Darwin Hospital by Mr Ashley Brown (the subject of another OICAC investigation, described above). In his role as Security and Site Manager, which he obtained fraudulently, Mr Brown took \$2,635 in patient money from a safety deposit box and banked it into his personal account.

During the investigation, it was revealed Mr Brown had a prior conviction for stealing – a fact that, if known at the time of recruitment, may have prevented his employment in the first place.

In the second investigation, Ms Shaylee Sten impersonated her referee in order to obtain a position as a public officer in the Department of Territory Families, Housing and Communities.

Ms Sten provided her husband's phone number as her referee number then gave herself a positive reference from her previous employer. This was in stark contrast to information provided by the real referee, who said Ms Sten was dismissed after an internal fraud investigation.

Both investigations highlighted the serious improper conduct risk associated with hiring staff who have lied or provided false statements in job applications. Hiring such people can lead to further corrupt conduct and poor provision of services. It can also affect an agency's reputation and its morale. The OICAC made a number of corruption-prevention recommendations relating to recruitment and risk-based employment screening practices.

JUNE 2021

Investigation into the application for, award and expenditure of a grant to the Darwin Turf Club for a public grandstand



This investigation dealt with the Northern Territory Government's award of a \$12 million grant to the Darwin Turf Club Incorporated (DTCI) to construct a public grandstand. It examined both how the grant was made and how the subsequent tender for design and construction of the grandstand was awarded.

Grants pose a corruption risk around Australia, from award through to administration. The investigation found that the process applied to the grant was deeply flawed and affected by political donations, lobbying, failure to declare hospitality, conflicts of interest, abuse of process, false statements, fanciful claims of economic benefit and a cavalier proponent.

The Commissioner made findings of corrupt conduct, misconduct, unsatisfactory conduct, breaches of public trust, mismanagement of public resources and detriment to the public interest. Findings of improper conduct were made against five individuals and the Darwin Turf Club Incorporated, and failures were found in respect of the former NT Department of Trade, Business and Innovation (the department administering the grant).

Commissioner Kenneth Fleming QC made a range of recommendations relating to strengthening oversight and administration of associations, including DTCI; gifts, benefits and hospitality policies and training; transparency and evaluation of grants; and lobbying.

NB: At the time of presentation of this annual report the findings made in the investigation, together with the publication of the report, is subject to applications for judicial review in the Supreme Court of the Northern Territory.

Commissioner

Spotlight on lobbying

A strong, legislated lobbying regime is a cornerstone of transparent and accountable government.

The Organisation for Economic Co-operation and Development (OECD), Transparency International and integrity agencies around Australia all identify lobbying regulation as critical to maintaining and increasing transparency, integrity and participation in government.

The Northern Territory Government currently has no lobbying regime at all, which poses a serious corruption risk.

A key recommendation made by the Commissioner in the Darwin Turf Club report was that the Northern Territory Government implements a legislated regime for lobbying based on Transparency International's International Standards for Lobbying Regulation and other relevant best practice guidance and reviews.



Overview of the OICAC



The Office of the Independent Commissioner Against Corruption's **vision** is for a prosperous, corruption-free Territory.

Its **mission** is to support and empower Territorians to prevent, detect and respond to improper conduct.

The Office of the Independent Commissioner Against Corruption ('OICAC' or 'the office') was established in November 2018 to support the Commissioner in delivering the requirements of the *Independent Commissioner Against Corruption Act 2017* (the ICAC Act).

The object of the ICAC Act is to address wrongdoing in, or connected with, public administration by:

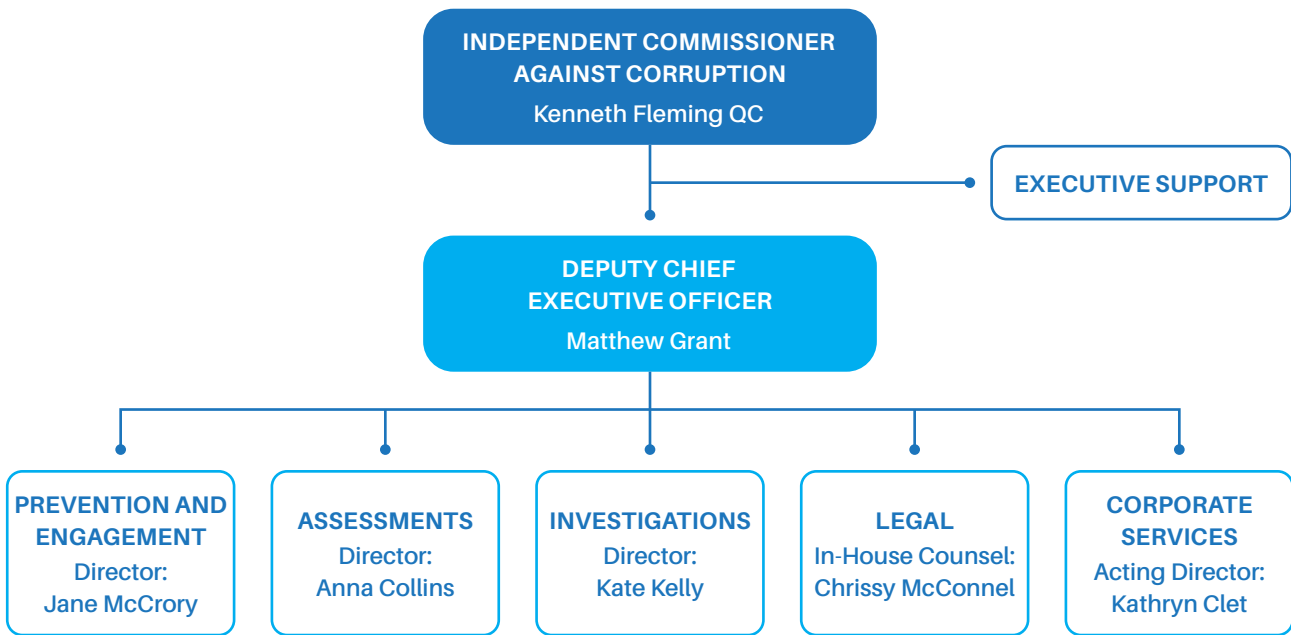
- a) preventing or minimising the occurrence of improper conduct
- b) improving public confidence that improper conduct will be detected and dealt with appropriately
- c) providing incentives and reducing disincentives to persons to assist in the detection, reporting, investigation, prosecution and prevention of improper conduct
- d) protecting persons who put themselves at risk of harm by exposing or reporting improper conduct
- e) augmenting the Territory's existing framework for responding to improper conduct by establishing an Independent Commissioner Against Corruption intended to:
 - (i) investigate the most serious, systemic and sensitive improper conduct
 - (ii) ensure that other improper conduct is dealt with, either by an appropriate existing entity or, if the ICAC considers it appropriate, by the ICAC
 - (iii) coordinate a response to improper conduct when multiple entities have jurisdiction to the matter
 - (iv) facilitate the prosecution of offences involving improper conduct.

OICAC organisational structure

The OICAC has 2 main output groups supported by 6 functional units.

Output group	Outcome	Functional unit
OICAC Operations	Improve the integrity in administration of public funds.	Executive Prevention and Engagement Assessments Investigations Legal
Corporate and Governance	Effective, efficient and compliant corporate and governance activities.	Corporate Services

Members of the executive team as at 30 June 2021



The OICAC employed a total of 31 full-time equivalent (FTE) staff at pay period 26.



Executive: **4 FTE**
(including Executive Support)
Prevention and Engagement: **3 FTE**
Assessments: **8 FTE**
Temporary PID Project team: **3 FTE**

Investigations: **8 FTE**
In-house Legal Counsel: **1 FTE**
Corporate Services: **4 FTE**

Total: **31 FTE**

Commissioner

In addition to the Commissioner's role as set out in the ICAC Act, the Commissioner is also the Chief Executive Officer of the OICAC. The Commissioner is accountable for the strategic leadership, direction and management of the office and its resources. The Commissioner is the key decision maker in meeting the objectives of the ICAC Act and other legislation. He is able to delegate functions under the ICAC Act to OICAC staff.

Executive

The Executive unit comprises the Commissioner, the Deputy Chief Executive Officer and the Executive Support unit.

Deputy Chief Executive Officer

The Deputy Chief Executive Officer (DCEO) is responsible for the day-to-day operations of the OICAC across its functional units and ensuring they meet organisational objectives. He also advises the Commissioner on the management of the office to ensure compliance with relevant legislation. All business unit directors report to the DCEO.

Executive Support

The Executive Support unit provides administrative and secretariat services to the Commissioner and DCEO. It is also the point of contact for enquiries to the Commissioner.

Prevention and Engagement

The Prevention and Engagement unit delivers awareness, engagement and prevention activities to public sector agencies and local government councils, other organisations and the community. The unit develops prevention and engagement strategies and resources and works with public bodies to increase awareness of improper conduct and foster a culture of reporting. The unit is also responsible for delivering the audit and review function under section 23 of the ICAC Act and formulating policy recommendations.

Assessments

The Assessments unit reviews all reports made to the office to determine their eligibility for investigation or other action by the OICAC. The unit applies criteria set out in the ICAC Act to assess all reports of improper conduct and makes recommendations to the Commissioner based on a report's serious, systemic, sensitive and contemporary nature. The Assessments unit also oversees referrals to other agencies and monitors the implementation of recommendations the OICAC makes to public bodies.

Investigations

The Investigations unit investigates serious, systemic, sensitive and contemporary improper conduct. The unit's investigators conduct complex and sensitive investigations using contemporary investigation methodologies and a combination of covert and overt tactics. The unit also participates in joint investigations and provides recommendations on case findings.

In-house Legal Counsel

The In-house Legal Counsel provides legal advice and support to the Commissioner and OICAC staff. The role acts as Counsel Assisting the Commissioner during private examinations and public enquiries. The role also assesses the OICAC's legislative environment to identify risks and make recommendations for legislative change where appropriate.

Corporate Services

The Corporate Services unit supports the operational requirements of the OICAC by managing finance, human resources, governance, risk and business services. Corporate Services also works with other NTPS agencies and external contractors to coordinate business services such as procurement, work health and safety, records management, and information technology and communications support.

Reporting on OICAC's key performance indicators (KPIs)

As published in the Northern Territory Government's 2020–21 Agency Budget Statements in November 2020, actual results against key performance indicators are presented in the table below with explanations on variations.

KPIs	2020–21 budget	2020–21 result	Comments on variations
Corruption-prevention initiatives (which include information sessions, workshops and forums)	50	56	Target exceeded
Satisfaction with prevention initiatives	≥ 80%	82%	Target exceeded
Reports acknowledged in 7 days	≥ 90%	93%	
Reports assessed in 30 days	≥ 80%		
Translation of investigations to formal reports			
Compliance with section 10 of the ICAC Act (regarding support for staff)			
Recommendations in reports to public accepted			

Compliance with section 128 of the ICAC Act

Under section 128 of the ICAC Act, the office is required to report on a number of key items. The items and their location in this report are as follows:

Item	Page reference
The number and general nature of allegations of improper conduct made to the OICAC	Refer to Assessments section on page 29 to 30
The number and general nature of reports mentioned in section 22(5) (mandatory reports)	Refer to Assessments section on page 11
The number and general nature of referrals	Refer to Assessments section on page 30-31
The number of search warrants issued to authorised officers	Nil
The number and general nature of any other warrants issued to authorised officers under a law of the Territory	Nil
The number and general nature of non-disclosure directions given	210
An indication of the kinds of activities conducted by the OICAC to prevent, detect and respond to improper conduct and the results of those activities	Refer to performance from Prevention and Engagement, Assessments and Investigations units
An indication of the kinds of activities conducted by the OICAC to prevent and respond to retaliation and the results of those activities	Refer to outcomes section on page 12

Financial overview

In 2020-21, the OICAC had a net deficit of \$0.209 million, compared to a \$1.303 million surplus in the year prior. Total income increased by \$1.387 million, or 23%, compared with last year, with total expenses also increasing by \$2.899 million, or 61%.

Summary of operating result

	2020-21	2019-20	DIFFERENCE	NOTES ON VARIANCE
	\$'000	\$'000	\$'000	
TOTAL INCOME	7,474	6,087	1,387	1
TOTAL EXPENSES	7,683	4,784	2,899	2
NET SURPLUS (DEFICIT)	(209)	1,303	(1,512)	3

Notes on variances

- (1) Output appropriation increased by \$1.327 million compared to last year, consistent with the approval for increased operations capacity for the office.
- (2) Employee expenses increased by \$1.667 million due to an increase in the number of employees to 31 full-time equivalent (FTE) staff at 30 June 2021 (22 FTE at 30 June 2020). This total FTE included 3 staff employed for a short-term project and funded within existing budget capacity (see page 31 on the PID project).

Administrative expenses also increased to \$1.232 million, which included depreciation expenses of \$0.268 million and an increase in purchases of goods and services of \$0.879 million, attributable to outsourced legal and investigative services during the year.
- (3) The net deficit reported in 2020-21 was due to the increase in expenditure capacity following the carryover of \$500,000 in unspent funds from 2019-20, and non-cash depreciation expense of \$268,000 reported for the first time in the office's financial statements. The actual deficit of \$209,000 is an improved result from the budgeted deficit of \$765,000 as reported in the budget papers.

Actual performance against budget

In 2020–21, the OICAC operated within its original budget as disclosed in the Northern Territory Government's 2020–21 Agency Budget Statements released in November 2020. The office had an underspend in its total expenses of about \$500,000, primarily from less than anticipated employee expenses due to vacancies throughout the year and actual outsourced investigation expenditure being less than budgeted.

2020–21 ACTUAL VS BUDGET FIGURES (\$'000)

Output appropriation



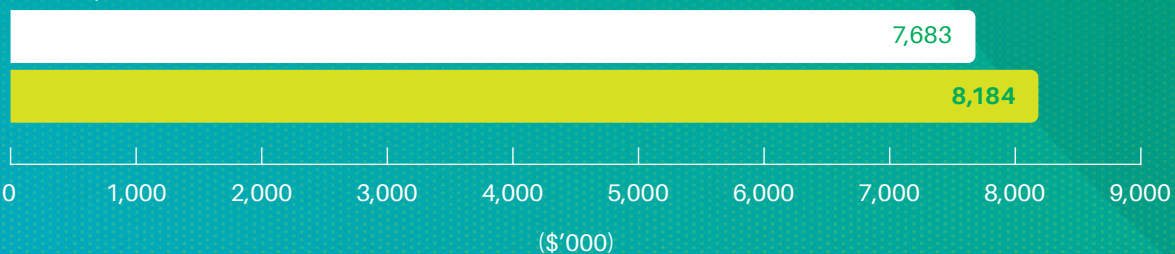
Employee expenses



Purchases of goods and services



Total expenses



Actual

Original budget

Prevention and Engagement unit

Functions and objectives

Preventing or minimising improper conduct is a key function of the Office of the Independent Commissioner Against Corruption and is outlined in the *Independent Commissioner Against Corruption Act* (the ICAC Act) in section 18(1)(c):

- (c) to prevent, detect and respond to improper conduct by:
 - (i) developing and delivering education and training
 - (ii) auditing and reviewing practices, policies and procedures of public bodies and public officers
 - (iii) developing and delivering advice, reports, information and recommendations
 - (iv) making public comment.

The Prevention and Engagement unit is primarily responsible for assisting the Commissioner to deliver this function of the office.

The unit had three full-time equivalent (FTE) staff at 30 June 2021:

- Director, Prevention and Engagement
- Senior Strategic Intelligence Analyst
- Communications and Engagement Officer.

The unit engages external contractors to deliver work, such as audits and research, where required.

The unit's responsibilities include:

- audits and reviews (section 23)
- research and policy advice, including recommendations arising from investigation reports (section 56)
- education and training (section 18)
- preparing public statements (section 55)
- annual report development (section 128) together with Corporate Services
- corporate communications, including media management
- internal communications (together with Executive and Corporate Services)
- stakeholder engagement
- website development and maintenance (section 130).

2020–21 Prevention and Engagement unit performance

Education and awareness

- 56 information sessions delivered, against a KPI of 50 per year
- 82% satisfaction with information sessions, against a KPI of 80%.

A total of 1,252 people attended the following information sessions:

- 12 general information sessions to the NTPS
- seven for the Foundations of Public Sector Management program
- 11 to NT Police recruit squads
- 11 to non-government organisations, other public bodies, industry peak bodies and the general public
- eight units and divisions within the NTPS
- six to the local government sector (elected members and council staff)
- an NTPS agency CEO and nominated recipient forum.

Other Prevention and Engagement unit education and awareness initiatives in 2020–21 included:

- participation in the Local Government Training Steering Committee (comprising Northern Territory Government and local government members)
- developing audio resources on the OICAC and improper conduct in 15 Aboriginal languages
- a display of OICAC material at the Office of Aboriginal Affairs stand at the Barunga Festival in June 2021
- targeted communication and resources about improper conduct risks to NTPS CEOs and governance teams for International Fraud Awareness Week in November 2020.

Section 55 public statements on investigations with policy recommendations:

The unit developed five public statements during the period:

1. Investigation into the conduct of Ashley Brown (October 2020)
2. Investigation into a Northern Territory Government procurement process (April 2021)
3. Investigation into the alleged theft of patient money by Ashley Brown at Royal Darwin Hospital (June 2021)
4. Investigation into an allegation of corrupt conduct by Shaylee Sten (June 2021)
5. Investigation into the application for, award and expenditure of a grant to the Darwin Turf Club for a public grandstand (June 2021).

The unit worked with agencies to develop 48 policy recommendations made in these five public statements for a broad range of policy areas, including:

- whole-of-government employment and recruitment screening processes
- whole-of-government procurement reform, training and communication
- agency security arrangements and recruitment practices
- legislated lobbying regulation
- recommendations relating to agency governance arrangements, including implementation of independent reviews and an audit under the *Associations Act 2003*
- reform to NTPS grants transparency, including establishing policies and guidelines for capital and discretionary grants, and evaluations
- legislative amendment to the *Associations Act 2003*
- changes to the Ministerial Code of Conduct around conflicts of interest and gifts, benefits and hospitality policies and associated training.

Section 23 audits and reviews

Under section 23 of the ICAC Act, the OICAC may audit or review the practices, policies or procedures of a public body or public officer to identify whether improper conduct has occurred, is occurring or is at risk of occurring.

In 2020–21, the Prevention and Engagement unit commenced two audits and reviews.

When the audit or review is finished, the OICAC must provide a report of the results to the person responsible for the public body that was audited or reviewed. Public statements may also be developed.

Corruption perception survey

At year end, the unit was preparing to deliver the NT's first corruption perception survey in early 2022. After seeking advice from the Office of the Commissioner for Public Employment, the OICAC postponed the initial delivery date in 2021 to reduce the risk of survey fatigue from the 2021 People Matter survey and to ensure any information gathered in that survey could be incorporated into the corruption perception survey. Procurement for survey providers had been finalised at year end.

Website redevelopment

The unit launched a review of the OICAC website in 2020–21 in line with NTPS and digital best practice, which covers accessibility guidelines, plain English guidelines and the needs of NT audiences. The review included workshops with stakeholders and the public on how they access the site, what information they are looking for, and what improvements are needed to ensure reporting improper conduct is easy and accessible for everyone in the Territory community.

As a result of the review, the website is being redesigned to be more user-friendly and the content is being rewritten in plain English to be more accessible to a broader audience.



Assessments unit

Functions and objectives

The Assessments unit reviews all reports made to the office to determine what action, if any, the OICAC should take. It also oversees referrals to other agencies and monitors the implementation of the OICAC's recommendations.

As the first point of contact for report makers, the Assessments team responds to enquiries about the ICAC Act, mandatory reporting obligations, whistleblower protection provisions, and how a report to the OICAC is assessed and treated.

The unit had eight FTE staff at 30 June 2021:

- Director, Assessments
- Manager, Assessments
- Senior Review and Monitor Officer
- Senior Assessments Officer
- Assessments Officer x 3
- Assessments Support Officer.

A temporary project team was established in January 2021 to audit and migrate the records held by the former Public Interest Disclosures (PID) Commission into the OICAC's new case management system, Condor.

The temporary PID project team had three FTE staff at 30 June 2021:

- Project Manager
- Project Support Officer
- Records Officer.

The primary functions of the Assessments unit are:

- assess reports and allegations
- refer matters to agencies and other bodies
- review and monitor recommendations
- PID project.

Assessment of reports and allegations

When receiving information from report makers, assessments officers undertake research and conduct inquiries to verify the information provided and determine if the matter is within the jurisdiction of the ICAC Act. Reports that are in jurisdiction are those that allege an improper conduct as defined by the ICAC Act by a person or body who is a public officer or public body and that conduct is connected to public administration or the officer's official function.

When a matter is assessed, the assessments officer makes a recommendation on what action the Commissioner should take. That could be accepting the matter for further action, such as referring the matter to a referral entity; conducting preliminary inquiries; undertaking an audit or a review; or investigating a matter. The assessments officer may also recommend that no further action be taken. A recommendation for no further action may be made when an allegation:

- is not within the jurisdiction of the ICAC Act
- cannot be verified or supported through inquiries made
- has already been investigated by an appropriate agency or body
- has been the subject of a court or tribunal ruling or decision
- has another avenue for the matter to be resolved, such as an agency's dispute process or review panel
- does not have present relevance
- does not represent an effective use of public resources to take action
- is otherwise not in the public interest.

Some reports to the Commissioner are classified as information reports only. These will not be fully assessed by an assessments officer due to insufficient detail being provided. Reports that are a question about the ICAC Act or if a conduct could or should be reported are classified as an enquiry. Both enquiries and information reports may be escalated to a report if more information is received that tends to show improper conduct has or could occur and provides specific details to direct the assessments officer's inquiries.

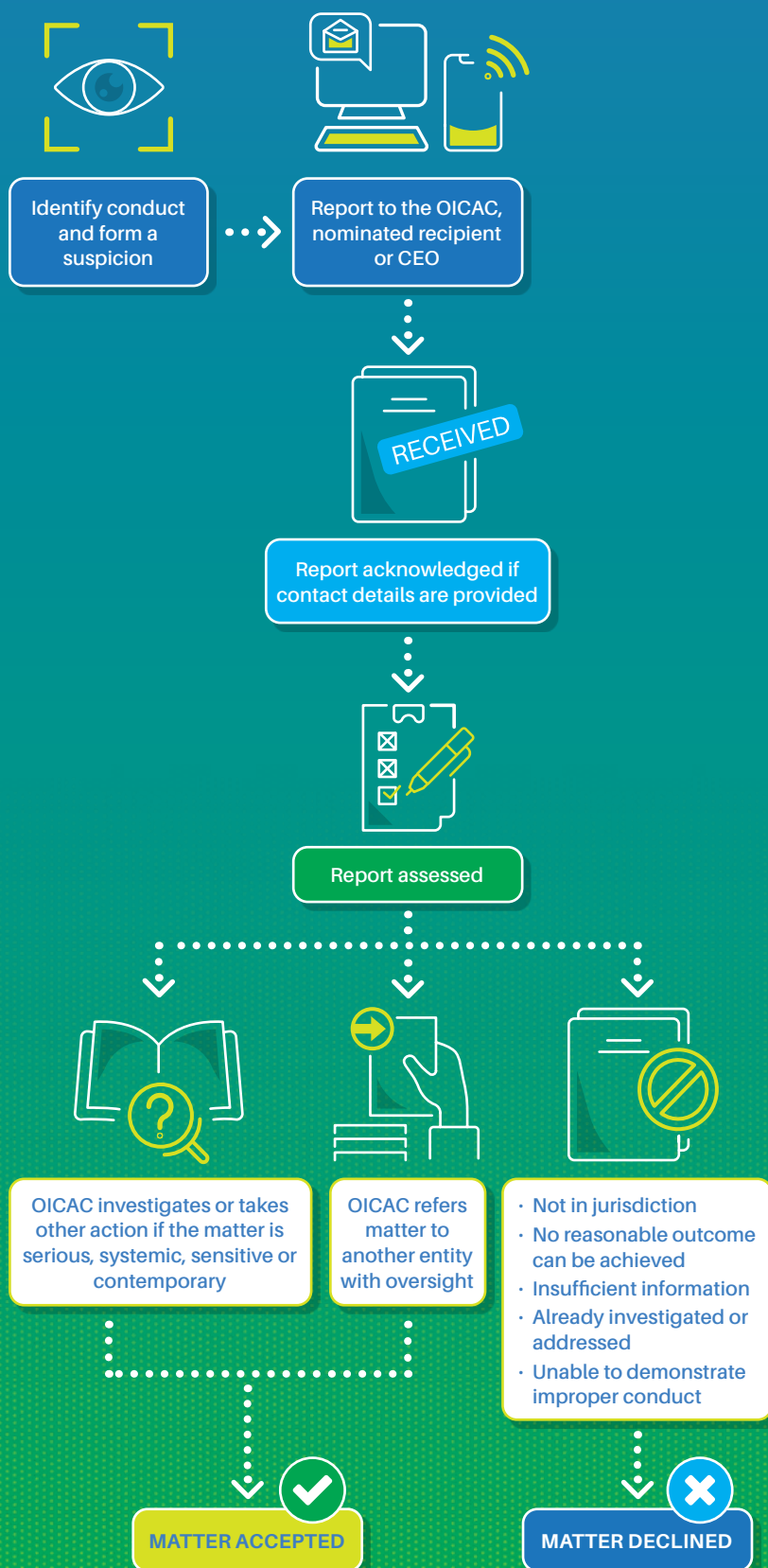
The ICAC Act requires the Commissioner to target resources to investigate serious, systemic and sensitive improper conduct. The Commissioner is only able to investigate a small number of matters and must prioritise corrupt conduct or serious anti-democratic conduct. Unless there is a reason not to do so, other improper conduct matters are referred to referral entities to deal with.

Referrals of matters to agencies and other bodies

The OICAC monitors referrals to other bodies through the Assessments unit. This includes preparing and serving direction notices, and reviewing reports and investigation findings the referral entity sends back to the OICAC. A senior review and monitor officer position was established in 2020–21 to lead this function, which was a priority for the unit from the 2019–20 annual report.

Matters accepted for preliminary enquiry and referral are reassessed when the inquiry or referral is completed. During the reassessment, material provided by the responding entity is reviewed to determine if the conduct as alleged could or did occur, and if it was improper. The assessments officer also reviews the referral agency's response to the conduct and any recommendations it accepted from its own investigations. Where recommendations have been accepted, the senior review and monitor officer records and monitors the implementation.

Making a report to the OICAC



Review and monitoring of recommendations

In line with the ICAC Act, the OICAC makes recommendations to a public body or public officer to strengthen the NT's ability to prevent, detect and respond to improper conduct. Through the senior review and monitor officer, the Assessments unit monitors the implementation of the OICAC's recommendations to ensure the improper conduct is dealt with.

2020-21 Assessments unit performance

In 2020-21, the Assessments unit prioritised assessing the most serious matters.

Of the 518 matters received in 2020-21:



98

were classified as information reports



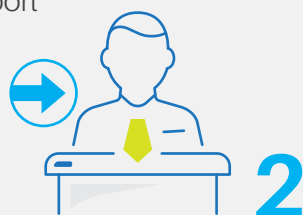
49

were enquiries



369

were treated as an improper conduct report for assessment



2

were referred to the Inspector of the ICAC

Performance against KPIs

Indicator	Actual for 2020-21	Comment
90% of reports acknowledged within 7 days	93%	Target exceeded. Majority of reports not acknowledged within seven days received on public holidays.
80% of reports assessed within 30 days	68%	52% improvement from 2019-20. Some reports are complex with multiple allegations that require a significant number of enquiries.

Number and general nature of allegations of improper conduct made to the ICAC

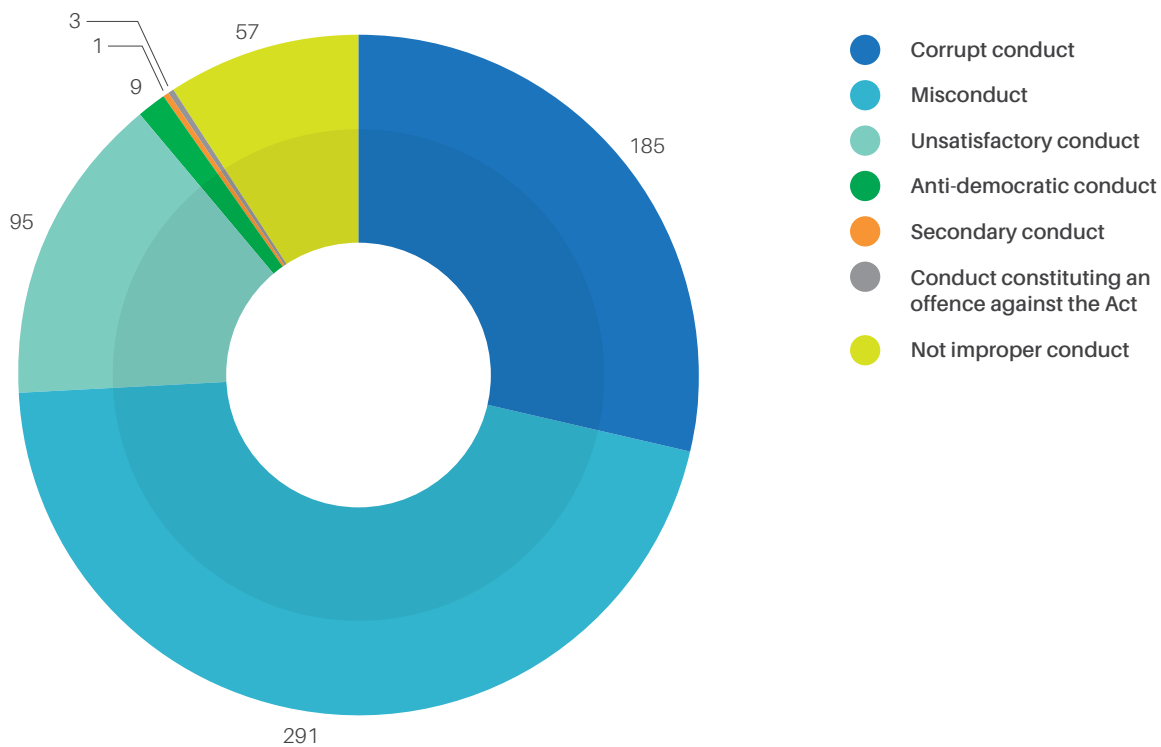
In 2020-21:

- 369 reports containing 472 allegations of improper conduct were received
- 641 allegations were assessed, comprising:
 - 380 of the 472 allegations received during 2020-21
 - 261 allegations received before 1 July 2020.

Of the 641 allegations assessed:

- 185 were classified as corrupt conduct
- 291 were classified as misconduct
- 95 were classified as unsatisfactory conduct
- nine were classified as anti-democratic conduct
- one was classified as secondary conduct
- three were classified as conduct that constitutes an offence against the ICAC Act
- 57 were found to not be improper conduct.

ALLEGATIONS BY CONDUCT TYPE



Graph note: Number of allegations assessed, by conduct type.

Of the 641 allegations assessed in 2020–21, the outcomes were:



462

no further action



64

preliminary inquiry



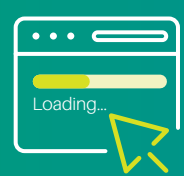
45

referral to agency
or other body



66

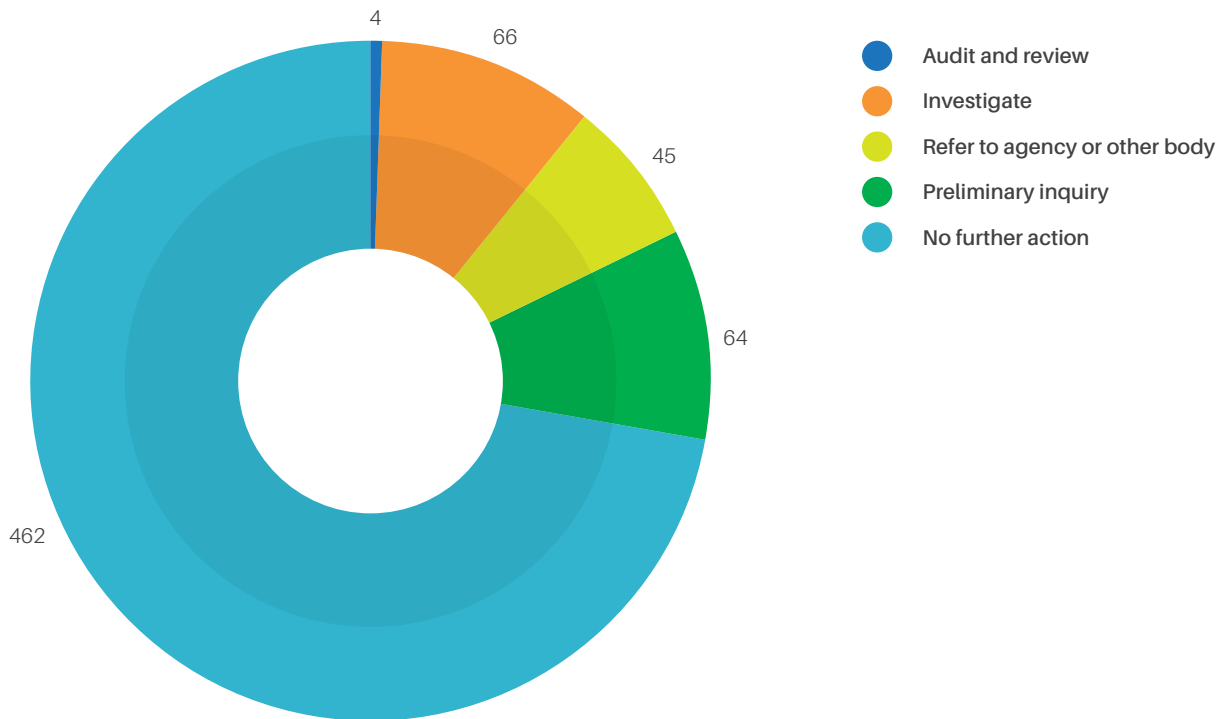
investigate



4

audit and
review

ALLEGATION ASSESSMENT OUTCOMES



In 2020–21, 69 allegations that were referred and 47 that were the subject of preliminary inquiries were completed and reassessed for no further action by the OICAC.

Notices and directions are often developed in consultation with the public body to ensure the direction is within the body's authority and capability to comply with and that the timeframe for a response is reasonable. Where a public officer or public body is not able to respond within the required timeframe, subsequent notices may be issued. In 2020–21, 22 matters required subsequent notices and directions to be issued to obtain full compliance.

Public Interest Disclosure (PID) information audit and migration project

When the ICAC Act was established, the *Public Interest Disclosure Act* (PID Act) was repealed, and all information and records accumulated by the Office of the Commissioner for Public Interest Disclosure were transferred to the OICAC.

The OICAC launched the PID project to appraise and digitise the material transferred to the OICAC and migrate records into the new Condor case management system. At 30 June 2021, the project had completed the initiation and planning stages and was on track with the execution stage.

Investigations unit

Functions and objectives

The Investigations unit investigates the most serious, systemic, sensitive and contemporary allegations of improper conduct. The unit uses a wide range of legislative powers to collect evidence, such as taking statements, gathering documents, coercive examinations, and collecting information using traditional and contemporary investigative techniques (both covert and overt).

An examination, also known as a 'coercive hearing', is an investigative tool that authorises the Commissioner to require people to attend an examination and answer questions, subject to various statutory exceptions. An examination is an effective investigative tool for getting to the core of a matter quickly and identifying further lines of inquiry.

The unit had eight FTE staff at 30 June 2021:

- Director, Investigations
- Manager, Investigations x 2
- Senior Investigator x 3
- Senior Intelligence Officer
- Investigation Support Officer.

In 2020–21, the OICAC invested significantly in improving the capability of our staff with specialist investigation training. It covered contemporary investigative techniques, maintaining an 'investigative mindset', and unconscious bias and its impact on decision making.

The unit continued to transition from a reactive to a proactive investigation approach during 2020–21. The team reviewed all current investigation matters in line with the office's strategic plan and its legislative obligation to focus on the most serious, systemic and sensitive matters.



2020–21 Investigations unit performance

From 1 July 2020 to 30 June 2021, the unit commenced 14 investigations. Most of these investigations included more than one allegation of improper conduct. These investigations involved allegations of:

- abuse of office – dishonesty (section 80 of the *Criminal Code Act 1995*)
- mismanagement of financial resources
- abuse of office – arbitrary and prejudicial conduct (section 81 of the *Criminal Code Act*)
- misappropriation of public resources, including disposal of public items
- maladministration of grant funding
- criminal deception (section 227 of the *Criminal Code Act*)
- misuse of publicly supplied telecommunications devices
- disclosure of confidential information (section 76 of the *Criminal Code Act*).

At 30 June 2021, 27 investigations were finalised and 57 were on hand.

In 2020–21, 51 witnesses attended examinations before the Commissioner or Deputy Commissioners.

As a result of investigations, the OICAC made three referrals to the Director of Public Prosecutions (DPP) and NT Police, and five public reports were published.

Other significant outcomes from investigations during the year included:

- findings of corrupt conduct, misconduct, unsatisfactory conduct and breach of public trust
- recommendations made to at least eight public bodies in relation to their policies and processes in circumstances where the evidence fell short of improper conduct by individuals but there were policy and governance issues that may lead to improper conduct occurring if not rectified
- five matters that were subject to significant investigation effort and the subsequent report and findings absolved persons of interest of any wrongdoing.

Joint investigation agreements can be created under section 38 of the ICAC Act. They are used to combine the resources and statutory capabilities of two organisations in order to improve and extend the investigative reach. These agreements set out the arrangements and practical considerations for a joint investigation, including responsibilities, resourcing, timelines and information sharing.

At 30 June 2021, the unit had on hand seven joint investigation agreements with NT Police, the Department of Education and Australian Federal Police.

In-house Legal Counsel

Functions and objectives

The OICAC identified the need for an in-house legal service during our 2020 strategic planning process. The sensitive nature and high volume of our work that requires prompt, specialised legal advice saw the creation of the In-house Legal Counsel position in August 2020.

This position assists the Commissioner in performing the principal functions of prevention, detection and investigation of improper conduct, and the protection of whistleblowers.

The In-house Legal Counsel advises the Commissioner and OICAC staff on interpretation and application of the ICAC Act and other relevant legislation. All notices and directions issued under the ICAC Act are reviewed by the In-house Legal Counsel to ensure the scope and purpose are within power.

The position also reviews and consults on policy and legislative reform, considering the potential for impact on the OICAC's operation. The role also appears as Counsel Assisting the Commissioner or Deputy Commissioner in examinations and works with the Investigations unit to prepare for the matters requiring examinations.

2020–21 In-house Legal Counsel performance

The In-house Legal Counsel's priority was to ensure the OICAC operated in compliance with the ICAC Act and according to best practice. In 2020–21, the In-house Legal Counsel worked with established integrity agencies in Australia to develop processes for the relatively new OICAC.

Working with the Office of the Director of Public Prosecutions (DPP) and NT Police, Fire and Emergency Services (NTPFES) during the year, the Deputy Chief Executive Officer also signed a memorandum of understanding for those agencies to prosecute criminal conduct revealed through OICAC investigations.

In May 2021, the Department of Chief Minister and Cabinet announced a review of the ICAC Act. As the OICAC's representative on the review's steering committee, the In-house Legal Counsel will work with the review panel to ensure the ICAC Act is strengthened where necessary to ensure the OICAC can continue to achieve its purpose and objectives.

To ensure the OICAC can fully investigate improper conduct, the In-house Legal Counsel analysed the powers held by other integrity and anti-corruption agencies under the *Telecommunications (Interception and Access) Act 1979* (Cth) (TIA Act). That research showed the OICAC is eligible as a 'declared agency' under the TIA Act, which means it can request similar powers to those of NT Police and other anti-corruption agencies.

During the year, the In-house Legal Counsel appeared as Counsel Assisting the Commissioner and Deputy Commissioners in the examinations of three matters under investigation.



Public officers and mandatory reporting

Mandatory reporting

Public officers and public bodies must report to the ICAC on the following:

1. The use of public funds

2. The use of public resources

3. The use of public assets

4. The use of public information

5. The use of public power

6. The use of public influence

7. The use of public authority

8. The use of public discretion

9. The use of public judgment

10. The use of public reason

11. The use of public conscience

12. The use of public honor

13. The use of public respect

14. The use of public esteem

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Corporate Services unit

Functions and objectives

The Corporate Services unit supports the OICAC in the areas of financial and budget management, human resources and workforce planning, governance and risk management, information technology and security, procurement, work health and safety, and general services.

The unit also works with the Department of Corporate and Digital Development (DCDD) in delivering these functions for the OICAC.

The unit had four FTE staff at 30 June 2021:

- Director, Corporate Services
- Senior Finance and Governance Officer
- Senior HR Officer
- Corporate Services Assistant.

In addition to the Corporate Services unit, the OICAC also receives services from DCDD for information communications and technology and the delivery of across-government systems. The OICAC also receives services from the Department of Infrastructure, Planning and Logistics for minor capital works and repairs and maintenance.

2020–21 Corporate Services unit performance

The Corporate Services unit worked on the following projects during 2020–21:

- Developed a three-year Internal Audit Plan and completed 2 internal audits: a Value for Territory audit in April 2021 and an internal audit on the onboarding and cessation process in June 2021.
- Continued the OICAC's effective financial management through monthly reporting and monitoring of expenditure against budget, which allowed the office to operate at an improved financial result of \$0.209 million net deficit against the budgeted \$0.765 million deficit.
- Helped establish new positions and with the recruitment for other business units to support their operations.
- Delivered a comprehensive training program that gave staff opportunities to develop their capability and skills. See the human resources section on page 45.
- Developed the OICAC's risk management framework, policy and procedure.
- Updated and refined a number of policies and procedures in line with legislation and external audit recommendations. Updates included the conflict of interest policy in May 2021, professional development plans for all staff and delegation schedules in October 2020.
- Assisted with other OICAC projects, including establishing the PID project and accommodation for its staff, the annual report, Condor Working Group, and the project team to prepare for the transition between commissioners.

Governance

The OICAC compliance framework consists of the following internal and external governance functions:

Internal governance

Operations Committee

The Operations Committee (OC) receives and reviews reports from the Assessments, Investigations and Prevention and Engagement units and provides evidence-based recommendations to the Commissioner. It evaluates broader public sector trends and issues, identifies serious misconduct and corruption risks in NT public administration, and provides strategic guidance for prevention activities. The OC also provides advice to the Commissioner about ensuring the office's resources are efficiently applied to priority matters, including tracking progress against agreed milestones and escalating serious reports as required for the Commissioner's attention.

The OC met 16 times during the year and had the following members at 30 June 2021:

Position	Role	Name
Independent Commissioner Against Corruption	Key decision maker	Kenneth Fleming QC
Deputy Chief Executive Officer	Chairperson	Matthew Grant
Director, Assessments	Member	Anna Collins
Director, Investigations	Member	Kate Kelly
Director, Prevention and Engagement	Member	Jane McCrory
Acting Director, Corporate Services	Member	Kathryn Clet
Executive Assistant	Secretariat	Kate Johnson

Corporate Executive Committee

The Corporate Executive Committee (CEC) sets and monitors strategic direction, ensures compliance with statutory requirements and actively oversees organisational priorities to achieve strategic objectives.

The CEC met 11 times during the year and had the following members at 30 June 2021:

Position	Role	Name
Deputy Chief Executive Officer	Chairperson	Matthew Grant
Director, Assessments	Member	Anna Collins
Director, Investigations	Member	Kate Kelly
Director, Prevention and Engagement	Member	Jane McCrory
Acting Director, Corporate Services	Member	Kathryn Clet
Senior Finance and Governance Officer	Secretariat	Annie Butler

The CEC established a subcommittee to focus on the OICAC's use of its case management system, Condor. The Condor Working Group (CWG) was formed with representatives from each business unit to identify and standardise policies and procedures for the effective use of the system.

The CWG met seven times during the year and had the following members at 30 June 2021:

Position	Role	Name
Senior Strategic Intelligence Analyst	Chairperson	Eric Vo
Acting Director, Corporate Services	CEC sponsor	Kathryn Clet
Senior Review and Monitoring Officer	Member	Kymilla Ries
Senior Investigator	Member	Heath Thompson
Acting Investigation Support Officer	Member	Emily Bix
Acting Assessments Support Officer	Member	Nicole Chisholm
Executive Assistant	Secretariat	Kate Johnson

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee (ARCC) provides independent advice, assurance and assistance to the Commissioner in the areas of financial management, statutory reporting, internal control systems, risk management systems, and internal and external audit.

The ARCC acts within its authority on behalf of the Commissioner to:

- monitor the OICAC's risk registers and provide advice to the Commissioner on the management of risk within the office
- oversee the development and implementation of the Internal Audit Plan linked to the OICAC's risk registers
- review internal and external audit reports and oversee the implementation of recommendations
- review public accountability disclosures, including financial and performance information in the office's annual report, in line with legislative requirements.

The ARCC met five times during the year and had the following members at 30 June 2021:

Position	Role	Name
External member	Chairperson	Iain Summers <i>previous NT Auditor-General (1994-2002)</i>
Deputy Chief Executive Officer	Member	Matthew Grant
Acting Director, Corporate Services	Member	Kathryn Clet
Senior Review and Monitoring Officer	Member	Kymilla Ries
Senior Investigator	Member	Sean Goff
Senior Strategic Intelligence Analyst	Member	Eric Vo
Senior Finance and Governance Officer	Secretariat	Annie Butler

Internal audit function

A three-year Internal Audit Plan was introduced in accordance with the OICAC's Internal Audit Charter, with 9 internal audits included up to 2022–23. As part of the Internal Audit Plan for 2020–21, two internal audits were completed. The results of these audits are highlighted below:

Internal audit/review and objective	Completion	Summary of audit findings	Agency response and action
Value for Territory (VFT) audit 2021 Objective: To evaluate whether the office complied with the procurement framework to meet the requirements of the VFT assurance program for the period 1 January 2020 to 31 December 2020.	March 2021	One finding regarding the development of a formal procurement complaints management procedure.	Following the internal audit, the OICAC established a formal procurement complaints management procedure in May 2021.
Onboarding and cessation review Objective: To consider the existing process and controls over the office's employee onboarding and cessation process, specifically in compliance with section 126 and 127 of the ICAC Act.	June 2021	Based on the review, the OICAC's onboarding policy and procedures comply with the ICAC Act. There were one moderate and two minor findings from the review: <ul style="list-style-type: none"> Moderate finding: improvements in the onboarding policy to reflect actual practices already in place. Minor findings: establish a formal cessation policy and implement regular monitoring of reports to check employee access to systems. 	The OICAC accepted the recommendations and at year end was establishing an improved onboarding policy and induction program for staff and developing a formal cessation policy.

External oversight

Standing Committee on the ICAC

The Standing Committee on the ICAC was established in February 2020 by the Legislative Assembly. The functions of the Standing Committee on the ICAC are to:

- perform the functions of the Assembly Committee under the ICAC Act
- examine each annual report of the Commissioner and the Inspector of the ICAC under section 128 and 137 of the ICAC Act
- report to the Assembly on matters relating to tabled reports that have been referred to the Legislative Assembly by the Commissioner under section 53 and 54 of the ICAC Act
- examine trends in similar bodies in Australia and internationally, including trends in the legislation and administration of these bodies, to ensure the OICAC remains fit-for-purpose.

The Standing Committee on the ICAC did not meet during 2020–21 and had the following members at 30 June 2021:

- Ms Natasha Fyles, MLA (Chair)
- Mr Gerard Maley, MLA
- Mr Ian Sloan, MLA
- Mrs Kate Worden, MLA.

Inspector of the ICAC

Mr Bruce McClintock SC was appointed as the Inspector of the ICAC on 28 September 2018 for a term of five years. The Inspector is an independent officer of the Northern Territory Government and provides oversight of the OICAC by delivering the following functions:

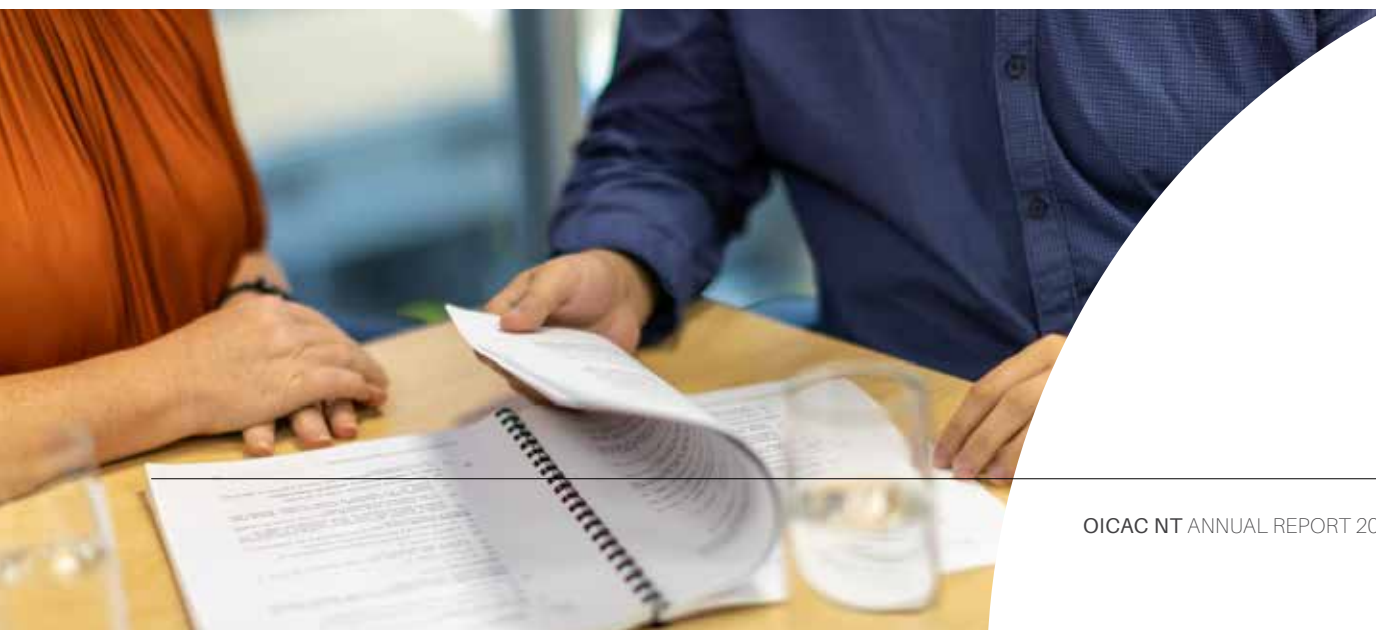
- evaluate the Commissioner's performance and report on the evaluation to the ICAC Minister (the Chief Minister) and the Legislative Assembly
- deal with complaints about the Commissioner or members of OICAC staff
- make recommendations to the Commissioner (or other public bodies) in relation to practices and procedures concerning performance of the functions under the ICAC Act.

In order to make an evaluation or deal with a complaint, the Inspector is entitled to full and free access to OICAC premises and all items in the possession or control of the OICAC. The Commissioner and OICAC staff members are obligated to provide reasonable assistance to the Inspector.

The Inspector of the ICAC issued his first evaluation report of the Commissioner, titled '*Preliminary Report pursuant to Section 140(3) ICAC Act 2017 – Inspector of the Independent Commissioner Against Corruption*' on 16 October 2019.

The Inspector issued his first annual report pursuant to sections 136 and 137 of the ICAC Act and tabled this report to Parliament in September 2020. This was the first report that evaluated the performance of the Commissioner for the full financial year, which covers the period ending 30 June 2020. There were no recommendations made.

Details of how to contact the Inspector of the ICAC are on the OICAC website.



Auditor-General

The Auditor-General's role is to audit the public account under the *Audit Act 1995* and to report to the Legislative Assembly at least once in each year.

As the OICAC's operational account is included in the public account and it is considered an agency under the Administrative Arrangements Order, the OICAC is required to comply with the requirements of the Financial Management Act.

The following table summarises the audits and other reviews conducted on the office by the Auditor-General during 2020–21:

External audit/review and objective	Completed	Summary of audit/review findings	OICAC response and action
Corporate credit card analytics Objective: Examine transactions using corporate credit cards that were verified by the OICAC in order to identify transactions that displayed unusual characteristics or characteristics that might suggest the existence of fraud. The review covered transactions for the period 1 July 2019 to 31 March 2020.	August 2020	There were three findings from the review: a card being issued to the accountable officer, low use of two cards on issue and transactions warranting further attention.	The OICAC acknowledged the findings and has cancelled the accountable officer's card due to low usage, implemented practices to monitor credit card usage quarterly and report to the executive team, and conducted a review of transactions warranting attention. Transactions identified as prohibited use were in fact accidental personal purchases that were subsequently reported and paid back by the cardholder.
End-of-year review for the year ending 30 June 2020 Objective: Assess the adequacy of selected aspects of end-of-financial-year controls over reporting, accounting and material financial transactions and balances, with the primary purpose of providing support to the audit of the Treasurer's annual financial statement.	September 2020	No significant matters were identified. No material weaknesses in controls were identified during the review, and the accounting and control procedures examined in relation to end-of-financial-year processing were found to be generally satisfactory.	No further action required.

External audit/review and objective	Completed	Summary of audit/review findings	OICAC response and action
<p>Agency compliance audit 2021</p> <p>Objective: Audit of selected aspects to test whether internal control systems include necessary features to ensure compliance with mandated legislation, in particular the Financial Management Act, Treasurer's Directions, and the Procurement Governance Policy and Rules.</p>	April 2021	<p>In general, the accounting and control procedures examined provide reasonable assurance that the responsibilities of the accountable officer will be met if those systems continue to operate in the manner identified in the audit.</p> <p>One matter was brought to management's attention, which relates to some payments below \$1 million not meeting the 20-day payment policy from the date of receipt of a valid invoice.</p>	<p>The OICAC acknowledged the recommendation. Enhancements introduced and implemented to processes and procedures relating to payment of invoices have allowed the office to improve its adherence to the 20-day payment policy, in comparison to its establishment year.</p>
<p>Christmas to New Year leave</p> <p>Objective: Examine leave taken by 'non-casual' employees of the OICAC during the period 25 December 2020 to 1 January 2021 in order to identify employees that did not take leave for the non-public holiday dates during that period.</p>	July 2021 (included in this report as the transactions related to this financial year)	<p>Eight out of 33 employees of the OICAC during the period tested took no leave. A further two employees took one day of leave. The review requested that the office confirm whether the employees were present at work and did not have any form of leave on the days when there was no approved application.</p>	<p>The OICAC did not close during the relevant period so as to provide continuity of its operations. The Commissioner confirmed that this practice will continue in the future.</p> <p>The OICAC acknowledged the review and is conscious of the risks associated with excessive leave entitlements. Staff members who worked during the period had no excess leave balances.</p>



Finance and budget management

During 2020–21, the OICAC achieved a net deficit of \$0.209 million, compared to a surplus of \$1.303 million in the prior financial year. As reported in the financial overview section, the net deficit is due to the increase in expenditure capacity following from the prior year and recognition of depreciation expense for the first time in the office's financial statements.

Further detail about the OICAC's financial management is in the financial performance section of this annual report.

The office established a formal procurement complaints management procedure during the year. In accordance with this procedure and as part of its reporting process, the OICAC did not receive any procurement-related complaints for the period 1 July 2020 to 30 June 2021.

Human resources

The OICAC had a staff of 31 FTE at the last pay period of 30 June 2021, an increase from 22 FTE from the prior year. The OICAC continues to attract and retain a high-performing workforce to support its aims and strategic priorities. The OICAC is committed to being the agency of choice across the NTPS and aims to promote a culture of continuous improvement, employee wellbeing, collaboration and innovation.

Learning and development opportunities are available to staff and provided based on their professional development plans. The OICAC implemented an improved training plan that caters for employees' wellbeing, leadership skills, emotional intelligence and technical operational training required to be successful in their roles. Staff are provided with development opportunities both within and outside of the OICAC to support their career progression and enhance their skills and qualifications.

OICAC staff are supported from commencement and continuously offered the tools and resources required to conduct their roles effectively and safely. This also includes financial assistance on approved higher-education courses to those staff who request them. Some of the courses and training sessions attended or being completed at year end were:



Induction and corporate

- Office induction
- OICAC information sessions
- Across-government systems training as required for their role
- Cross-cultural awareness
- Procurement
- Merit selection and special measures
- Advanced contract management



Operational training

- Certificate IV in Government Investigations
- Case management system training
- Investigative training
- Project management
- Effective writing



Health and wellbeing

- Mental health awareness training
- Fire warden and emergency warden training
- Provide first aid
- Provide cardiopulmonary resuscitation
- Provide basic emergency life support
- Covid safety supervisor training



Leadership and development

- Ethical decision making
- Company Directors course
- Bachelor of Accounting (study assistance)
- Graduate Certificate in Fraud and Financial Crime (study assistance)
- Communicate with Influence
- Emotional Intelligence
- Leadership for new managers
- Executive coaching

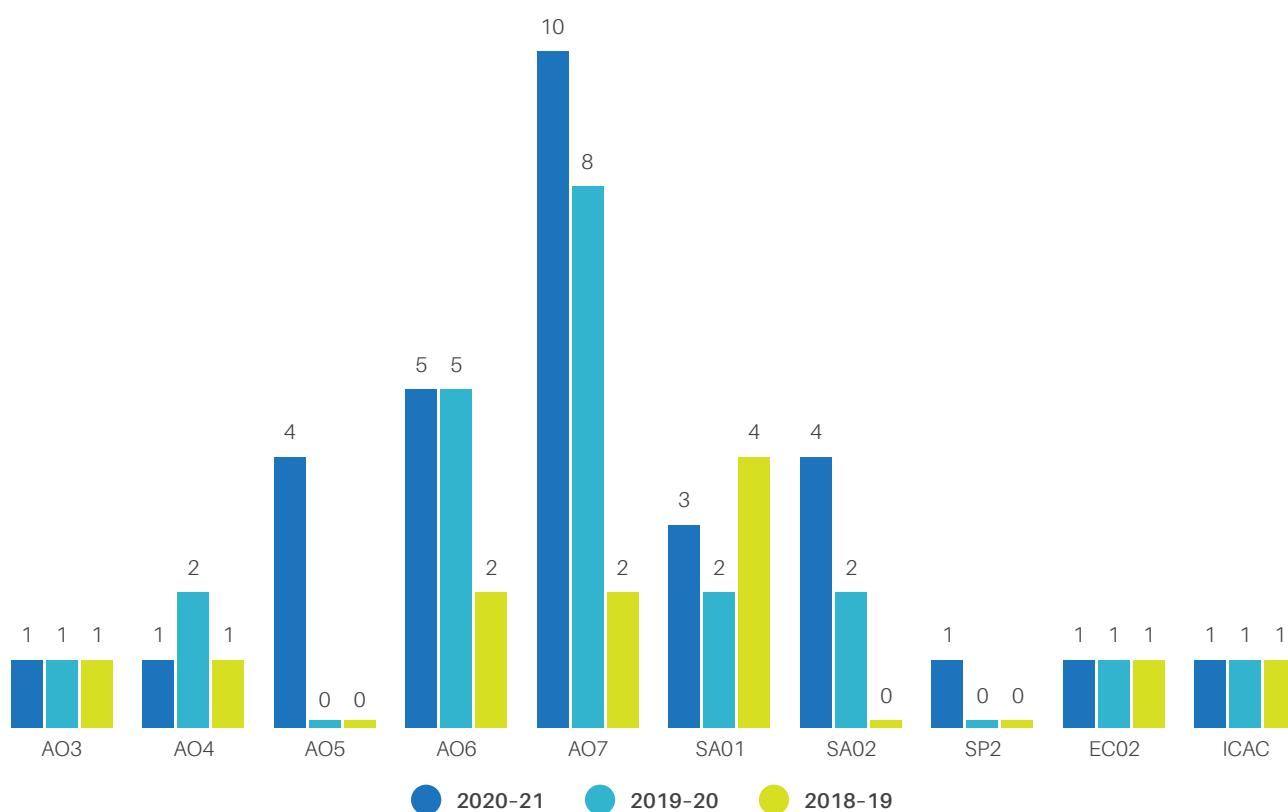
EMPLOYEE DEMOGRAPHICS:

FTE numbers* by classification for each financial year

Classification levels	2020-21	2019-20	2018-19
Administrative Officer 3 (AO3)	1	1	1
Administrative Officer 4 (AO4)	1	2	1
Administrative Officer 5 (AO5)	4	-	-
Administrative Officer 6 (AO6)	5	5	2
Administrative Officer 7 (AO7)	10	8	2
Senior Administrative Officer 1 (SAO1)	3	2	4
Senior Administrative Officer 2 (SAO2)	4	2	-
Senior Professional Officer 2 (SP2)	1	-	-
Executive Contract Officer 2 (ECO2)	1	1	1
ICAC	1	1	1
Total	31	22	12

*As per the last pay period of each financial year

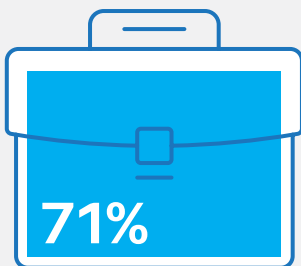
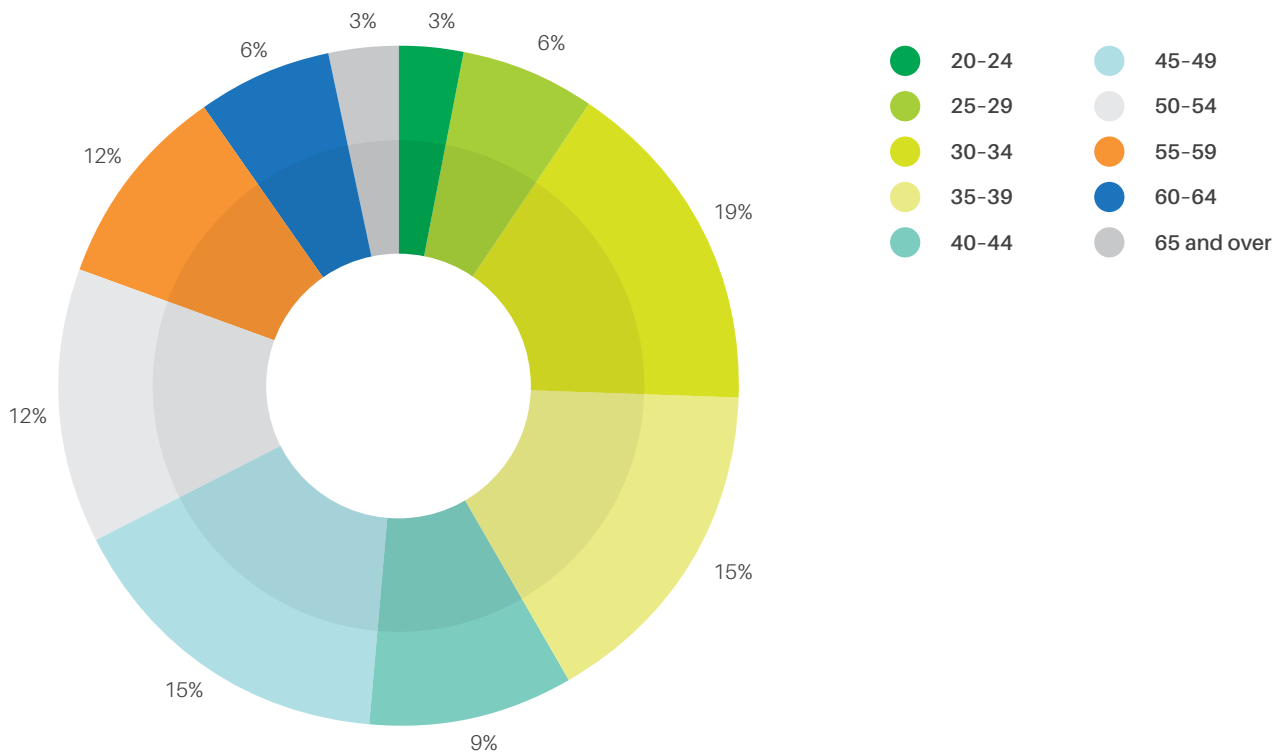
NUMBER OF FTE PER CLASSIFICATION LEVEL



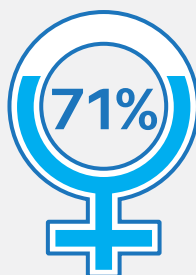
CLASSIFICATION OF HEAD COUNT, LEVEL AND GENDER, 2020-21

Classification levels	Female	Male	Total
Administrative Officer 3 (AO3)		1	1
Administrative Officer 4 (AO4)	1		1
Administrative Officer 5 (AO5)	4		4
Administrative Officer 6 (AO6)	5		5
Administrative Officer 7 (AO7)	6	4	10
Senior Administrative Officer 1 (SAO1)	1	2	3
Senior Administrative Officer 2 (SAO2)	4		4
Senior Professional Officer 2 (SP2)	1		1
Executive Contract Officer 2 (ECO2)		1	1
ICAC		1	1
Total	22	9	31

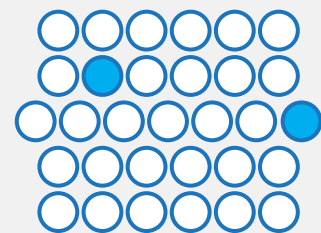
AGE PROFILE BY PERCENTAGE, 2020-21



5 out of 7 members
of the executive team,
or **71%**, are female



22 out of 31 staff,
or **71%**, are female
(compared to 68% female last year)



2 of 31 staff
identify as
Aboriginal

Compliance with PSEMA

Under PSEMA, the OICAC is required to report on the extent to which the public sector principles have been upheld during the financial year.

Public sector principle	Actions taken by the OICAC during the year
Administration Management Principle (PSEMA section 5B)	The OICAC has developed internal policies and procedures to guide the effective, efficient and appropriate use of public resources. They provide guidance to staff and promote the OICAC values of integrity, courage, accountability and collaboration.
Human Resource Management Principle (PSEMA section 5C)	The OICAC values and embraces diversity, demonstrated by its current workforce who work collaboratively and treat each other fairly, reasonably and respectfully. Employment activities are based on merit, and the OICAC supports equality of employment opportunities through ensuring staff members are informed as these opportunities arise.
Merit Principle (PSEMA section 5D)	All recruitment activities undertaken by the OICAC are based on the merit principle – that is, employment, or the promotion or transfer of an employee, must be based solely on the person's suitability.
Equality of Employment Opportunity Principle (PSEMA section 5E)	<p>The OICAC supports all staff members and ensures they have equal opportunity to compete for employment, promotion and transfer, and to pursue careers within the public sector.</p> <p>Professional development training opportunities are offered in accordance with an approved professional development plan for each staff member.</p>
Performance and Conduct Principle (PSEMA section 5F)	<p>Prior to commencement with the OICAC, all staff must declare that they have read and understood the OICAC's conflict of interest policy and are asked to provide a conflict of interest declaration for any work they are involved in that presents a conflict of interest matter.</p> <p>All staff are advised of the Code of Conduct that applies to all NT Government employees and must be adhered to in the course of their employment. In addition, all OICAC employees must be sworn in by the Commissioner to ensure they understand the strict confidentiality requirements of their roles.</p>

Employment Instructions are the rules issued by the NT Commissioner for Public Employment to provide direction to agencies on human resource matters. The OICAC's performance against each Employment Instruction (EI) is reported below.

Employment instruction	Action
1. Filling vacancies	The OICAC ensures that all members of a selection panel have completed the Merit Selection training and that the recruitment process is undertaken in accordance with EI1 and the NTPS Recruitment and Selection Policy.
2. Probation	The office has a probation guideline consistent with PSEMA. Managers discuss the probation process with new employees during their induction to the office. Four employees were on probation during 2020–21.
3. Natural justice	The principle of natural justice is reflected in the OICAC guidelines, policies and procedures and is adhered to in dealings with staff.
4. Employee performance management and development systems	Professional development plans (PDPs) are used as part of the performance management process in the OICAC. The PDP is completed as a 12-month cycle, with a mid-cycle review for all permanent OICAC staff. 100% of eligible employees had a PDP in place.
5. Medical examinations	There was one instance where the office sought an independent medical examination in 2020–21.
6. Performance and inability	The OICAC uses the information provided by the Office of the Commissioner for Public Employment (OCPE) website for performance and inability matters. The Corporate Services unit supports managers with dealing with underperformance issues.
7. Discipline	EI7 has been revoked. The OICAC follows the NTPS Discipline Handbook issued in March 2021 by OCPE in dealing with disciplinary processes under PSEMA.
8. Internal agency complaints and section 59 grievance reviews	The OICAC has an internal grievance policy and procedure available to all staff. In 2020–21, 2 section 59 grievances were lodged with the Office of the Commissioner for Public Employment.
9. Employment records	The OICAC ensures the secure storage and disposal of employee records in accordance with the NTPS Organisations Records and Information Management Standards and the Information Act (NT).
10. Equality of employment opportunity programs	The office adheres to the EmployAbility Strategy 2018–2022.

Employment instruction	Action
11. Occupational health and safety standards programs	There is a number of work health and safety documents available to staff, including a COVID-19 safety procedure, which ensures workplace physical distancing measures and hygiene measures are in place. These measures are upheld by all staff, and dedicated Covid Safety Supervisors are responsible for ensuring the measures are maintained.
12. Code of conduct	The NTPS Code of Conduct is included in the induction pack for all OICAC employees to read and understand. Managers are required to ensure employees understand the level of conduct expected of public sector officers.
13. Appropriate workplace behaviours	The office promotes a respectful working environment. Its Appropriate Workplace Behaviour Policy provides guidance on what is considered appropriate workplace behaviour and the process for dealing with inappropriate behaviour in the workplace.
14. Redeployment and redundancy procedures	There were no redeployment or redundancy situations within the office.
15. Special measures	The OICAC has one identified special measures position.

Records and information management

The OICAC's functional retention schedule was finalised during the year with assistance from an external records management expert and the Department of Corporate and Digital Development (DCDD). Disposal Schedule No. 2021/003 was approved by the Senior Director of Library & Archives NT (the Archives Service), Director of Digital Policy and Data Strategy (the Records Service), and the Commissioner on 4 June 2021 and is effective from that date. The purpose of this records disposal schedule is to enable regular, planned and authorised disposal of OICAC records.

At year end, the OICAC was working on improving its records management practices by creating a records management policy and manual to ensure compliance with the *Information Act 2002*. The OICAC uses the NTPS-mandated information management system in managing its corporate and secretariat records.

OICAC information is exempt under section 44 of the Information Act if the information is obtained by the OICAC in the course of or for the conduct or making of the following under the ICAC Act:

- an audit or review by OICAC
- preliminary inquiries by OICAC
- a referral by OICAC
- an investigation by OICAC
- a report by OICAC
- an evaluation by the Inspector of the ICAC or the Inspector dealing with a complaint
- the information is identifying or tending to identify a protected person.

No requests for information were received during the financial year.

Work health and safety

The OICAC provides and maintains a safe and healthy environment for staff, contractors and visitors in accordance with the *Work Health & Safety (National Uniform Legislation) Act 2011* and associated regulations. Work health and safety strategies the OICAC has employed include:

- dedicated system to report incidents, near misses and hazards
- regular safety inspections of office premises
- monthly reporting to the Corporate Executive Committee on work health and safety matters
- maintaining a work health and safety risk register
- work health and safety awareness training for all staff and managers, including first aid and fire warden training.

Two work health and safety incidents were reported in 2020–21. One incident related to a near miss due to a trip hazard that was immediately rectified, and the other incident related to a minor work-related injury that occurred off site on the employee's way to work. This matter was reported and rectified in a timely manner.

Staff wellbeing is a priority for the OICAC, and in addition to staff training mentioned previously, staff are also provided with:

- access to employee assistance programs
- ergonomic assessments
- flu vaccinations for those who wish to access them
- flexible work arrangements.

COVID-19 response

The OICAC continued to proactively manage risks associated with the COVID-19 pandemic to its staff and the community in 2020–21. The office developed the COVID-19 Safety Procedure and the COVID-19 Incident Protocol during the year to continuously monitor cleaning and hygiene practices and appoint dedicated COVID-19 safety officers. The OICAC used the Territory Check-in app for guests to log their visits to the office.

During the lockdown in Darwin in late June 2021, the OICAC management team ensured staff were informed about the Chief Health Officer's directions and were able to effectively work from home. The OICAC encourages all staff to obtain the COVID-19 vaccination to further minimise the risks to the office and the community, and as recommended by health professionals.

Financial statement overview

The Office of the Independent Commissioner Against Corruption (OICAC or 'the office') is an office established to assist the Commissioner in administering the *Independent Commissioner Against Corruption Act 2017*. During the 2020–21 financial year, the OICAC achieved a net deficit of \$0.209 million, compared to a net surplus of \$1.303 million in the prior financial year.

Total income increased by \$1.387 million, or 23%, compared to last year, with total expenses also increasing by \$2.150 million, or 82%.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

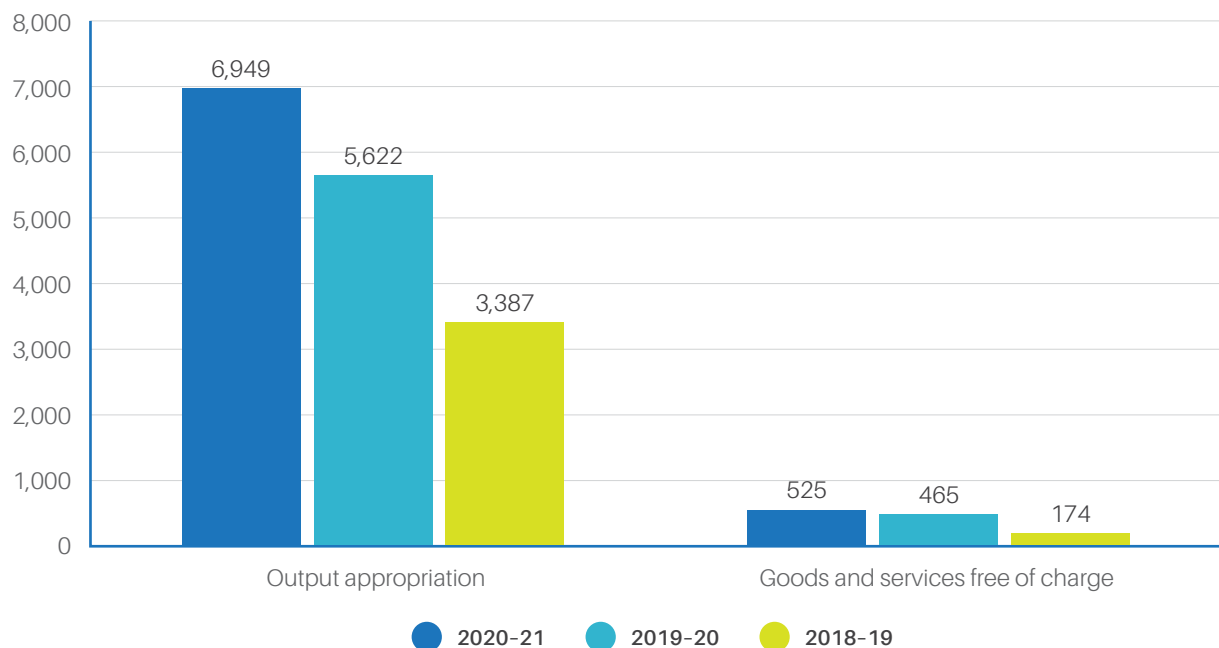
Summary of operating result

	2020-21	2019-20	Difference
	\$'000	\$'000	\$'000
Total income	7,474	6,087	1,387
Total expenses	(7,683)	(4,784)	2,899
Net surplus (deficit)	(209)	1,303	(1,512)

Income

The OICAC's primary source of income is from output appropriation. As presented in the chart below, the office's output appropriation continues to increase to accommodate the increase in operational activities primarily in the Assessments and Investigations units. Notional revenue from goods and services received free of charge (FOC) also saw an increase to \$0.525 million due to additional accommodation space required to support the increase in staff.

INCOME COMPARISON BY YEAR (\$'000)



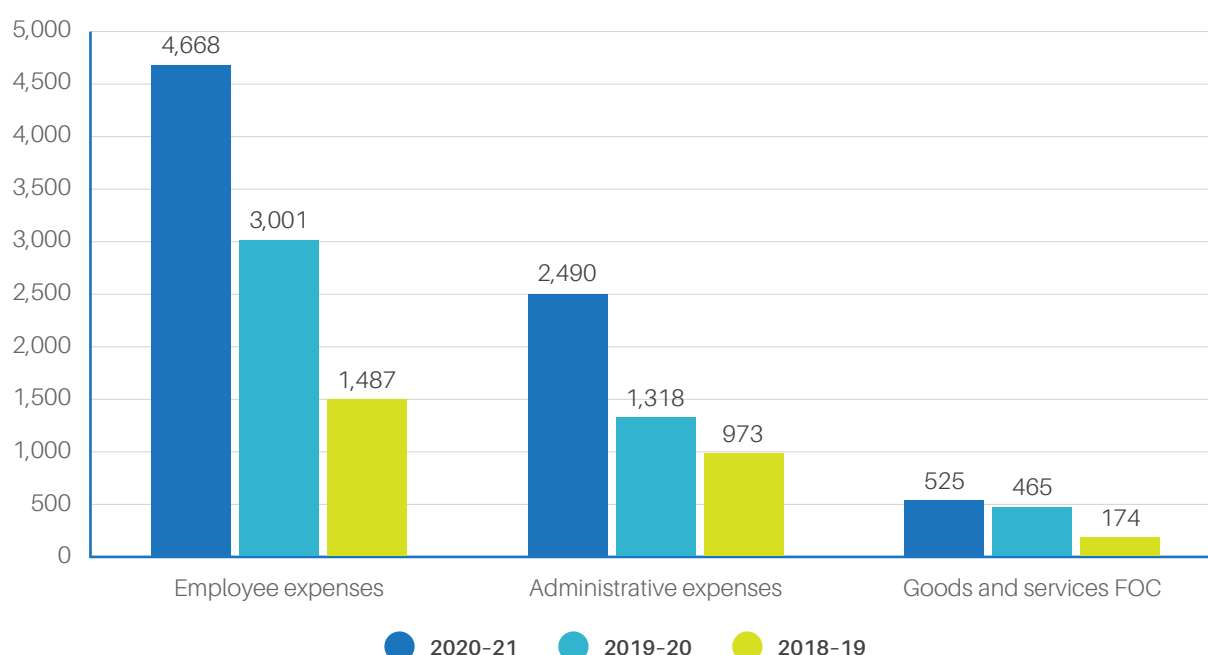
OFFICE OF THE INDEPENDENT COMMISSIONER AGAINST CORRUPTION

Expenses

2020-21 saw the office operate for the full financial year, allowing a better comparison to the prior year. Total expenses increased by \$2.899 million in 2020-21, or 61%. This is due to an increase in employee expenses of \$1.667 million from an additional 9 full-time equivalent (FTE) employees throughout the year compared to the prior year when FTE recruitment was underway (30 June 2021: 31 FTE; 30 June 2020: 22 FTE).

Administrative expenses also increased in 2020-21, by \$1.172 million, or 89%, compared to the prior year. This is primarily due to increased operational expenses for legal and investigative services, which supplemented existing internal resources in the conduct of examinations, research, technical operations and investigations.

EXPENSES COMPARISON BY YEAR (\$'000)



Financial position

The OICAC had a minor increase in its assets during the year, by \$0.103 million compared to last year. This was primarily due to no new property, plant and equipment capitalised during the year. The OICAC's total cash balance at 30 June 2021 was \$2.907 million, which is sufficient to continue to meet its liabilities and any approved expenditure capacity to be carried over to 2021-22. Liabilities increased by \$0.312 million, due to increased employee provisions at year end compared to prior year.

Summary of financial position

	2020-21	2019-20	Difference
	\$'000	\$'000	\$'000
Total assets	5,171	5,068	103
Total liabilities	(926)	(614)	312
Net assets	4,245	4,454	(209)

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for the Office of the Independent Commissioner Against Corruption have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, and notes to and forming part of the financial statements presents fairly the financial performance and cash flows for the year ended 30 June 2021 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Michael Riches

Independent Commissioner
Against Corruption

30 August 2021



Kathryn Clet

Director,
Corporate Services

30 August 2021

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Comprehensive operating statement

For the year ended 30 June 2021

	Note	2021	2020
		\$'000	\$'000
INCOME			
Appropriation			
Output	4	6,949	5,622
Goods and services received free of charge	5	525	465
TOTAL INCOME	3	7,474	6,087
EXPENSES			
Employee expenses		4,668	3,001
Administrative expenses			
Property management		52	32
Purchases of goods and services	6	2,170	1,286
Depreciation and amortisation	11,13	268	-
Other administrative expenses ¹		525	465
TOTAL EXPENSES	3	7,683	4,784
NET SURPLUS/(DEFICIT)		(209)	1,303
COMPREHENSIVE RESULT		(209)	1,303

¹ Includes Department of Corporate and Digital Development (DCDD) service charges and Department of Infrastructure, Planning and Logistics (DIPL) repairs and maintenance service charges.

The comprehensive operating statement is to be read in conjunction with the notes to the financial statements.

Balance sheet

For the year ended 30 June 2021

	Note	2021	2020
		\$'000	\$'000
INCOME			
Current assets			
Cash and deposits	8	2,907	2,608
Receivables	10	78	25
TOTAL CURRENT ASSETS		2,985	2,633
Non-current assets			
Property, plant and equipment	11,16	2017	2224
Intangibles	13,16	169	211
Total non-current assets		2,186	2,435
TOTAL ASSETS		5,171	5,068
LIABILITIES			
Current liabilities			
Payables	14	190	276
Provisions	15	736	338
TOTAL CURRENT LIABILITIES		926	614
TOTAL LIABILITIES		926	614
NET ASSETS		4,245	4,454
EQUITY			
Capital		2,224	2,224
Accumulated funds		2,021	2,230
TOTAL EQUITY		4,245	4,454

The balance sheet is to be read in conjunction with the notes to the financial statements.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Statement of changes in equity

For the year ended 30 June 2021

	Note	Equity at 1 Jul	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 Jun
		\$'000	\$'000	\$'000	\$'000
2020-21					
ACCUMULATED FUNDS		2,230	(209)	-	2,021
CAPITAL - TRANSACTIONS WITH OWNERS					
Equity injections					
Equity transfers in		2,224	-	-	2,224
Other equity injections		50	-	-	50
Equity withdrawals					
Capital withdrawal		(50)	-	-	(50)
TOTAL CAPITAL - TRANSACTIONS WITH OWNERS		2,224	-	-	2,224
TOTAL EQUITY AT END OF FINANCIAL YEAR		4,454	(209)	-	4,245
2019-20					
ACCUMULATED FUNDS		927	1,303	-	2,230
CAPITAL - TRANSACTIONS WITH OWNERS					
Equity injections					
Equity transfers in		-	-	2,224	2,224
Other equity injections		50	-	-	50
Equity withdrawals					
Capital withdrawal		(50)	-	-	(50)
Equity transfers out		-	-	-	-
TOTAL CAPITAL - TRANSACTIONS WITH OWNERS		-	-	2,224	2,224
TOTAL EQUITY AT END OF FINANCIAL YEAR		927	1,303	2,224	4,454

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Cash flow statement

For the year ended 30 June 2021

	Note	2021	2020
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Appropriation			
Output		6,949	5,622
Receipts from sales of goods and services		188	103
TOTAL OPERATING RECEIPTS		7,137	5,725
Operating payments			
Payments to employees		(4,247)	(2,780)
Payments for goods and services		(2,485)	(1,321)
TOTAL OPERATING PAYMENTS		(6,732)	(4,101)
NET CASH FROM OPERATING ACTIVITIES	9	405	1,624
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing payments			
Purchases of assets		(105)	(124)
TOTAL INVESTING PAYMENTS		(105)	(124)
NET CASH USED IN INVESTING ACTIVITIES		(105)	(124)
Net increase in cash held		300	1,500
Cash at beginning of financial year		2,608	1,108
CASH AT END OF FINANCIAL YEAR	8	2,908	2,608

The cash flow statement is to be read in conjunction with the notes to the financial statements.

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OFFICE OF THE INDEPENDENT COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

1. Objectives and funding

The Office of the Independent Commissioner Against Corruption (OICAC or 'the office') was established under the *Independent Commissioner Against Corruption Act 2017*. The objectives of the office are to prevent, detect, investigate and respond to improper conduct by public officers, bodies and those who receive government funds. The office also protects those persons who assist in its role, whilst improving public confidence that improper conduct will be detected and dealt with appropriately.

The office is predominantly funded by, and therefore dependent on, the receipt of parliamentary appropriations. The financial statements encompass all funds through which the office controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the office are summarised into several output groups. Note 3 provides summarised financial information in the form of a comprehensive operating statement by the output group.

2. Statement of significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer's Directions. The Financial Management Act requires the office to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements should include:

- 1) a certification of the financial statements
- 2) a comprehensive operating statement
- 3) a balance sheet
- 4) a statement of changes in equity
- 5) a cash flow statement
- 6) applicable explanatory notes to the financial statements.

b) Basis of accounting

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the office's financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

Standards and interpretations effective from 2020-21

Several amending standards and AASB interpretations have been issued that apply to the current reporting period but are considered to have no impact on public sector reporting.

Several other amending standards and AASB interpretations have been issued that apply to the current reporting periods but are considered to have no impact on public sector reporting.

Standards and interpretations issued but not yet effective

No Australian Accounting Standards have been early adopted for 2020-21.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

c) Reporting entity

The financial statements cover the office as an individual reporting entity.

The office is a Northern Territory department established under the *Interpretation Act 1978* and Administrative Arrangements Order.

The principal place of business of the office is:
Level 7, 9 Cavenagh Street
Darwin NT 0800.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

d) Agency and Territory items

The financial statements of the office include income, expenses, assets, liabilities and equity over which the office has control (agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the government's ownership interest in government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of the government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies, such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the office's financial statements.

e) Comparatives

Where necessary, comparative information for the 2019–20 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2020–21 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in note k below.

h) Accounting judgements and estimates

The preparation of the financial report requires the making of judgements and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

i) Goods and services tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. 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. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

j) Contributions by and distribution to government

The office may receive contributions from government where the government is acting as owner of the agency. Conversely, the agency may make distributions to government. In accordance with the *Financial Management Act 1995* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The statement of changes in equity provides additional information in relation to contributions by, and distributions to, government.

k) Impact of COVID-19

There were no decisions made by management as a result of COVID-19 that had significant impact in the 2020-21 financial statements.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

3. Comprehensive operating statement by output group

	Note	OICAC operations		Corporate and Governance		Total	
		2021	2020	2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Appropriation							
output	4	6,949	5,622	-	-	6,949	5,622
Goods and services received free of charge	5	-	-	525	465	525	465
TOTAL INCOME		6,949	5,622	525	465	7,474	6,087
EXPENSES							
Employee expenses		4,256	2,781	412	220	4,668	3,001
Administrative expenses							
Property management		23	10	29	22	52	32
Purchases of goods and services	6	1,971	1,103	199	183	2,170	1,286
Depreciation and amortisation	11,13	3	-	265	-	268	-
Other administrative expenses ¹		-	-	525	465	525	465
TOTAL EXPENSES		6,253	3,894	1,430	890	7,683	4,784
NET SURPLUS/(DEFICIT)		696	1,728	(905)	(425)	(209)	1,303
COMPREHENSIVE RESULT		696	1,728	(905)	(425)	(209)	1,303

¹ Includes DCDD service charges.

The comprehensive operating statement by output group is to be read in conjunction with the notes to the financial statements.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

Income

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

4. Revenue

Appropriation

	2021			2020		
	\$'000 Revenue from contracts with customers	\$'000 Other	\$'000 Total	\$'000 Revenue from contracts with customers	\$'000 Other	\$'000 Total
Output	-	6,949	6,949	-	5,622	5,622
TOTAL APPROPRIATION	-	6,949	6,949	-	5,622	5,622

Output appropriation is the operating payment to each agency for the outputs they provide as specified in the *Appropriation Act*. It does not include any allowance for major non-cash costs, such as depreciation. Output appropriations do not have sufficiently specific performance obligations and are recognised on receipt of funds.

5. Goods and services received free of charge

	2021	2020
	\$'000	\$'000
Corporate and information services	522	463
Repairs and maintenance	3	2
TOTAL GOODS AND SERVICES RECEIVED FREE OF CHARGE	525	465

Goods and services received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature. Repairs and maintenance expenses and associated employee costs are centralised and provided by the Department of Infrastructure, Planning and Logistics and form part of goods and services received free of charge for the office.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

6. Purchases of goods and services

	2021	2020
	\$'000	\$'000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
GOODS AND SERVICES EXPENSES:		
Consultants ⁽¹⁾	1,081	892
Marketing and promotion ⁽²⁾	4	5
Document production	56	13
Legal expenses ⁽³⁾	387	79
Recruitment ⁽⁴⁾	89	4
Training and study	67	50
Official duty fares	18	26
Travelling allowance	3	5
Information technology charges and communications	262	126
Motor vehicle expenses	27	21
Other	176	64
	2,170	1,286

(1) Includes marketing, promotion and IT consultants.

(2) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants category.

(3) Includes legal fees for external counsel and Deputy Commissioner costs.

(4) Includes recruitment-related advertising costs.

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and service costs recognised in the reporting period in which they are incurred.

7. Write-offs, postponements, waivers, gifts and ex-gratia payments

The office had no write-offs, postponements, waivers, gifts or ex-gratia payments in 2020-21 and 2019-20.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

8. Cash and deposits

	2021	2020
	\$'000	\$'000
Cash at bank	2,907	2,608
TOTAL CASH	2,907	2,608

For the purposes of the balance sheet and the cash flow statement, cash includes cash at bank.

9. Cash flow reconciliation

a) Reconciliation of cash

The total of agency 'cash and deposits' of \$2.907 million recorded in the balance sheet is consistent with that recorded as 'cash' in the cash flow statement.

Reconciliation of net surplus/(deficit) to net cash from operating activities

	2021	2020
	\$'000	\$'000
Net surplus/(deficit)	(209)	1,303
<i>Non-cash items:</i>		
Depreciation and amortisation	268	-
<i>Changes in assets and liabilities:</i>		
Decrease/increase in receivables	(53)	30
Decrease/increase in payables	1	100
Decrease/increase in provision for employee benefits	153	166
Decrease/increase in other provisions	245	25
NET CASH FROM OPERATING ACTIVITIES	405	1,624

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

10. Receivables

	2021	2020
	\$'000	\$'000
CURRENT		
GST receivables	39	25
Prepayments	39	-
TOTAL RECEIVABLES	78	25

Receivables are initially recognised when the office becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include prepayments and other receivables.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

11. Property, plant and equipment

a) Total property, plant and equipment

	2021	2020
	\$'000	\$'000
PLANT AND EQUIPMENT		
At fair value	2,242	2,224
Less: accumulated depreciation	(226)	-
Total plant and equipment	2,017	2,224
TOTAL PROPERTY, PLANT AND EQUIPMENT	2,017	2,224

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

2021 Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the year is set out below:

	Plant and equipment	Total
	\$'000	\$'000
Carrying amount as at 1 July 2020	2,224	2,224
Additions	19	19
Disposals		0
Depreciation/amortisation expense	(226)	(226)
Additions/disposals from administrative restructuring	0	0
Additions/disposals from asset transfers	0	0
Revaluation increments/decrements	0	0
Impairment losses	0	0
Impairment losses reversed	0	0
Other movements	0	0
CARRYING AMOUNT AS AT 30 JUNE 2021	2,017	2,017

2020 Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the year is set out below:

	Plant and equipment	Total
	\$'000	\$'000
Carrying amount as at 1 July 2019	0	0
Additions	2,224	2,224
Disposals	0	0
Depreciation/amortisation expense	0	0
Additions/disposals from administrative restructuring	0	0
Additions/disposals from asset transfers	0	0
Revaluation increments/decrements	0	0
Impairment losses	0	0
Impairment losses reversed	0	0
Other movements	0	0
CARRYING AMOUNT AS AT 30 JUNE 2020	2,224	2,224

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

Acquisitions

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other accounting standards.

All items of property, plant and equipment with a cost or other value equal to or greater than \$10,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10,000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex assets

Major items of plant and equipment comprising a number of components that have different useful lives are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent additional costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and separately depreciated over their expected useful lives.

Construction (work in progress)

As part of the financial management framework, the Department of Infrastructure, Planning and Logistics is responsible for managing general government capital works projects on a whole-of-government basis. Therefore, appropriation for all office capital works is provided directly to the Department of Infrastructure, Planning and Logistics, and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to the office.

Revaluations and impairment

Revaluation of assets

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

Impairment of assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible office assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, the office determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's current replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the comprehensive operating statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the comprehensive operating statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus.

Office property, plant and equipment assets were assessed for impairment as at 30 June 2021. No impairment adjustments were required as a result of this review.

Depreciation and amortisation expense

Items of property, plant and equipment have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2021	2020
Plant and equipment	10 years	10 years
Intangibles	5 years	5 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

12. Office as a lessee

The office leases car parking bays, which are considered short-term leases. The office has elected to recognise payments for short-term leases and low-value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low-value assets are assets with a fair value of \$10,000 or less when new and not subject to a sublease arrangement.

Inter-governmental leases

The office applies the inter-governmental leases recognition exemption as per the Treasurer's Direction – Leases and recognises these as an expense on a straight-line basis over the lease term. These largely relate to the lease of motor vehicles from NT Fleet. Leases of commercial properties for office accommodation are centralised with the Department of Corporate and Digital Development (DCDD). Consequently, all lease liabilities and right-of-use assets relating to these arrangements are recognised by DCDD and not disclosed within these financial statements.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

13. Intangibles

	2021	2020
	\$'000	\$'000
CARRYING AMOUNT		
Intangibles with a finite useful life		
At cost	211	211
Less: accumulated amortisation	(42)	-
Carrying amount as at 30 June	169	211

Impairment of intangibles

Office intangible assets were assessed for impairment as at 30 June 2021. No impairment adjustments were required as a result of this review.

	2021	2020
	\$'000	\$'000
Reconciliation of movements		
Intangibles with a finite useful life		
CARRYING AMOUNT AT 1 JULY	211	-
Additions	-	211
Disposals	-	-
Depreciation and amortisation	(42)	-
Additions/disposals from administrative restructuring	-	-
Additions/disposals from asset transfers	-	-
Revaluation increments/decrements	-	-
Impairment losses	-	-
Impairment losses reversed	-	-
Other movements	-	-
CARRYING AMOUNT AS AT 30 JUNE	169	211

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

14. Payables

	2021	2020
	\$'000	\$'000
Accounts payable	4	88
Accrued expenses	186	188
TOTAL PAYABLES	190	276

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the office. Accounts payable are normally settled within 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

15. Provisions

	2021	2020
	\$'000	\$'000
CURRENT		
Employee benefits		
Recreation leave	386	262
Leave loading	61	32
Other current provisions		
Provision for employer superannuation contributions	257	23
Other provisions	32	21
TOTAL PROVISIONS	736	338

The office employed 31 employees at 30 June 2021 (22 employees at 30 June 2020).

OFFICE OF THE INDEPENDENT COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 12 months of the reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after 12 months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave and other leave entitlements
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including the office. Therefore, no long service leave liability is recognised in the office's financial statements.

16. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data relevant to the characteristics of the assets or liabilities being valued.

Unobservable inputs are data, assumptions and judgements not available publicly but relevant to the characteristics of the assets or liabilities being valued. Such inputs include internal office adjustments to observable data to take account of particular and potentially unique characteristics or functionality of assets or liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

a) Fair value hierarchy

The office does not recognise any financial assets or liabilities at fair value as these are recognised at amortised cost. The carrying amounts of these financial assets and liabilities approximates their fair value.

The table below presents non-financial assets recognised at fair value in the balance sheet categorised by levels of inputs used to compute fair value.

	Level 1		Level 2		Level 3		Total fair value	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS								
Property, plant and equipment (note 11)	-	-	-	-	2,017	2,224	2,017	2,224
Intangibles (note 13)	-	-	-	-	169	211	169	211
TOTAL ASSETS	-	-	-	-	2,186	2,435	2,186	2,435

There were no transfers between level 1 and levels 2 or 3 during 2020-21.

b) Valuation techniques and inputs

Valuation techniques used to measure fair value in 2020-21 were:

	Level 2 techniques	Level 3 techniques
ASSET CLASSES		
Property, plant and equipment		Cost approach
Intangibles		Cost approach

There were no changes in valuation techniques from 2019-20 to 2020-21.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

c) Additional information for level 3 fair value measurements

(i) Reconciliation of recurring level 3 fair value measurements of non-financial assets

	Plant and equipment	Intangible assets
	\$'000	\$'000
2020-21		
Fair value as at 1 July 2020	2,224	211
Additions	19	
Disposals		
Transfers from level 2		
Transfers to level 2		
Depreciation and amortisation	(226)	(42)
Gains/losses recognised in net surplus/deficit		
Gains/losses recognised in other comprehensive income		
FAIR VALUE AS AT 30 JUNE 2021	2,017	169
2019-20		
Fair value as at 1 July 2019	-	-
Recognition of service concession assets on initial adoption of AASB 1059	-	-
De-recognition of lease assets on initial adoption of AASB 1059	-	-
Adjusted fair value at 1 July 2019	-	-
Additions	2,224	211
Disposals	-	-
Transfers from level 2	-	-
Transfers to level 2	-	-
Depreciation	-	-
Gains/losses recognised in net surplus/deficit	-	-
Gains/losses recognised in other comprehensive income	-	-
FAIR VALUE AS AT 30 JUNE 2020	2,224	211

(ii) Sensitivity analysis

Unobservable inputs used in computing the fair value of property, plant and equipment and intangibles include the historical cost and the consumed economic benefit for each asset. Given the use of these assets, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value, and greater consumption of economic benefit lowers fair value.

OFFICE OF THE INDEPENDENT
COMMISSIONER AGAINST CORRUPTION

Notes to the financial statements | For the year ended 30 June 2021

17. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised on the balance sheet when the office becomes a party to the contractual provisions of the financial instrument. The office's financial instruments include cash and deposits, and payables.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments: Presentation. These include statutory receivables arising from taxes, including GST, and penalties.

The office has limited exposure to financial risks, as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The Territory Government's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation adopting strategies to minimise the risk.

a) Categories of financial instruments

The carrying amounts of the agency's financial assets and liabilities by category are disclosed in the table below.

	Fair value through profit or loss					
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020-21						
Cash and deposits	-	-	-	-	2,907	2,907
TOTAL FINANCIAL ASSETS	-	-	-	-	2,907	2,907
Payables ¹	-	-	190	-	-	190
TOTAL FINANCIAL LIABILITIES	-	-	190	-	-	190
2019-20						
Cash and deposits	-	-	-	-	2,608	2,608
TOTAL FINANCIAL ASSETS	-	-	-	-	2,608	2,608
Payables ¹	-	-	276	-	-	276
TOTAL FINANCIAL LIABILITIES	-	-	276	-	-	276

¹ Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued contract revenue.

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Categories of financial instruments

The office's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost
- fair value through other comprehensive income
- fair value through profit and loss.

Financial liabilities are classified under the following categories:

- amortised cost
- fair value through profit and loss.

These classifications are based on the office's business model for managing the financial assets and the contractual terms of the cash flows. Where assets are measured at fair value, gains and losses will either be recorded in profit or loss, or other comprehensive income.

Financial instruments are reclassified when and only when the office's business model for managing those assets changes.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by the office to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. The office's financial assets categorised at amortised cost include receivables.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest rate method. The office's financial liabilities categorised at amortised cost include all accounts payable.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

The office has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, the office has adopted a policy of only dealing with credit-worthy organisations and obtaining sufficient collateral or other security where appropriate as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the office's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

c) Liquidity risk

Liquidity risk is the risk the office will not be able to meet its financial obligations as they fall due. The office's approach to managing liquidity is to ensure it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring minimum levels of cash are held in the office bank account to meet various current employee and supplier liabilities. The office's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event of one-off extraordinary expenditure items that arise that deplete cash to levels that compromise the office's ability to meet its financial obligations.

The following tables detail the office's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the balance sheet, which are based on discounted cash flows.

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2021 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES					
Payables	190	190	-	-	190
TOTAL FINANCIAL LIABILITIES	190	190	-	-	190

d) Market risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The office is not exposed to interest rate risk as the office's financial assets and financial liabilities are non interest bearing.

(ii) Price risk

The office is not exposed to price risk as the office does not hold units in unit trusts.

18. Related parties

i) Related parties

The office is a statutory body established in accordance with the ICAC Act to assist the Commissioner in its role to prevent, detect, investigate and respond to improper conduct by public officers, bodies and those who receive government funds, whilst protecting people who assist in this role. Related parties of the office include:

- key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the office directly
- close family members of the KMP, including spouses, children and dependants
- all public sector entities that are controlled and consolidated into the whole-of-government financial statements
- any entities controlled or jointly controlled by KMP or controlled or jointly controlled by their close family members.

ii) Key management personnel (KMP)

Key management personnel of the office are those persons having authority and responsibility for planning, directing and controlling the activities of the office. These include the Commissioner and the Deputy Chief Executive Officer.

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iii) Remuneration of key management personnel

The aggregate compensation of key management personnel of the office is set out below:

Related party	2021	2020
	\$'000	\$'000
Short-term benefits	716	703
Post-employment benefits ¹	240	21
TOTAL	956	724

¹ Post-employment benefits for 2020 restated to disclose superannuation paid during the period for the KMP. The 2021 post-employment benefits includes the superannuation payable to the former Commissioner upon cessation of his employment (5 July 2021), which represents total employer superannuation contributions for the length of his service.

Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$'000	\$'000	\$'000	\$'000
2021				
All NTG departments	525	1,403		
2020				
All NTG departments	465	735		

The office's transactions with other government entities are not individually significant.

Other related party transactions are as follows:

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory public sector in a manner consistent with other members of the public, including paying stamp duty and other government fees and charges. Therefore, these transactions have not been disclosed.

19. Contingent liabilities and contingent assets

The office had no contingent liabilities or contingent assets as at 30 June 2021 or 30 June 2020.

20. Events subsequent to balance date

No events have arisen between the end of the financial year and the date of this report that require adjustment to or disclosure in these financial statements.

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Notes to the financial statements | For the year ended 30 June 2021

21. Budgetary information

Comprehensive operating statement	2020-21 Actual	2020-21 Original budget	Variance	Note
	\$'000	\$'000	\$'000	
INCOME				
Appropriation				
Output	6,949	6,949	-	
Goods and services received free of charge	525	470	55	1
TOTAL INCOME	7,474	7,419	55	
EXPENSES				
Employee expenses	4,668	4,900	(232)	2
Administrative expenses				
Property management	52	-	52	
Purchases of goods and services	2,170	2,549	(379)	3
Depreciation and amortisation	268	265	3	
Other administrative expenses	525	470	55	1
TOTAL EXPENSES	7,683	8,184	(501)	
NET DEFICIT	(209)	(765)	556	
COMPREHENSIVE RESULT	(209)	(765)	556	

Notes:

The following note descriptions relate to variances greater than 10 per cent or where multiple significant variances have occurred.

1. The variance in goods and services received free of charge primarily relates to the increase in leased property management costs relating to the additional accommodation required to lease a space at Level 8, 9 Cavenagh Street to support the increase in staff.
2. Actual employee expenses were lower than the original budget due to vacancies for some positions during the year and the time it takes to establish, recruit and onboard new staff. The number of FTE for the office increased from 22 in 2019-20 to 31 in 2020-21.
3. Actual purchases of goods and services were lower than the original budget primarily due to lower-than-anticipated cost for outsourcing investigative services of about \$200,000 and prevention and engagement projects that were not finalised during the year of about \$100,000.

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21. Budgetary information (continued)

Balance sheet	2020-21 Actual	2020-21 Original budget	Variance	Note
	\$'000	\$'000	\$'000	
ASSETS				
Current assets				
Cash and deposits	2,907	2,108	799	1
Receivables	78	24	54	2
TOTAL CURRENT ASSETS	2,985	2,132	853	
NON-CURRENT ASSETS				
Property, plant and equipment	2,017	2,001	16	
Intangibles	169	169	-	
TOTAL NON-CURRENT ASSETS	2,186	2,170	16	
TOTAL ASSETS	5,171	4,302	869	
LIABILITIES				
Current liabilities				
Payables	190	275	(85)	3
Provisions	736	338	398	4
TOTAL CURRENT LIABILITIES	926	613	313	
TOTAL LIABILITIES	926	613	313	
NET ASSETS	4,245	3,689	556	
EQUITY				
Capital	2,224	2,224	-	
Accumulated funds	2,021	1,465	556	5
TOTAL EQUITY	4,245	3,689	556	

The following note descriptions relate to variances greater than 10 per cent or where multiple significant variances have occurred.

1. Cash and deposits are higher than original budget due to underspend in employee and operational expenses of about \$500,000, as mentioned in the budgetary information for the comprehensive operating statement.
2. Actual receivables comprised of GST receivables and prepayments were higher than budgeted primarily due to the recognition of prepaid expenses of about \$40,000 at 30 June 2021.

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3. Payables comprised of accrued expenses were lower than the original budget due to fewer invoices required to be accrued at year end compared to the 2019–20 end of year where invoices were accrued relating to the case management system.
4. Actual provisions at 30 June 2021 were higher than the original budget primarily due to the recognition of employer superannuation contributions of about \$200,000 relating to the former Commissioner, in accordance with the terms of his contract. The office also employed 31 employees as at 30 June 2021 compared to 22 employees as at 30 June 2020, resulting in a higher employee benefits provision.
5. Accumulated funds were higher than budgeted due to the office's improved result of a net deficit of \$209,000 compared to the budgeted deficit of \$765,000. The original budgeted deficit took into account non-cash items such as depreciation expense and additional expenditure capacity from funds approved to be carried forward from 2019–20 of \$500,000.

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Notes to the financial statements | For the year ended 30 June 2021

21. Budgetary information (continued)

Cash flow statement	2020-21 Actual	2020-21 Original budget	Variance	Note
	\$'000	\$'000	\$'000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	6,949	6,949	-	
Receipts from sales of goods and services	188		188	1
TOTAL OPERATING RECEIPTS	7,137	6,949	188	
Operating payments				
Payments to employees	(4,247)	(4,900)	653	2
Payments for goods and services	(2,485)	(2,549)	64	3
TOTAL OPERATING PAYMENTS	(6,732)	(7,449)	717	
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	405	(500)	905	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of assets	(105)	-	(105)	4
TOTAL INVESTING PAYMENTS	(105)	-	(105)	
NET CASH USED IN INVESTING ACTIVITIES	(105)	-	(105)	
Net increase/(decrease) in cash held	300	(500)	800	
Cash at beginning of financial year	2,608	2,608	-	
CASH AT END OF FINANCIAL YEAR	2,908	2,108	800	

The following note descriptions relate to variances greater than 10 per cent or where multiple significant variances have occurred.

1. Receipts from sales of goods and services represents GST refunds received during the year for the purchases of goods and services.
2. Payments to employees increased by \$0.653 million due to 9 additional FTE during the year compared to the prior year.
3. Payments for goods and services increased slightly, by \$64,000, due to additional operational expenses required during the year, as compared to the prior year as a result of increased operational activities.
4. Payments made for the purchases of assets relates to invoices paid during the beginning of the financial year relating to the case management system recognised as an intangible asset, and the purchase of a high speed scanner capitalised as part of property, plant and equipment during the year.





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