

Office of the
Independent
Commissioner
Against
Corruption NT



ANNUAL REPORT

2022-23 ICAC

Purpose of this report

The 2022-23 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* (the ICAC Act)
- section 28 of the *Public Sector Employment and Management Act 1993* (PSEMA)
- sections 11 and 13 of the *Financial Management Act 1995*
- parts 3 and 9 of the *Information Act 2002*.

This annual report also highlights the performance of the OICAC in 2022-23 against approved budget outputs and key performance measures as published in the Northern Territory Government's 2022-23 Agency Budget Statements (Budget Paper no. 3).

Acknowledgement of Country

The Office of the Independent Commissioner Against Corruption acknowledges Aboriginal and Torres Strait Islander people as Traditional Custodians of the land on which we work and live, and pays respect to Elders past and present, and emerging community leaders.

Published by the Office of the Independent Commissioner Against Corruption

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Letter of transmittal

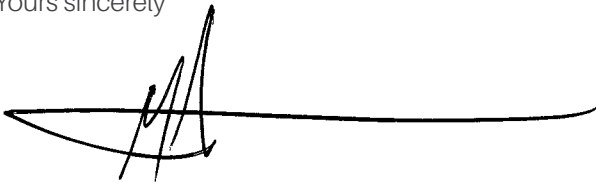
The Honourable Natasha Fyles MLA
Chief Minister of the Northern Territory
GPO Box 3146
DARWIN NT 0801

Dear Chief Minister

In accordance with section 128 of the *Independent Commissioner Against Corruption Act 2017* (ICAC Act) I present my annual report for the period 2022-23.

Section 128(3) of the ICAC Act requires you to table a copy of this report to the Legislative Assembly within 6 sitting days of you receiving it.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'M' followed by a long horizontal line that tapers to a point on the right.

Mr Michael Riches
Independent Commissioner Against Corruption
29 September 2023

Contents

Letter of transmittal	3
Contents	5
Foreword: Commissioner Riches	6
Some observations	6
Is there wide-spread corruption?	6
Compliance with mandatory reporting	6
Protecting whistleblowers	7
Integrity risks	7
My office	8
Independent Commissioner Against Corruption	9
The Office of the ICAC (OICAC)	10
OICAC organisational structure	10
Reporting on OICAC's key performance indicators	13
Compliance with section 128 of the ICAC Act	14
Financial performance	14
Operations Unit	16
Functions and objectives	16
2022-23 Operations Unit performance	16
Strategic Intelligence and Reviews Unit	23
Functions and objectives	23
Legal Unit	25
Functions and objectives	25
2022-23 Legal Unit performance	25
Prevention and Engagement Unit	26
Functions and objectives	26
2022-23 Prevention and Engagement Unit performance	26
Corporate Services Unit	29
Functions and objectives	29
2022-23 Corporate Services Unit performance	29
Governance	30
Financial management	35
Human resources	35
Records and information management	41
Work health and safety (WHS)	42
Financial statement overview	43
Glossary	78

Foreword: Commissioner Riches

This is my second annual report as Commissioner. This year has been focused on consolidating my approach to statutory functions, building capacity in my office and carrying out the various statutory functions given under the *Independent Commissioner Against Corruption Act 2017*. While much of our work occurs away from the spotlight, we have made great progress in terms of our approach to investigations, prevention and education. As the content of this report will demonstrate, it has been a very busy year on a number of fronts, and I express my gratitude to my team for their efforts.

Some observations

Having been in the position for 2 years, I feel that I am now in a better position to offer some observations of integrity in Northern Territory (NT) public administration.

Is there wide-spread corruption?

I have not observed what I would consider to be wide-spread or systemic corrupt conduct within NT public bodies. While that observation alone is pleasing, it must be considered in the context of what follows.

I have observed, amongst a range of public bodies, repeated instances of failures to abide by proper process, a lack of clear policies and systems, and a lack of effective management and audit processes. Much of what I have observed is not the consequence of intentional wrongdoing, but rather what I think is a lackadaisical approach to good governance, effective management and robust process.

I acknowledge and appreciate that in a period of scarce resources, emphasis is placed upon the delivery of services and meeting an organisation's core objectives, at the expense of what might be considered less critical functions, such as policy development, risk management and adequate supervision. As common sense would dictate, such an environment can lead to inconsistent approaches to functions and, critically, an enhanced risk that serious impropriety will go unnoticed.

It is important that executives in all public bodies take the opportunity to review their processes and management regimes and ensure that risks of improper conduct are effectively managed. Importantly, when an allegation of impropriety is raised, it should be taken seriously and properly investigated. Focusing on an outcome that is more aligned to the best 'optics' for the agency and its executive, rather than addressing the conduct head-on, is strongly discouraged.

Compliance with mandatory reporting

I am confident that many allegations of serious improper conduct, which must be reported to my office, are not being reported. I think there are 3 primary reasons for that lack of reporting.

First, I think there remains a lack of knowledge about my office and the reporting obligations imposed upon public officers. My office and I will continue to communicate and educate on those matters.

Second, I think there are many public officers who are unwilling to report for fear of personal repercussions. I will say more about that later.

Third, I think there is a cohort of public officers who do not see the utility in making a report. It may be that some public officers doubt that any positive action will be taken, either by my office, or another agency, to address the matters raised. It is true that I do not take action in respect of every matter that is reported to me. In many cases the information contained in the report does not raise an issue of improper conduct. Alternatively, it may be that another agency has already dealt with the matter (even if not to the satisfaction of the reporter).

Of course, I can say with confidence that I will not take any action on a matter about which I have not been informed. I encourage all public officers to put aside their perceptions of utility and make reports to my office in accordance with their reporting obligations.

Protecting whistleblowers

As I have said, I am confident that some public officers do not report matters to me for fear of retaliation. Where a person does make a report to me, or to a range of other entities listed in section 93 of the ICAC Act, they may be a protected person. A protected person has immunity from civil, criminal or disciplinary liability in respect of providing information in a report. Importantly, anyone who retaliates against that person because of the making of a report may be guilty of a criminal offence.

I regard allegations of retaliation to be most serious and, if there is evidence to support such an allegation, it would be a matter that I would likely investigate.

I am obliged to issue directions and guidelines governing how certain protected communications are dealt with, and guidelines relating to the minimisation of retaliation against whistleblowers. Such directions and guidelines already exist but I formed the view that they should be reviewed and expanded. In order to inform the content of those new directions and guidelines, I commenced a review of whistleblowing in the NT. I received more than 70 submissions from public officers and members of the public. I engaged a consultant to assist with research and consultation with 10 public bodies. I had planned on releasing those new directions and guidelines in September. However, given a Bill to amend the ICAC Act has been introduced into Parliament, and given that Bill includes amendments to the whistleblower provisions, I will wait until that Bill has passed before finalising and releasing those documents.

Section 110(1) of the ICAC Act provides that I may, at any time, audit or review a public body to determine:

- a) whether the public body is complying, or has complied, with directions and is adhering, or has adhered, to guidelines under this Part; or
- b) whether a particular person, or persons in a particular group, are at risk of retaliation.

I take this opportunity to put public bodies on notice that 6 months after I have issued new whistleblower directions and guidelines, I will commence auditing public bodies for compliance with those documents.

Integrity risks

In my 2 years as Commissioner I have not observed anything that I would not expect to observe in another jurisdiction. However, there are some unique features of the NT that amplify some of the integrity risks in this jurisdiction. I will mention 2 examples.

The NT's small population means that identifying, disclosing and managing inevitable conflicts of interest is critical. Acting in the face of conflicts of interest is one of the most common allegations made to my office and remains a significant integrity risk in the NT. However, I remain concerned that many public officers do not fully understand conflicts of interest as a concept. In order to educate public officers, earlier this year I released a video, jointly presented with the Ombudsman, the Auditor-General and the Electoral Commissioner, about the subject. The 30-minute video is available on YouTube or via the ICAC website. It should be essential viewing for all public officers.

Having a conflict of interest is not, in itself, a sign of impropriety. But a failure to disclose and properly manage that conflict can have significant repercussions for the person involved, the public body and the public at large. We must all be cognisant of our personal interests and be ready to identify where those personal interests might conflict with our professional duties.

Allegations of impropriety in procurement figure prominently in reports to my office. Procurement activity is universally acknowledged to be a high corruption-risk activity. Significant sums of public money are expended in procurement activities and members of industry who bid for government work are entitled to expect a level playing field free of improper influence or motives. Public bodies engaged in procurement activities must have in place processes to minimise the risk of impropriety and to maximise the chance of detecting impropriety if it occurs.

Procurement risks are amplified in the NT because of its small population size, and relatively low numbers of potential suppliers. While buying local is to be applauded, it can create a circumstance where suppliers, and government decision makers, become so well known to one another that risks of improper decision making are heightened. That risk is enlarged even further in regional and remote locations, where decision makers and suppliers are part of the same small community. Over the coming year I intend to prepare some educational material as to how such challenges can be addressed in a way that does not stifle government decision making and the advancement of economic development.

My office

We have achieved a great deal in the last 12 months. This report will provide details of those achievements.

Of course, it has not all been smooth sailing, and we have had to navigate some challenges along the way. We operate in an environment of high scrutiny and enormous expectation, and we will always strive to carry out functions to the highest standards and to the extent that our resources will permit. Where errors occur, they will be acknowledged and we will learn from them.

We have established a stable executive team and work continues to build our organisational capability and capacity. We have struggled to recruit in some areas and we have had to adjust to different budgetary conditions. I am pleased with the manner in which we have adapted.

At the beginning of the financial year I set some challenging targets. We have not met all our key performance indicators (KPIs), particularly in regard to timeliness of investigations and assessments. We will strive to make progress on that front in the coming year.

Besides being the Commissioner, I am also the Chief Executive Officer of my office. As Chief Executive Officer, I have organisational responsibility under other legislation, such as the *Public Sector Employment and Management Act 1993*, the *Financial Management Act 1995* and the *Information Act 2002*. I have overall responsibility for the strategic management of the office, its activities and its resources. I could not carry out all of those responsibilities without the support of my executive team: Naomi Loudon, Jason Blake, Kathryn Clet, Anna Collins, Stephanie Hawkins and Tiarni McNamee. I thank each of them for their support, and I again thank the entire team for their efforts over the reporting period.

Independent Commissioner Against Corruption

The Independent Commissioner Against Corruption (ICAC) has responsibility for discharging a range of statutory functions as prescribed in the ICAC Act.

Those functions are:

- a) to identify and investigate improper conduct;
- b) to protect persons who have assisted or may assist in detecting, preventing, investigating or otherwise responding to improper conduct;
- c) to prevent, detect and respond to improper conduct by:
 - i) developing and delivering education and training; and
 - ii) auditing or reviewing practices, policies and procedures of public bodies and public officers; and
 - iii) developing and delivering advice, reports, information and recommendations; and
 - iv) referring matters to a referral entity for investigation or further investigation, disciplinary action or prosecution; and
 - v) making public comment;
- d) to oversee and direct, as required, how referral entities deal with matters referred to them by the ICAC; and
- e) to perform other functions conferred on the ICAC under this or another Act.

In discharging those functions, the ICAC is not subject to direction by any person in respect of the way statutory functions are performed or priority is given to any particular matter.

The ICAC is also the Chief Executive Officer (CEO) of the Office of the ICAC and has responsibilities commensurate with being the CEO.

The Office of the ICAC (OICAC)

OICAC organisational structure

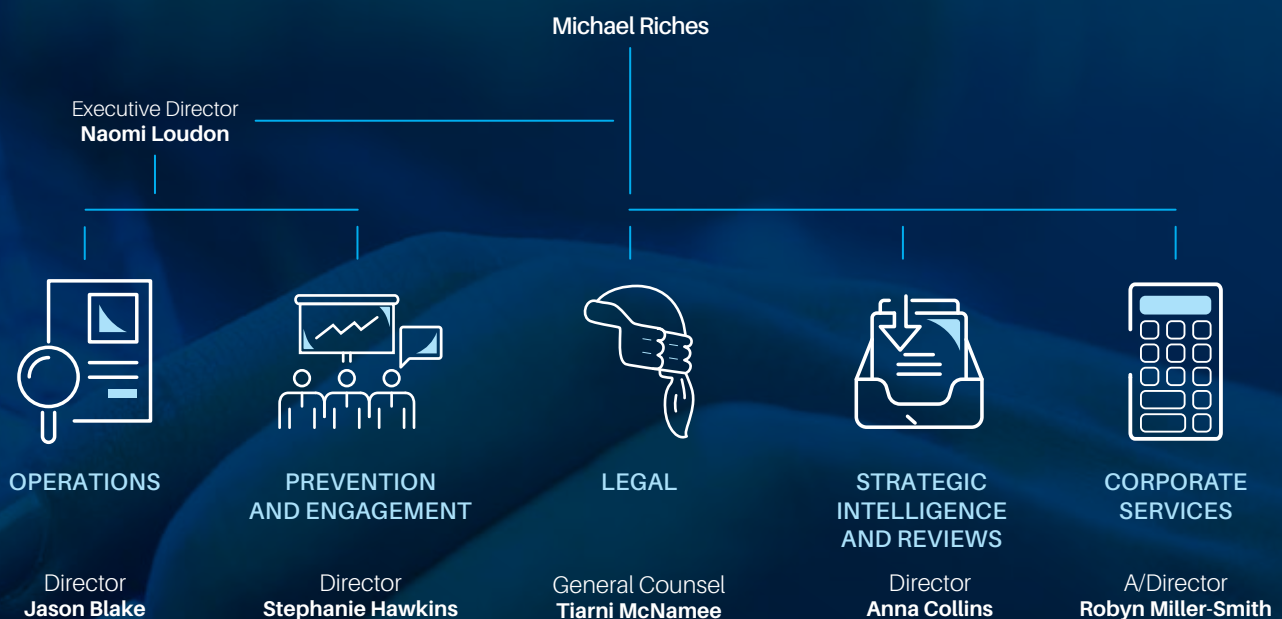
The OICAC has 2 main output groups supported by 6 functional units.

Table 1: OICAC output groups

Output group	Outcome	Functional unit
OICAC Operations	Integrity in public administration is improved	<ul style="list-style-type: none"> Executive Operations Unit Strategic Intelligence and Reviews Unit Legal Unit Prevention and Engagement Unit
Corporate and Governance	Improved organisational performance through strategic leadership and governance, and provision of corporate services functions	<ul style="list-style-type: none"> Corporate Services Unit

Members of the Executive Committee as at 30 June 2023

OFFICE OF THE INDEPENDENT COMMISSIONER AGAINST CORRUPTION (ICAC)



The OICAC had 25.8 full time equivalent (FTE) staff as at pay period 26 of the 2022-23 financial year (compared to 23.5 FTE in 2021-22).

FTE staff data is a financial figure calculated every payday that represents employees based on the paid work effort during the pay period. An employee can be represented as less than one if they are paid less than 100% full time salary over the pay period, for example, if during the pay period the officer:

- commenced or ceased employment
- undertook part-time work

- were on any type of unpaid leave
- utilised any half-pay leave entitlements.

Consequently, FTE data may differ to the staffing headcount on 30 June 2023.

Headcount measures the number of staff recorded on the Personnel Information and Payroll System with an active record. Officers who are full-time, part-time, paid, unpaid, at work or on leave will be included in a headcount and will be counted as one (1) in all situations.

Table 2: Number of FTE per business unit as at the final pay period in 2022-23 (pay period 26)

Business unit	2018-19	2019-20	2020-21	2021-22 ¹	2022-23 ¹
Executive	2	4	4	2.5	2
Operations Unit ²	n.a.	n.a.	n.a.	n.a.	10.1
Assessments Unit ²	2	6	8	4	0
Investigations Unit ²	2	7	8	9	0
Strategic Intelligence and Reviews Unit ³	n.a.	n.a.	n.a.	n.a.	3
Legal Unit	0	0	1	1	2
Prevention and Engagement Unit	3	3	3	3	3
Corporate Services Unit	3	2	4	3	5.7 ⁴
Temporary PID Project	0	0	3	1	0
Total staff	12	22	31	23.5	25.8

n.a.: not applicable

1. FTE data to one decimal place has been used for the current reporting period and also for the previous reporting period to allow accurate data comparison. The decimals have been rounded for the purposes of this report.
2. The Assessments and Investigations units were combined during the 2022-23 financial year to form the Operations Unit.
3. The Strategic Intelligence and Reviews Unit was formed during the 2022-23 financial year.
4. Increase in FTE includes 2 positions transferred from Executive and one staff member on maternity leave.

Executive

The ICAC is supported by the Executive Director.

Operations Unit

The Operations Unit was recently established to combine the assessment and investigation functions. Combining the 2 business areas created efficiencies with staffing as well as streamlining the transition of reports from assessment to investigation or referral.

Assessments

All reports made to the OICAC are assessed and recommendations made as to what, if any, action should be taken. The decision rests with the ICAC or delegate. The Operations Unit also reviews responses received from referral entities on any action taken in respect of a referral or as a result of preliminary inquiries.

Investigations

The Operations Unit supports the ICAC to investigate alleged improper conduct as directed. A range of methodologies using traditional and contemporary investigative techniques are used to collect evidence, including taking statements, obtaining business and financial records, and conducting private examinations.

Strategic Intelligence and Reviews Unit

The newly established Strategic Intelligence and Reviews Unit provides research and analysis to support decision making and action within the OICAC. The unit is responsible for conducting reviews in accordance with sections 23 and 110 of the ICAC Act and monitors the implementation of recommendations made by the ICAC to public bodies.

Legal Unit

The Legal Unit through the General Counsel and legal staff provides legal advice and support to the ICAC and OICAC staff. The staff act as Counsel Assisting the ICAC during private examinations. The General Counsel and Legal Unit staff also support the ICAC in discharging his statutory functions by reviewing assessment and investigative recommendations, providing legal advice on education and prevention activities, and supporting the ICAC to meet strategic priorities.

Prevention and Engagement Unit

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.

Corporate Services Unit

The Corporate Services Unit supports the operational requirements of the OICAC by managing finance, human resources, governance and risk, and business services. The Corporate Services Unit also works with other NT Government agencies and external contractors to coordinate business services that include procurement, work health and safety (WHS), records management, information and communications, and technology support.

The Executive Support Officers provide administrative and secretariat services to the ICAC and other directors.

Reporting on OICAC's key performance indicators

During the reporting period, the ICAC released a new strategic plan together with a suite of new targets and KPIs.

The following KPIs were included in the 2022-23 Agency Budget Statements.

Table 3: Results against KPIs in 2022-23 Agency Budget Statements

KPIs	2022-23 Budget	2022-23 Actual	Comments on variations
Investigations completed within 6 months of commencement ¹	60%	40%	Not met. Refer to Operations Unit section on page 16.
Investigations completed within 12 months of commencement ¹	75%	70%	Not met. Refer to Operations Unit section on page 16.
Investigation strategy meetings conducted within 10 business days of investigation commencement ¹	90%	90%	Met.
Examinations listed within 1 month of Counsel Assisting receiving the examination brief	≥80%	100%	Exceeded.
Case reviews held between Counsel Assisting and assigned investigators within 1 month of investigation commencement ¹	100%	90%	Not met. Refer to Operations Unit section on page 16.
Assessments completed within 20 business days of receipt of report	90%	82%	Not met. Refer to Operations Unit section on page 16.
Reports back on referrals considered and responded to within 10 business days	90%	26%	Not met. Refer to Operations Unit section on page 16.
Debrief meetings held within 20 business days of investigation closure ²	90%	90%	Met.
NT Court decisions relevant to ICAC operations reviewed and discussed within 10 business days of delivery of the decision	100%	100%	Met.
Active investigations reviewed via fortnightly meetings	100%	100%	Met.
Feedback sought and assessed on face-to-face and online learning sessions	60%	72%	Exceeded.
Recommendations made by the Inspector of the ICAC considered and determined within 5 business days of receipt of the recommendation	100%	n.a.	No recommendations made during reporting period.
Education and prevention activities conducted ³	100	118	Exceeded.
Engage with each local council at least twice per year ⁴	100%	100%	Met.
General reports delivered to Parliament	2	2	Met.

1. Commencement date is the date the ICAC recorded the decision to investigate on the OICAC case management system, Condor.

2. Closure date is the date the ICAC recorded the decision to close the investigation on the OICAC case management system, Condor.

3. Activities include educational videos, reports, presentations, corruption alerts and newsletters.

4. Engagement includes communicating trends, issues or recommendations in writing and providing face-to-face or online training tailored to local councils.

Compliance with section 128 of the ICAC Act

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

Table 4: Reporting on key items

Item	Page number
The number and general nature of allegations of improper conduct made to the ICAC	17-18
The number and general nature of reports mentioned in section 22(5) (mandatory reports)	17
The number and general nature of referrals	20-21
The number of search warrants issued to authorised officers	22
The number and general nature of any other warrants issued to authorised officers under an NT law	n.a.
The number and general nature of non-disclosure directions given	21-22
An indication of the kinds of activities conducted by the ICAC to prevent, detect and respond to improper conduct and the results of those activities	26-27
An indication of the kinds of activities conducted by the ICAC to prevent and respond to retaliation and the results of those activities	26-27

n.a.: not applicable

Financial performance

Actual performance against budget

In 2022-23, the OICAC had a net surplus of \$93,000, compared to a net surplus of \$148,000 in the year prior. Further information can be found on the notes to the financial statements.

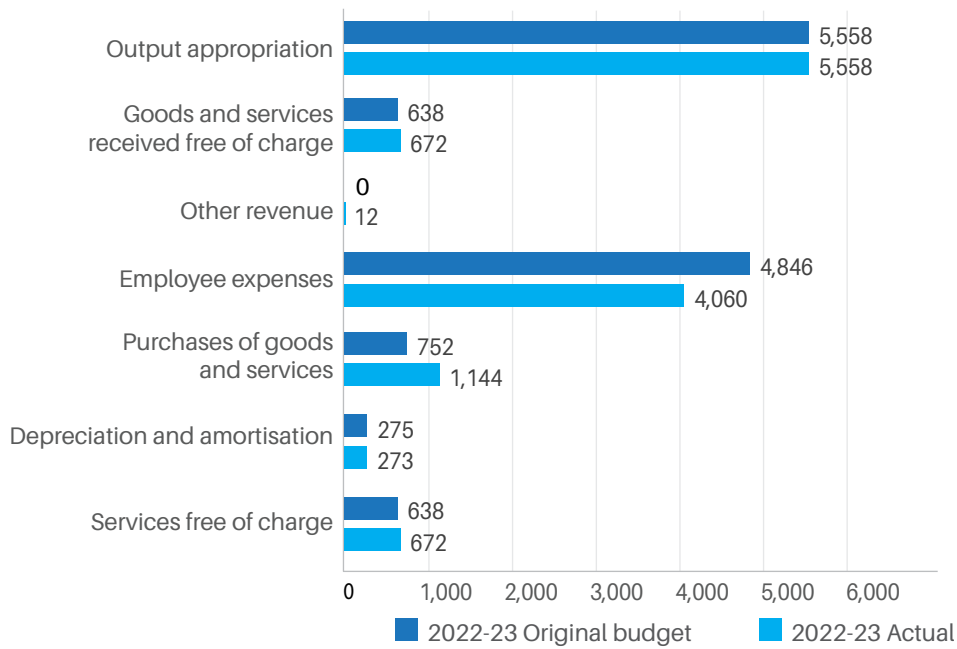
Table 5: Summary of operating result

	2021-22	2022-23	Change	Notes on change
	\$000	\$000	\$000	
Total income	7,585	6,242	(1,343)	1
Total expenses	7,437	6,149	(1,288)	2
Net surplus (deficit)	148	93	(55)	

Notes on changes from prior year

- The decrease of \$1.343 million of total income, or 17.7% from 2021-22, consisted of a reduction of \$1.433 million in output appropriation, an increase of \$78,000 in notional income from goods and services received free of charge and of \$12,000 in other revenue.
- The decline of \$1.288 million of total expenses, or 17.3% from 2021-22 included a reduction of \$935,000 in employee expenses and \$431,000 in purchases of goods and services. The decreased expenses were mainly the result of accommodating the output appropriation and difficulty in filling roles.

Figure 1: Actual vs original budget figures, 2022-23 (\$'000)



Our vision

The highest standards of integrity in Northern Territory public administration

Our mission

To support and improve integrity in Northern Territory public administration through the discharge of statutory functions

Our guiding principles

- Integrity
- Independence
- Fairness
- Courage
- Accountability
- Public interest

Operations Unit

Functions and objectives

The Operations Unit provides assessment and investigative services to support the ICAC in the discharge of statutory functions.

The unit assesses information received through enquiries, confidential sources and reports of suspected improper conduct from public officers and members of the public. A decision is made by the ICAC, or delegate, as to what, if any, action will be taken. Action can include conducting preliminary inquiries, referral to an appropriate entity, taking no further action or commencing an investigation or review.

Investigations are conducted in an appropriate manner to ensure information is gathered impartially and evidence is obtained that will help determine the truth of the matter.

The Operations Unit had 14 allocated positions as at 30 June 2023. Three positions were vacant at the reporting date.

- Director Operations
- Manager Operations (3)
- Senior Operations Officers (3) (one position vacant as a reporting date)
- Operations Officers (3)
- Senior Assessment Officer
- Senior Monitor and Assessment Officer (position vacant as a reporting date)
- Operations Support Officer

2022-23 Operations Unit performance

KPIs	2022-23 Budget	2022-23 Actual	Comments on variations
Assessments completed within 20 business days of receipt of report	90%	82%	Not met.
Reports back on referrals considered and responded to within 10 business days	90%	26%	Not met.
Investigations completed within 6 months of commencement	60%	40%	Not met.
Investigations completed within 12 months of commencement	75%	70%	Not met.
Investigation strategy meetings conducted within 10 business days of investigation commencement	90%	90%	Met.
Examinations listed within 1 month of counsel assisting receiving the examination brief	≥80%	100%	Exceeded.
Case reviews held between counsel assisting and assigned investigators within 1 month of investigation commencement	100%	90%	Not met.
Debrief meetings held within 20 business days of investigation closure	90%	90%	Met.
Active investigations reviewed via fortnightly meetings	100%	100%	Met.

The Operations Unit has not met all of its KPIs for the reporting period. While the results have not met our high expectations, finalising historical investigations, balancing competing priorities, high workload and resource challenges have all contributed to some KPI results being lower than hoped.

In particular, the unit responded to 26% of reports back on referral within 10 business days, which is significantly lower than the target of 90%. The average time taken to respond to reports back was 19.7 business days. Improvement in timeliness will be a focus over the coming years.

In 2022-23, the Operations Unit received 433 contacts, consisting of:

- 330 reports
- 80 contacts providing non-specific information (therefore not treated as a report, but retained for intelligence purposes)
- 23 general enquiries.

Of the 330 reports received in 2022-23, 238 (72%) were made in accordance with mandatory reporting directions. That result is comparable to the previous financial year result of 210 (64%).

The general nature of mandatory reports includes:

- recruitment and hiring practices
- inadequate management of conflicts of interest
- inappropriate performance of function
- deviations from policy and procedure identified in audits and reviews

- unsatisfactory and corrupt conduct through the mismanagement of resources, projects or procurements
- misuse of assets.

Each report received by the OICAC may contain one or more allegations. In 2022-23, 358 allegations were received for assessment. Of these, 271 have been identified as being from public officers or public bodies.

The overall number of allegations received in 2022-23 is similar to the previous reporting period.

The general nature of allegations received in the reporting period are as follows:

- inadequate management of conflicts of interest related to recruitment, procurement and funding decisions
- misuse of public resources, including vehicles, housing and equipment
- inappropriate performance of function, including negligence and incompetence, such as:
 - acting outside delegations
 - failing to make defensible decisions
- mismanaging projects or resources
- code of conduct and discipline breaches
- misuse of information
- police misconduct
- retaliation against an individual for making a report to the OICAC or another entity.

Figure 2: Mandatory and non-mandatory reports received by year

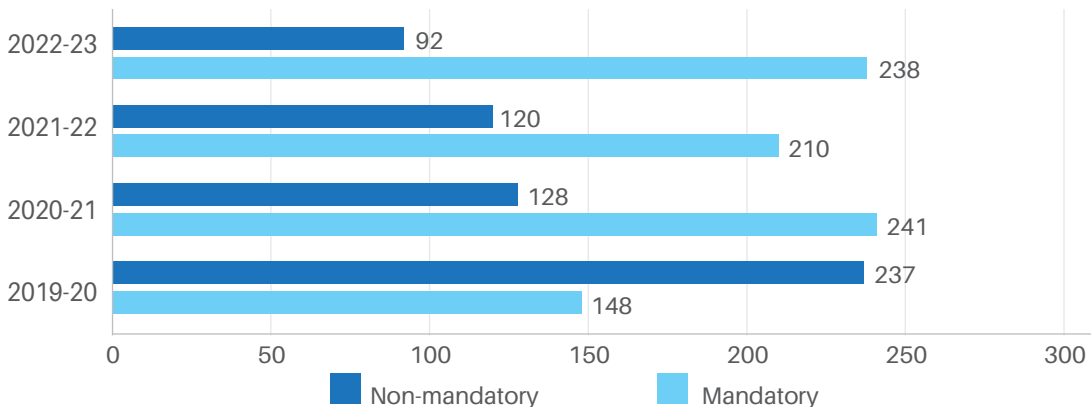


Figure 3: Allegations by improper conduct type at assessment, 2022-23

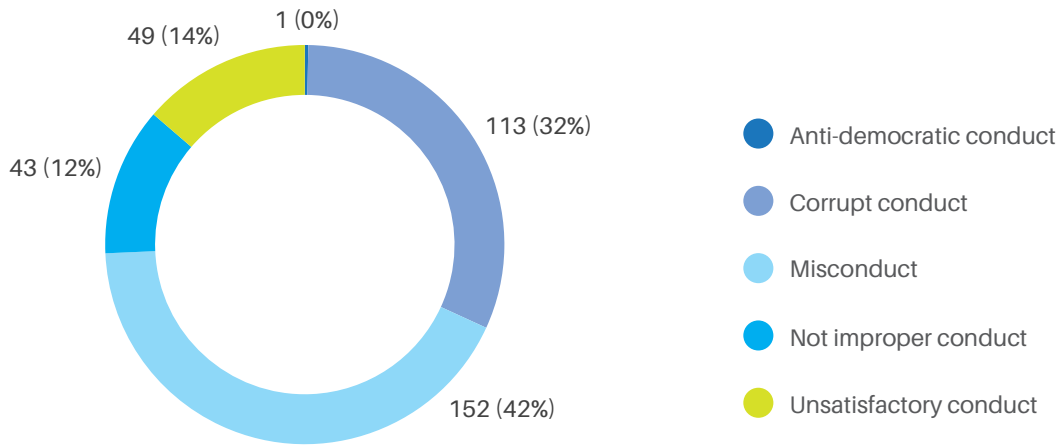
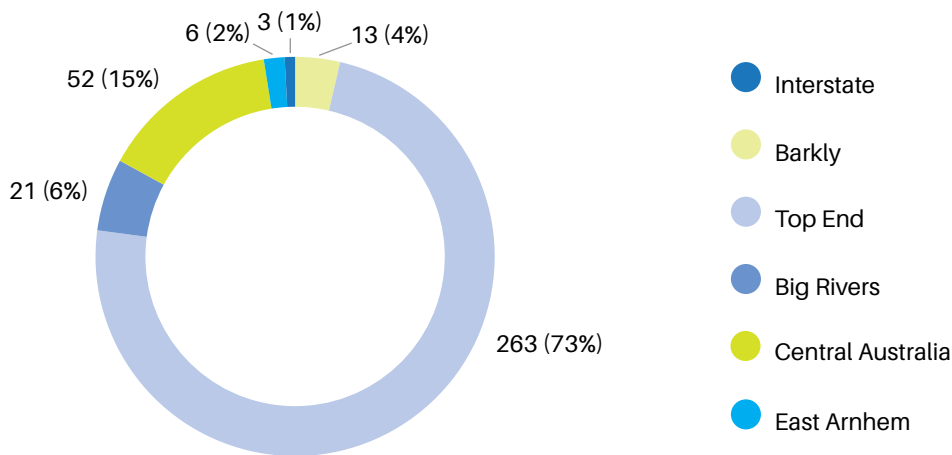


Figure 4: Allegations by region, 2022-23



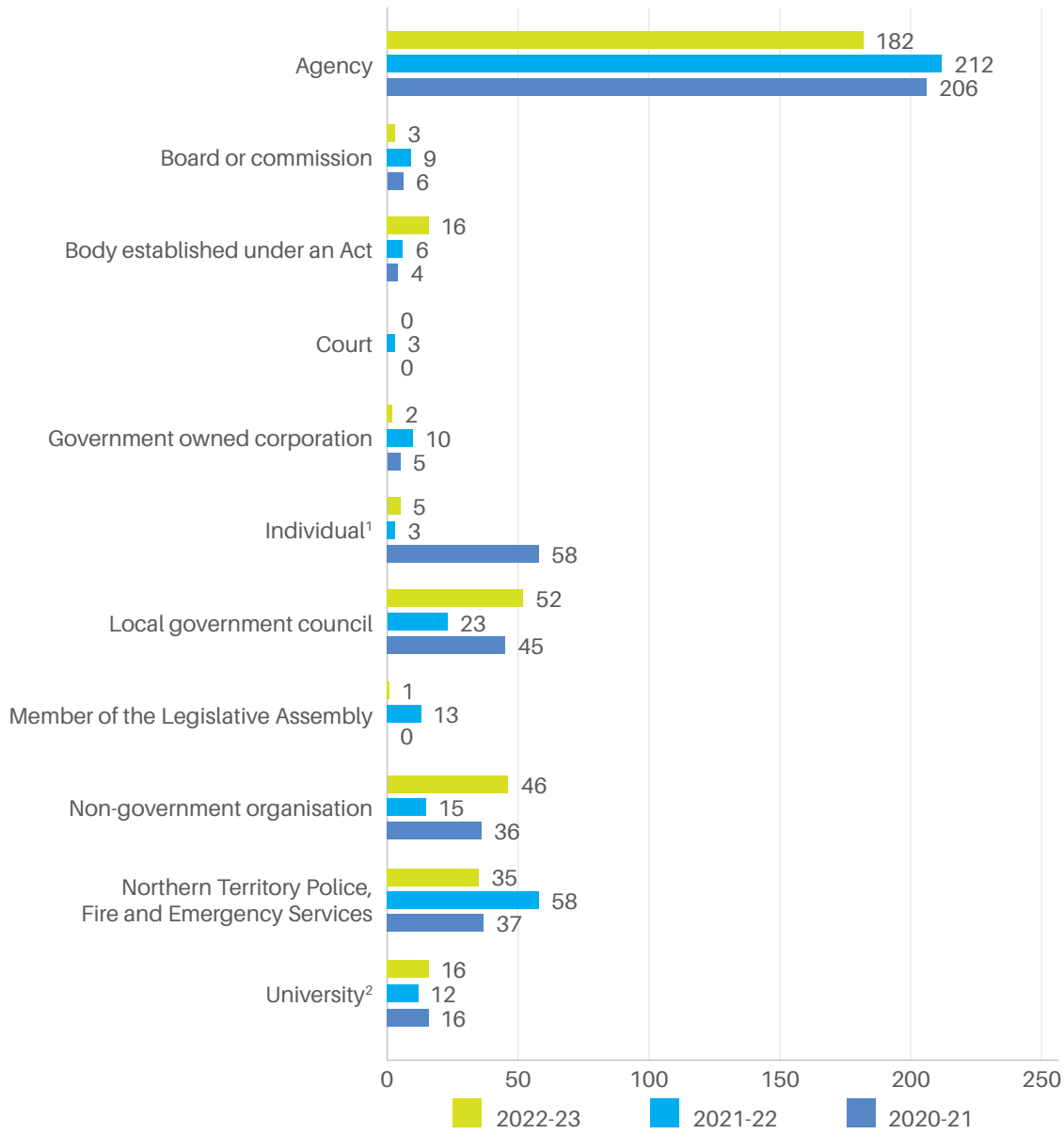
Reports assessed within 20 days



Allegations referred to agencies



Figure 5: Allegations by category of public body



1. Includes public officers where the conduct reported is not connected to public administration, and individuals who are recipients of government resources.

2. Refers to Charles Darwin University and the Batchelor Institute of Indigenous Tertiary Education.

A total of 398 allegations were assessed in 2022-23 (including allegations received in the previous financial year).

Fifteen allegations were, or are, the subject of a preliminary inquiry by the ICAC.

A further 14 allegations were, or are, the subject of investigation by the ICAC.

No further action was taken in respect of 249 allegations.

Referrals

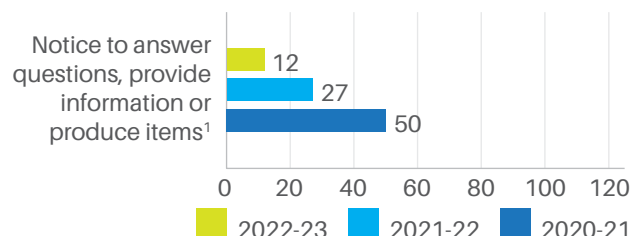
Of the allegations assessed, 131 were referred to a referral entity.

The following shows the general nature of allegations referred:

- dishonesty, such as:
 - timesheet dishonesty or fraud
 - improper claiming of allowances
 - falsification of experience on resumes
- inadequate management of conflicts of interest in recruitment and procurement actions, including failing to declare and adequately manage known relationships with suppliers and applicants
- code of conduct and discipline breaches, such as:
 - bullying
 - harassment
 - workplace management issues
- misuse of resources, such as assets and information by:
 - providing information about contracts or services to friends and family
 - claiming or using grant funding not in accordance with grant funding criteria
 - unauthorised use of vehicles and equipment.

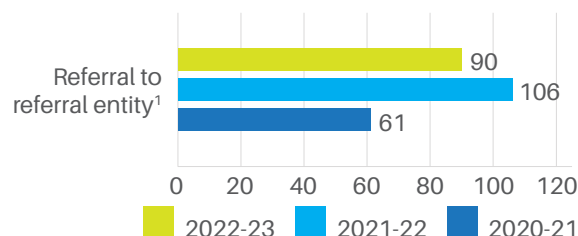
The ICAC may request a report back from the referral entity. In 2022-23, 56 referrals included a requirement to report back to the ICAC.

Figure 6: Notices to request information and items, by year¹



1. ICAC Act section 75.

Figure 7: Referral notices, by year¹



1. ICAC Act section 25.

Investigations

The ICAC may commence an investigation where there is information that, if true, would show that improper conduct has occurred, is occurring, or is at risk of occurring. Operations Unit staff support the ICAC in conducting these investigations.

The investigation may not only show whether the improper conduct has occurred but also identify any systemic issues, within an agency, which would allow the ICAC to make recommendations.

For an investigation, the ICAC or delegate, may exercise powers in accordance with the ICAC Act.

As at 30 June 2022, there were 17 active investigations on hand. During the reporting period, 10 investigations were finalised and another 10 were commenced.

Three investigations were suspended and one investigation was ceased in light of an ongoing review of the practices, policies and procedures of that public body.

Table 6: General nature of investigations commenced during the financial year

Nature of investigations	2021-22	2022-23	Change (+/-)
Conflict of interest	1	1	0
Abuse of office	2	0	-2
Judicial conduct	1	0	-1
Anti-democratic	1	0	-1
Destruction of evidence	1	0	-1
Deceptive conduct	1	3	+2
Improper recruitment process	1	0	-1
Disclosure of information	4	2	-2
Improper procurement processes	2	2	0
Mismanagement in the performance of official functions	1	1	0
Improper use of public resources	2	0	-2
Dishonesty in the performance of official functions	0	1	+1
Retaliation	0	0	0
Breach of ICAC Act	0	0	0
Total	17	10	-7

Notice to produce information or items

For the purpose of an investigation, the ICAC may require a person to produce information or specific items. Such requirements are provided in a notice issued in accordance with section 32 of the ICAC Act. During the reporting period, the ICAC or delegate issued 52 such notices.

The ICAC can also inspect financial records with the service of a notice issued under section 33 of the ICAC Act. During the reporting period, the ICAC or delegate issued 5 such notices.

The ICAC can also issue directions under section 147 of the ICAC Act. The general nature of these non-disclosure directions is not to disclose the information provided by the ICAC or to the ICAC, or that the ICAC was conducting an investigation. During the reporting period, the ICAC or delegate issued 21 such notices.

Table 7: Notices served

Investigative power	2021-22	2022-23	Change (+/-)
Notice to produce items/provide information (section 32)	32	52	+20
Notice to produce financial records (section 33)	0	5	+5
Non-disclosure directions (section 147)	8	21	+13

Once an investigation has commenced, the ICAC or delegate may require a person to attend for examination.

During the reporting period, 40 notices were issued to 30 individuals to appear before the ICAC, the Acting ICAC or delegate for private examination, as per section 34 of the ICAC Act. Some notices were reissued in light of availability and illness. Some of the individuals received more than one notice to appear.

In all, 33 examinations were conducted during the reporting period.

Table 8: Notices to attend for examination

	2021-22	2022-23	Change (+/-)
Notice to Attend for Examination (section 34)	19	40	+21

Joint investigations

The ICAC may conduct a joint investigation with another agency.

A joint investigation enables both agencies to combine their resources and statutory capabilities in order to improve and extend investigative capacity and capability.

Table 9: Joint investigations

	2021-22	2022-23	Change (+/-)
Joint investigations	3	4	+1

Search warrants (section 68) and other warrants

No search warrants were issued during the reporting period. No other warrants were issued to an authorised officer during the reporting period.

Reports and allegations received

2022-23

330
reports

CONTAINING

358
allegations



2021-22

330
reports

CONTAINING

364
allegations

Improper conduct investigations finalised

2022-23

10



2021-22

56

Note: Please refer to ICAC NT Annual Report 2021-22 Commissioner's foreword for explanation of reduction of investigations finalised.

Strategic Intelligence and Reviews Unit

Functions and objectives

The Strategic Intelligence and Reviews Unit was established in December 2022 to conduct research and analysis to inform the priorities of the ICAC and support the activities of the Operations and Prevention and Education units.

The unit supports the ICAC by:

- identifying themes and trends in reports of suspected improper conduct
- contributing data and analysis to the general and research reports
- producing progress reports on achievement of KPIs
- conducting reviews in accordance with sections 23 and 110 of the ICAC Act
- monitoring the implementation of agreed actions from review reports, investigations and referrals with direction to public bodies
- contributing data analysis to support decision making, identify emerging issues and develop improper conduct risk profiles.

The Strategic Intelligence and Reviews Unit had 3 allocated positions as at 30 June 2023. There were no positions vacant at the reporting date.

- Director Intelligence and Reviews
- Manager Reviews
- Senior Strategic Intelligence Analyst

Establishment

Prior to the establishment of the Strategic Intelligence and Reviews Unit, research was undertaken to understand the role of strategic intelligence within integrity agencies. This included contacting intelligence teams across Australia and visiting Western Australia's Corruption and Crime Commission in September 2022.

In establishing the Strategic Intelligence and Reviews Unit within the OICAC, consultation with key internal stakeholders was undertaken to determine their expectations of the role and function of strategic intelligence. From these consultations, the Strategic Intelligence Policy was developed and issued in May 2023. The policy will guide resourcing and development of the unit and inform the products and services delivered by the team.

The unit is staffed by existing OICAC resources with positions reviewed and evaluated to ensure alignment with the Strategic Intelligence Policy.

Research and reports

The Strategic Intelligence and Reviews Unit assisted the ICAC to deliver 2 research reports.

- Research report – Longitudinal analysis of reports of suspected improper conduct
- Research report – Longitudinal analysis of action taken on allegations made in reports

Reviews

The Strategic Intelligence and Reviews Unit is responsible for supporting the ICAC to conduct reviews in accordance with section 23 of the ICAC Act.

One review under section 23 is underway and will be finalised by September 2023. Another review will be commenced before the end of the 2023 calendar year.

On 18 January 2023, the ICAC commenced a review into the state of whistleblowing in the NT and invited submissions from persons who may have information relevant to this project. A consultant was engaged to assist with research and consult with 10 public bodies about their experiences in developing and applying whistleblower protection frameworks, receiving reports of suspected improper conduct and dealing with the OICAC.

Pending the passing of a Bill to amend the ICAC Act, the ICAC will issue new guidelines for minimising the risks of retaliation in accordance with section 106 of the ICAC Act.

Referrals and recommendations for monitoring

In March 2023, the function of monitoring referrals to referral entities was transitioned to the Strategic Intelligence and Reviews Unit. Responses from referral entities that indicate there is further action to be taken by the entity are recorded and implementation progress monitored.

When an investigation or review is completed, the ICAC may make recommendations to a public body. The implementation of the accepted recommendations is monitored by the Strategic Intelligence and Reviews Unit. The purpose of this monitoring is to ensure that identified improper conduct risks are appropriately addressed by the public body.

As at 30 June 2023, the Strategic Intelligence and Reviews Unit was monitoring:

- 8 referrals to referral entities for response
- 33 recommendations for implementation arising from reviews and investigations.

Legal Unit

Functions and objectives

The role of the ICAC Legal Unit is to provide legal advice to the ICAC and OICAC staff.

Provision of legal advice varies and includes the discharge of statutory functions, direction in the collection of evidence in the investigation of matters, review of notices and directions prepared under the ICAC Act, and application and interpretation of the ICAC Act and other legislation. The unit contributes to the development of policy within the OICAC, as well as legislative reform.

The ICAC Legal Unit works with the Operations Unit to assist in the planning and conduct of investigations, provide advice as required, prepare matters for examination and has oversight in the preparation of briefs of evidence for referral to the Director of Public Prosecutions. Legal counsel appears as Counsel Assisting the Commissioner in examinations and is responsible for coordinating referral of matters to external counsel for legal advice. The Legal Unit is also responsible for updating OICAC staff in relation to current Supreme Court decisions that are relevant to ICAC operations.

The ICAC General Counsel is a member of the ICAC Executive Committee and supports the ICAC in the discharge of statutory functions by:

- providing assistance to the Operations Unit in reviewing and identifying matters to which consideration should be given regarding whether to commence an investigation
- reviewing reports and providing advice to the Operations Unit, including advice on the collection of evidence and support in the preparation of notices
- providing strategic guidance and advice to the Prevention and Engagement Unit and the Strategic Intelligence and Review Unit on education and prevention activities, including participating in the delivery of the activities.

The ICAC Legal Unit develops, delivers and assists in the delivery of internal training.

The Legal Unit had 3 allocated positions as at 30 June 2023. There was one position vacant at the reporting date.

- ICAC General Counsel
- Lawyers (2) (one position vacant as at reporting date)

2022-23 Legal Unit performance

Throughout the 2022-23 financial year, the ICAC, Acting ICAC or delegate conducted 33 examinations. The ICAC General Counsel appeared as Counsel Assisting in 6 of these examinations. Legal Counsel within the Legal Unit also instructed external counsel in examinations. External counsel was briefed as Counsel Assisting in 27 examinations and assisted with 12 voluntary interviews. Seven matters were briefed to external counsel for the provision of legal advice. During the relevant period, 2 Supreme Court decisions were reviewed and discussed with OICAC staff.

The Legal Unit coordinated 3 external providers to deliver presentations to OICAC staff during the financial year. They also developed and delivered 4 internal training sessions, covering topics such as surveillance devices, witness welfare and public hearings.

The Legal Unit delivered 9 information and training sessions to public bodies and public officers.

During the year, a senior member of the Prevention and Engagement Unit joined the Legal Unit to complete her Graduate Diploma in Legal Practice.

General Counsel was successful in obtaining the position of Executive Director and performed the role of Acting ICAC during 2 periods.

Prevention and Engagement Unit

Functions and objectives

The Prevention and Engagement Unit is primarily responsible for supporting the ICAC to carry out prevention and education functions.

The unit supports the ICAC by:

- providing research and policy advice
- developing and delivering education and training
- preparing public statements
- developing reports, including the annual report

- developing and publishing internal and external communications
- maintaining and developing the OICAC's internal and external websites.

The Prevention and Engagement Unit had 3 allocated positions as at 30 June 2023. There were no positions vacant at the reporting date.

- Director Prevention and Engagement
- Senior Prevention and Engagement Officer
- Communications and Engagement Officer

2022-23 Prevention and Engagement Unit performance

KPIs	2022-23 Budget	2022-23 Actual	Comments on variations
Education and prevention activities conducted ¹	100	118	Exceeded
Feedback sought and assessed on face-to-face and online learning sessions	60%	72%	Exceeded
Engage with each local council at least twice per year ²	100%	100%	Met
General reports delivered to Parliament	2	2	Met

1. Activities include educational videos, reports, presentations, corruption alerts and newsletters.

2. Engagement includes communicating trends, issues or recommendations in writing and providing face-to-face or online training.

Education and awareness

A total of 118 education and prevention activities were conducted in 2022-23, including information sessions, stakeholder meetings and prevention communications.

A total of 6,515 people attended face-to-face and virtual information sessions, online mandatory training and stakeholder meetings, including 4,946 public officers who completed the mandatory Introduction to ICAC training on the NT Government MyLearning online portal, with 1,569 people attending information sessions.

Information sessions and stakeholder meetings held in 2022-23 included:

- 4 introduction presentations for the OneNTG online Northern Territory Public Sector (NTPS) induction
- 3 presentations for the Foundations of Public Sector Management program
- 43 presentations and stakeholder meetings to public bodies in Alice Springs
- 7 presentations and stakeholder meetings to public bodies in Nhulunbuy
- 9 presentations to NT Police recruit squads and officers

- 32 presentations and stakeholders meetings to Local Government Councils and the Local Government Association NT (elected members and council staff)
- 3 Nominated Recipient Forums (face-to-face and virtual) to a total of 76 Nominated Recipients
- various stakeholder meetings and presentations on request.

All presentations delivered included information relating to mandatory reporting and retaliation.

Prevention initiatives carried out in 2022-23 included:

- releasing the Conflict of Interest online course
- releasing the Who & What – Mandatory Reporting brochure
- releasing the Research Report – Longitudinal analysis of reports of suspected improper conduct
- conducting 2 radio interviews.

Other internal and external education and awareness activities in 2022-23 included:

- developing and launching the OICAC new website
- maintaining the OICAC staff intranet
- delivering the annual internal staff survey
- commencing planning to host the 2024 National Australian Public Sector Anti-Corruption Conference, including procurement for a professional conference organiser.

Media releases

Media releases are published on the NT Government Newsroom, the OICAC internet site and also emailed to the OICAC’s mailing list via Campaign Monitor.

During the reporting period, the OICAC published 5 media releases.

- 2023-02-16, Research Report: Longitudinal analysis of reports of suspected improper conduct
- 2023-02-13, Whistleblowing review project phone-in
- 2023-01-18, Whistleblowing in the Northern Territory Review Project
- 2022-12-09, Launch of Best Practice Principles for Australian Anti-Corruption Commissions
- 2022-08-18, ICAC to visit Alice Springs

Regional engagement

In August 2022, the OICAC commenced regular visits to Alice Springs, resulting in ongoing regional engagement for the Central region.

Throughout 2022-23, there were 6 visits by OICAC staff. The online Nominated Recipient Forum held in August 2022 was delivered in Alice Springs.

Initial engagement also commenced in the East Arnhem and the Big Rivers regions.

On 9 May 2023, the ICAC hosted the biannual Anti-Corruption Agency Commissioners’ meeting in Alice Springs.



Engage with each local council at least twice per year

2022-23
100%

Public officers completing mandatory Introduction to ICAC on MyLearning

2022-23
4,946



Section 48: General report

Under section 48 of the ICAC Act, the ICAC may at any time make a general report.

On 28 July 2022, the ICAC released a general report that provided observations relating to impropriety in recruitment and selection, investigations reports versus public statements, access to cabinet-in-confidence documents and the ICAC budget. A second general report was tabled in the Legislative Assembly on 14 February 2023. This general report focused on the 27 recommendations from the review of the Batchelor Institute of Indigenous Tertiary Education. The ICAC has committed to 2 general reports per year.

Section 55: Public statements

The unit supported the ICAC to release 5 public statements during the reporting period. The public statement entitled 'Operation Pacific – corrupt conduct in recruitment' was released on 18 May 2023 and included a number of recommendations.

Following the release of this statement, the then Commissioner for Public Employment wrote to all NT public officers underlining the importance of pre-employment checks on qualifications claimed by applicants. The Office of the Commissioner for Public Employment (OCPE) has been working with NT Government agency CEOs on how to implement the ICAC's recommendations.

Section 129: Guidelines and practice directions for ICAC staff

Section 129 of the ICAC Act states that the ICAC must issue and review guidelines for, or practice directions to, OICAC staff members. Updated guidelines were released on 25 October 2021 and are available on the OICAC internet, as per section 130 of the ICAC Act.

OICAC internet

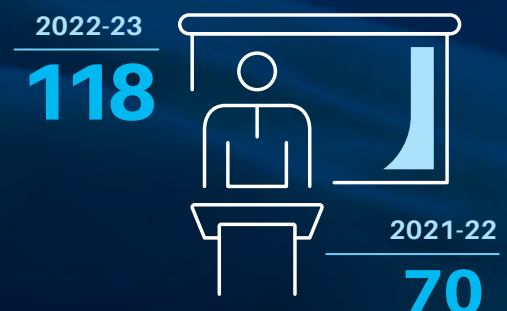
On 19 June 2023, the new OICAC internet site went live. The new website is more user-friendly with content rewritten in plain English to be accessible to a broader audience. The website's content and structure are designed to help users find information they need, ensuring recognising and reporting improper conduct are easier and more accessible for everyone in the community.

The OICAC internet meets the NT Government's guidelines and commitment to compliance with the World Wide Web Consortium's Web Content Accessibility Guidelines (WCAG 2.0).

People attending information sessions



Information sessions delivered



Corporate Services Unit

Functions and objectives

The Corporate Services Unit supports the ICAC in the areas of financial and budget management, human resources and workforce planning, governance and risk management, information technology and security, procurement, WHS and general services.

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

The Corporate Services Unit had 5 allocated positions as at 30 June 2023. There were no positions vacant at the reporting date.

- Acting Director, Corporate Services
- Senior Finance and Governance Officer
- Executive Support Officer
- Corporate Services Assistants (2) (one temporary position)

2022-23 Corporate Services Unit performance

KPIs	2022-23 Budget	2022-23 Actual	Comments on variations
Compliance with section 126 of the ICAC Act (regarding suitability checks for staff)	100%	100%	Target achieved

The Corporate Services Unit provided the following assistance in relation to OICAC projects during 2022-23:

- drafted a suite of new OICAC policies and procedures that were introduced by the ICAC to further improve the OICAC's compliance with legislated obligations
- assisted in completing the OICAC Strategic Plan 2022 to 2026, including the key priorities and KPIs for monitoring and reporting
- continued the OICAC's effective financial management through monthly reporting and monitoring of expenditure against budget, which allowed the office to operate at a financial result of net surplus of \$93,000 compared to a net surplus of \$148,000 in the prior financial year
- completed and introduced the OICAC's risk maturity roadmap and developed its risk appetite statements
- assisted the Prevention and Engagement Unit by providing staff with easy access to policies and procedures, announcements and key office dates
- facilitated an organisational review and implemented the changes from this review, including a new organisational structure, job descriptions and associated job titles
- developed and implemented the OICAC's induction and cessation policies
- delivered a comprehensive training program that gave staff opportunities to develop their capability and skills (see the Human Resources section on page 36).

Governance

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

Internal governance

The Executive Committee meets on a weekly basis and provides strategic advice and assistance to the ICAC in relation to:

- setting and monitoring the strategic direction and achievement of the OICAC's objectives
- ensuring compliance with statutory and reporting requirements
- managing resources appropriated to the office effectively and efficiently
- conducting investigations and taking action in accordance with the ICAC Act
- overseeing and managing organisational priorities and good corporate governance, including setting internal policies

- implementing and managing the OICAC's risk management framework
- reviewing and implementing recommendations from oversight bodies, such as the Audit, Risk and Compliance Committee (ARCC) and external stakeholders, including the Inspector of the ICAC, the Auditor-General and the Standing Committee on the ICAC
- creating and maintaining a safe workplace
- leading and fostering a positive organisational culture
- assisting with any other matters determined by the ICAC.

The Executive Committee met 50 times during the year and had the following members at 30 June 2023.

Table 10: Executive Committee members at 30 June 2023

Position	Role	Name
Independent Commissioner Against Corruption	Key decision maker and Chairperson	Michael Riches
Executive Director	Member	Naomi Loudon
General Counsel	Member	Tiarni McNamee
Director Operations	Member	Jason Blake
Director Intelligence and Reviews	Member	Anna Collins
Director Prevention and Engagement	Member	Stephanie Hawkins
Acting Director Corporate Services	Member	Robyn Miller-Smith
Executive Officer	Secretariat	Tahlia Cameirao

Audit, Risk and Compliance Committee (ARCC)

The ARCC provides independent advice, assurance and assistance to the ICAC in the areas of financial management, statutory reporting, internal control systems, risk management systems, and internal and external audit.

The ARCC met 4 times during the year.

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

- monitor the OICAC's risk registers, risk appetite statements and provide advice to the ICAC on 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 implementation of recommendations
- review public accountability disclosures, including financial and performance information in the office's annual report, in line with legislative requirements.

Table 11: ARCC members at 30 June 2023

Position	Role	Name
External member	Chairperson	Iain Summers
Acting Director Corporate Services	Member	Robyn Miller-Smith
Acting Manager Reviews	Member	Orlando Gollop
Senior Strategic Intelligence Analyst	Member	Eric Vo
Lawyer	Member	Benedict McCarthy
Communications and Engagement Officer	Member	Barbara Beamsley
Senior Finance and Governance Officer	Secretariat	Monica Lin

Internal audit function

Three internal audits were completed as at 30 June 2023 in accordance with the OICAC's Internal Audit Plan.

Table 12: Audit results

Internal audit/review and objective	Completion	Summary of audit findings	Agency response and action
Value for Territory (VFT) audit 2023 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 2022 to 3 December 2022.	February 2023	There were no identified breaches of the procurement rules in respect of individual transactions selected for review.	No further action required.

Internal audit/review and objective	Completion	Summary of audit findings	Agency response and action
Internal networks and Cloud Based Software (Condor) audit 2023 Objective: Assessment and audit to provide assurance that the OICAC's security controls deployed to protect assets are secure and appropriate.	May 2023	There were no identified weaknesses on the relevant security controls that allowed unauthorised access to data or systems during the audit. Key recommendations include: <ul style="list-style-type: none"> • Uplift existing security controls for authentication and authorisation • Ensure appropriate controls are in place to handle untrusted input in the Condor application • Ensure Condor application is securely configured to comply with an appropriate security baseline 	The OICAC accepted the key recommendations and is currently working with stakeholders to further increase security and maintain the access controls that have been implemented. Policies relating to software, intelligence handling and storage are being developed.
ISO 27001:2022 Gap Assessment Objective: Conduct a gap assessment of the OICAC operations against ISO 27001, clauses 4-10 and Annex A of same.	June 2023	The assessment identified that the OCIAC had a strong security culture with robust technical, physical and personnel controls in place. Some gaps were identified in respect of security control processes.	Recommendations to be considered as part of the Information Security Policy and related procedures.

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 ICAC and the Inspector of the ICAC under sections 128 and 137 of the ICAC Act
- report to the Legislative Assembly on matters relating to tabled reports that have been referred to

the Assembly by the ICAC under sections 53 and 54 of the ICAC Act

- examine trends in similar bodies in Australia and internationally, including trends in legislation and administration of these bodies, to ensure the OICAC remains fit for purpose.

The Standing Committee on the ICAC had the following members at 30 June 2023.

Table 13: Standing Committee on the ICAC members at 30 June 2023

Role	Member
Chair	The Honourable Nicole Manison MLA
Deputy Chair	Mr Brent Potter MLA
Member	Ms Marie-Clare Boothby MLA
Member	Mr Gerard Maley MLA

The Standing Committee did not meet with the ICAC during the reporting period.

Inspector of the ICAC

Mr Bruce McClintock SC is the Inspector of the ICAC for a term of 5 years, commencing September 2018. The Inspector is an independent officer of the NT Government and provides oversight of the OICAC by delivering the following functions:

- evaluating the ICAC's performance and reporting on the evaluation to the ICAC Minister (the Chief Minister) and the Legislative Assembly
- dealing with complaints about the ICAC or OICAC staff members
- making recommendations to the ICAC (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 ICAC and OICAC staff members are obligated to provide reasonable assistance to the Inspector.

The Inspector issued his annual report pursuant to sections 136 and 137 of the ICAC Act and tabled this report to Parliament in November 2022. Any recommendations resulting from an investigation from the Inspector are actioned by the Executive Committee and monitored by the OICAC's ARCC.

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 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 1995*.

Table 14 summarises audits and other reviews conducted on the OICAC by the Auditor-General during 2022-23.

Table 14: Audits and other reviews conducted by the Auditor-General

External audit: Review and objective	Completed	Summary of audit: Review findings	OICAC response and action
<p>End-of-year review for the year ending 30 June 2022</p> <p>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.</p>	August 2022	<p>The accounting and control procedures examined in relation to end-of-financial-year processing were found to be generally satisfactory.</p> <hr/> <p>Two minor matters were raised – one relating to the Procurement and Contract Delegations document that had not been updated since July 2021. An updated version was drafted in May 2022 but was not approved as there was a change in position titles with the establishment of the Executive Director Operations (replacing the Deputy CEO role) and the creation of a new role (Director Intelligence and Reviews).</p> <p>The Fraud and Corruption Control policy, Control Plan and Control Procedure dated February 2022 are due for review annually. The documents had been reviewed and updated but had not been formally approved as at the end of audit fieldwork.</p> <hr/> <p>The Contingent Liability Register did not include information on risk mitigation strategies and details of discharge of the contingent liability.</p>	<p>No further action required.</p> <hr/> <p>Noted. An instrument to update the contract delegations for the office has been signed by the Chief Minister. The OICAC has updated the Procurement and Contract Delegations and this has been approved by the ICAC.</p> <p>The Fraud and Corruption Control documents have been updated and approved.</p> <p>No further action required.</p> <hr/> <p>The Register has been updated with no further action required.</p>

External audit: Review and objective	Completed	Summary of audit: Review findings	OICAC response and action
Agency compliance audit 2023 Objective: Audit of selected aspects to test whether internal control systems include necessary features to ensure compliance with mandated legislation, in particular the <i>Financial Management Act 1995</i> , Treasurer's Directions, and the Procurement Governance Policy and Rules.	March 2023	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. No matters arising from the audit required the Accountable Officer's attention.	No further action required.

Financial management

During 2022-23, the OICAC achieved a net surplus of \$93,000. The surplus was mainly due to the savings from several positions not being backfilled.

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

Procurement

The OICAC continued to follow and improve on its Agency Procurement Management Plan and any planned significant procurement will be reported as identified.

In accordance with section 5(2) of the *Procurement Act 1995*, the office is exempt from the need to comply with the *Procurement Act 1995* in relation to the acquisition of investigative, legal and audit services.

From 1 July 2022 to 30 June 2023, the office has awarded 3 contracts in tiers 2 to 5 procurement activities that do not fall under section 5(2) of the *Procurement Act 1995*. None of the 3 contracts was awarded to a registered Aboriginal Business Enterprise.

The OICAC did not receive any procurement-related complaints for the period 1 July 2022 to 30 June 2023.

Human resources

The OICAC had a staff of 25.8 FTE at the last pay period in 2022-23 compared to 23.5 FTE in 2021-22. OICAC's staff separation rate was 34.01% in 2022-23 while it was 50.86% in 2021-22. Separation rate, which is also known as staff turnover, is calculated based on the number of employees who have left the NTPS (voluntarily and non-voluntarily) as a percentage of the total average headcount for the reporting period. The separation rate also includes any employee who transfers out of their nominal position in the OICAC permanently.

The OICAC is committed to being an agency of choice within the NTPS and aims to promote a culture of continuous improvement, employee wellbeing, collaboration and innovation.

Learning and development opportunities are available to all staff and provided in accordance with their professional development plan (PDP). The OICAC has a training plan that caters for employees' wellbeing, leadership skills, emotional intelligence and the technical operational training required to be successful in their roles. The OICAC provides staff with development opportunities both within and outside the office 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 includes financial assistance on approved higher education courses considered for those staff who request them.

For the 2022-23 financial year, the OICAC provided or supported the following training opportunities to staff.

Induction and corporate training

- Office induction
- OICAC information session
 - Code of Conduct
 - Conflict of Interest Declarations
 - Corruption and anti-corruption
 - Freedom of Information training
- Across-government systems training (as required for their roles)
 - Appropriate workplace behaviour
 - Records Management
 - HP Content Manager (TRM) training
 - NT Government Records Security
 - Travel
 - Merit selection

- Cross-cultural awareness
 - IAP2 Remote engagement essential training
 - Aboriginal Leadership and Governance forum
 - 2023 First Nations Public Administration Conference
- Working with Interpreters
- Procurement
 - Module 2: Introduction to procurement planning
 - Module 3: Introduction to sourcing
 - Module 4: Introduction to contract management
 - Module 5: Introduction to scope writing
 - Module 6: Tender assessment and selection
- Effective writing – punctuation unpacked
 - How to write in plain English
- Freedom of information
- Psychometric assessments
- Challenging unconscious bias
- Anti-discrimination, harassment and bullying

Operational training

- Certificate IV in Government Investigations
- Case management system training
- Investigative training
 - Advanced investigative interview
 - Making it Stick workshop
 - National Investigator Symposium
 - NT Police Professional Standards Command
 - Information Officer
 - Vound Intella software
- Project management
- Effective writing
- Monitoring and evaluation

Staff training sessions provided

2022-23

51



2021-22

36

- Vound Intella software
- Condor software
- Cellebrite Certified Physical Analyst training
- Adobe
 - Premier Pro video editing
- Legal training
 - Understanding the *Surveillance Devices Act 2007*
 - Witness welfare
 - Office of the Director of Public Prosecutions
 - The legislative threshold for determining when integrity agencies should hold public hearings
 - The NT Ombudsman

Health and wellbeing

- Mental health first aid training
- Fire warden and emergency warden training
 - Fire extinguisher training

First Aid training

- Provide cardiopulmonary resuscitation
- Provide basic emergency life support

Leadership and development

- Ethical decision making
- Company Directors course
- Accounting updates
 - NT Auditor-General Presentation
 - Finance for Cost Centre Managers
 - Fundamentals of Internal Auditing
 - Chartered Accountant Australian and NZ forum
- Bachelor of Accounting (study assistance)
- Graduate Certificate in Fraud and Financial Crime (study assistance)
- Certificate IV in Business
- Leadership for new managers
 - Resilience in Business
 - Workforce Relations workshop
 - Results through People training
- Executive learning
 - Australian Public Sector Anti-Corruption Conference
 - International Anti-Corruption Conference (USA)

Employee demographics

Figure 8: Number of FTE by classification as at the final pay period (pay 26)

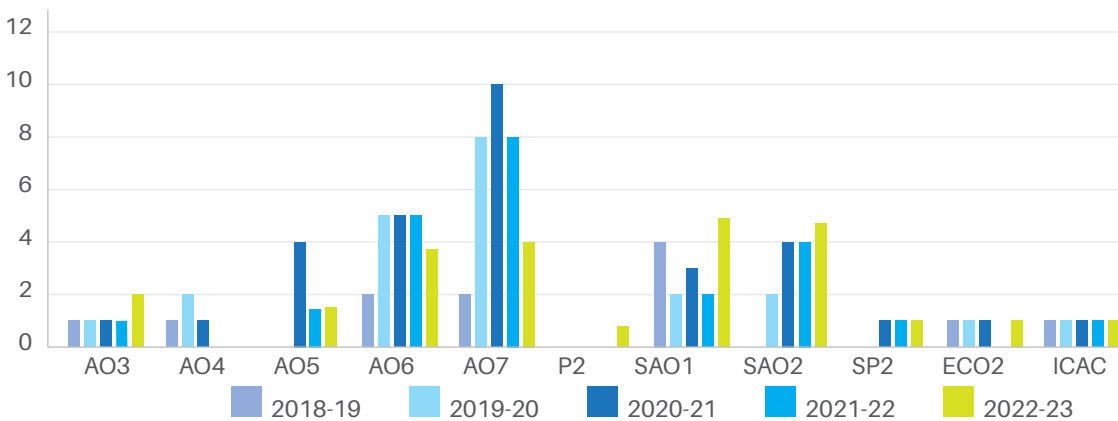
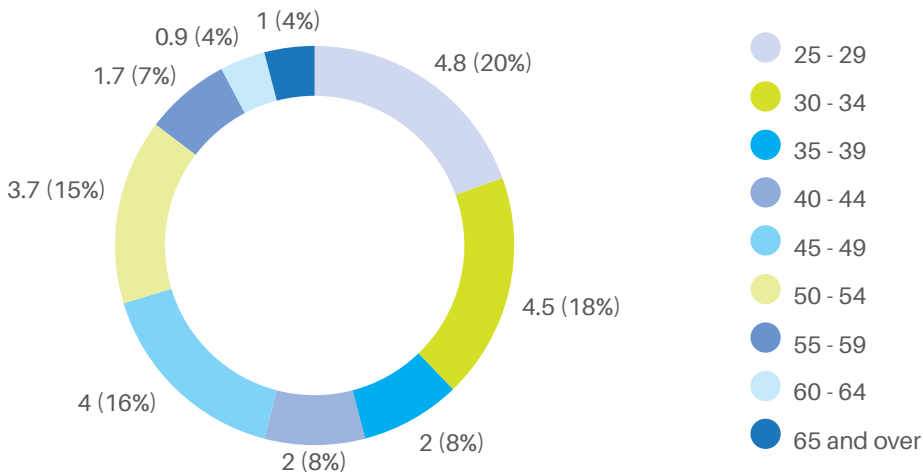


Table 15: Classification of head count, level and gender, as at the final pay period in 2022-23 (pay 26)

Actual Classification Code	Female	Male	Headcount
AO3 ¹	2	-	2
AO5 ¹	2	-	2
AO6 ¹	3	1	4
AO7 ¹	2	2	4
P2 ²	-	1	1
SAO1 ³	2	3	5
SAO2 ³	4	1	5
SP2 ⁴	1	-	1
ECO ⁵	1	-	1
ICAC	-	1	1
Total	17	9	26

- 1. Administrative Officer (AO).
- 2. Professional 2 (P2).
- 3. Senior Administrative Officer (SAO).
- 4. Senior Professional 2 (SP2).
- 5. Executive Contract Officer (ECO).

Figure 9: Age profile by percentage as at the final pay period in 2022-23 (pay 26)



Staff
as identifying
CALD
(CULTURALLY AND
LINGUISTICALLY DIVERSE)

5
of 26

Executive Committee
members
by
gender

2 FEMALE — **5**
— MALE

Staff
by
ratio
gender

FEMALE — **65%**
35% — MALE

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.

Table 16: OICAC compliance with public sector principles

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 effective, efficient and appropriate use of public resources. These policies and procedures provide guidance to staff and promote the OICAC's guiding principles of integrity, fairness, public interest, courage, accountability and independence.
Human Resource Management Principle (PSEMA section 5C)	The OICAC values and embraces diversity, demonstrated by its current staff members 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, promotion or transfer of an employee must be based solely on the person's suitability.
Equality of Employment Opportunity Principle (PSEMA section 5E)	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. Professional development and training opportunities are offered in accordance with an approved professional development plan for each staff member.
Performance and Conduct Principle (PSEMA section 5F)	Prior to commencement with the OICAC, and on an annual basis, all staff must declare they have read and understood the OICAC's conflict of interest policy and are required to provide a conflict of interest declaration for any work they are involved in that presents an actual, potential or perceived conflict of interest. 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. An OICAC Appropriate Workplace Behaviour Policy exists to promote a respectful working environment.

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 in Table 17.

Table 17: OICAC compliance with Employment Instructions

Employment Instruction	Action
Filling vacancies	The OICAC ensures 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.
Probation	The office has probation guidelines consistent with PSEMA. Managers discuss the probation process with new employees during their induction to the office.
Natural justice	The principle of natural justice is reflected in the OICAC guidelines for staff, policies and procedures, and is adhered to in dealings with staff.
Employee performance management and development systems	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.
Medical examinations	There were no requests for medical examination issued by the ICAC during 2022-23.
Performance and inability	The OICAC uses the information provided on the OCPE website for performance and inability matters. The Corporate Services Unit supports managers dealing with underperformance issues.
Discipline	The office follows the NTPS Discipline Handbook issued in March 2021 by OCPE in dealing with disciplinary processes under PSEMA.
Internal agency complaints and section 59 grievance reviews	The OICAC has an internal grievance policy and procedure available to all staff.
Employment records	Secure storage and disposal of employee records is ensured in accordance with the NTPS Organisations Records and Information Management Standards and the <i>Information Act 2002</i> .
Equality of employment opportunity programs	The OICAC is supportive of a diverse workforce and adheres to the Disability Employment Strategy 2019-2023. The office has also commenced drafting an Aboriginal Employment Strategy.
Occupational health and safety standards programs	There are a number of WHS documents available to staff, including a COVID-19 safety procedure that ensures workplace physical distancing measures and hygiene measures are in place. Improvements in WHS practices have been implemented as per the recommendations from the 2021-22 WHS internal audit.
Code of conduct	The NTPS Code of Conduct is included in the induction pack for all OICAC employees. Managers must ensure employees adhere to the standards of conduct required.

Employment Instruction	Action
Appropriate workplace behaviours	<p>The OICAC 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.</p> <p>The ICAC has also issued guidelines for staff in accordance with section 129 of the ICAC Act, which includes the expectation to act consistently with the office's guiding principles of integrity, fairness, public interest, courage, accountability and independence.</p>
Redeployment and redundancy procedures	There were no instances of redeployment or redundancy in the reporting period.
Special measures	The OICAC updated its special measures plan that provides priority consideration to eligible First Nations people applying for positions. This applies to all recruitments.

Records and information management

The OICAC has finalised a new records management policy. Records management was identified as a key priority in the ICAC's first year. In addition, the office finalised a shared services agreement with DCDD's Information Management Unit to provide additional records management support to staff in maintaining corporate records and establishing use of the electronic records management system, Territory Records Manager. Operational and case-related records continue to be stored in a dedicated case management system.

As at the end of the reporting period, the OICAC continues to work in compliance with the *Information Act 2002*.

Operational information is exempt from certain disclosures under section 44 of the *Information Act 2002*.

Requests to access information that is not exempt under section 44, and requests to correct personal information held by the office may be made through the Director Corporate Services via ICAC.CorporateServices@icac.nt.gov.au.

No requests for information were received during the 2022-23 financial year.

Work health and safety (WHS)

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

WHS strategies the OICAC has employed include:

- promoting WHS policy and procedures, including during induction of new staff
- maintaining a dedicated system to report incidents, near-misses and hazards
- regular safety inspections of office premises
- ensuring WHS matters and staff wellbeing are a standing agenda item in the weekly Executive Committee meetings
- maintaining a WHS risk register
- providing WHS awareness training for all staff and managers, including first aid and fire warden training.^{2A}

During 2022-23, there was one WHS incident related to a slip and fall in the building's foyer. The building owner has addressed the hazard.

Staff wellbeing is a priority. In addition to staff training, staff members are also provided with:

- access to employee assistance programs
- ergonomic assessments
- access to flu vaccinations
- flexible working arrangements
- dedicated and accredited mental health first aid officers.

Financial statement overview

For the year ended 30 June 2023

The Independent Commissioner Against Corruption (ICAC) was established under the *Independent Commissioner Against Corruption Act 2017* (ICAC Act) with functions designed to prevent and deal with improper conduct in public administration. The ICAC is supported by staff in the Office of the Independent Commissioner Against Corruption (OICAC or the office). The ICAC is the Chief Executive Officer of the OICAC.

During the 2022-23 financial year, the OICAC achieved a net surplus of \$93,000, compared to a net surplus of \$148,000 in the prior financial year.

Total income decreased by \$1.343 million, or 17.7% compared to last financial year, with total expenses decreasing by \$1.288 million, or 17.3%.

Summary of operating result

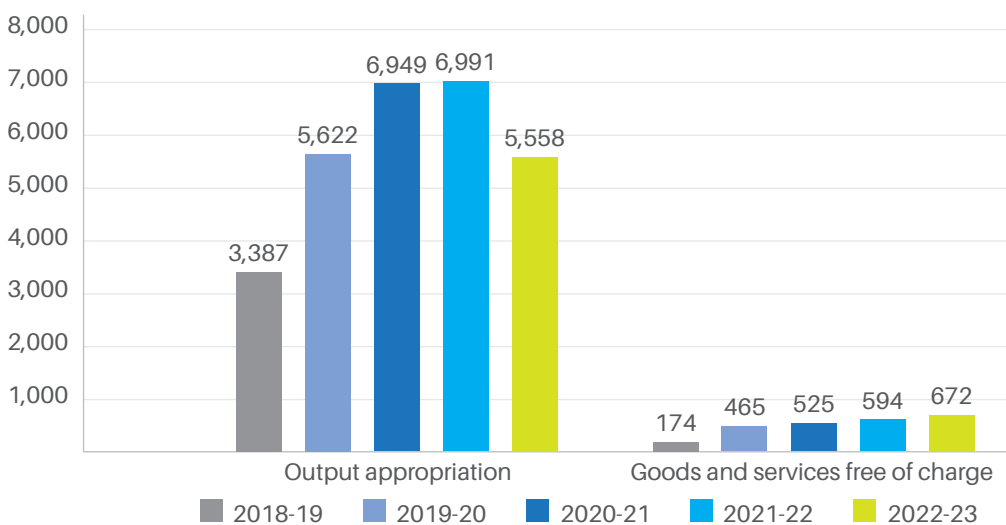
	2022-23 \$000	2021-22 \$000	Difference \$000
Total income	6,242	7,585	(1,343)
Total expenses	6,149	7,437	(1,288)
Net surplus (deficit)	93	148	(55)

Income

The OICAC's primary source of income is from output appropriation, which was \$5.558 million in 2022-23, a reduction of \$1.433 million (20.5%) from 2021-22. The reduction in 2022-23 is mainly due to the variations in additional funding approved in the 2020 Budget.

Notional revenue from goods and services received free of charge is higher by \$78,000 compared to last year as 2022-23 is the first full year the OICAC received information management and workforce services from the Department of Corporate and Digital Development (DCDD).

Figure 10: Income comparison by year (\$000)

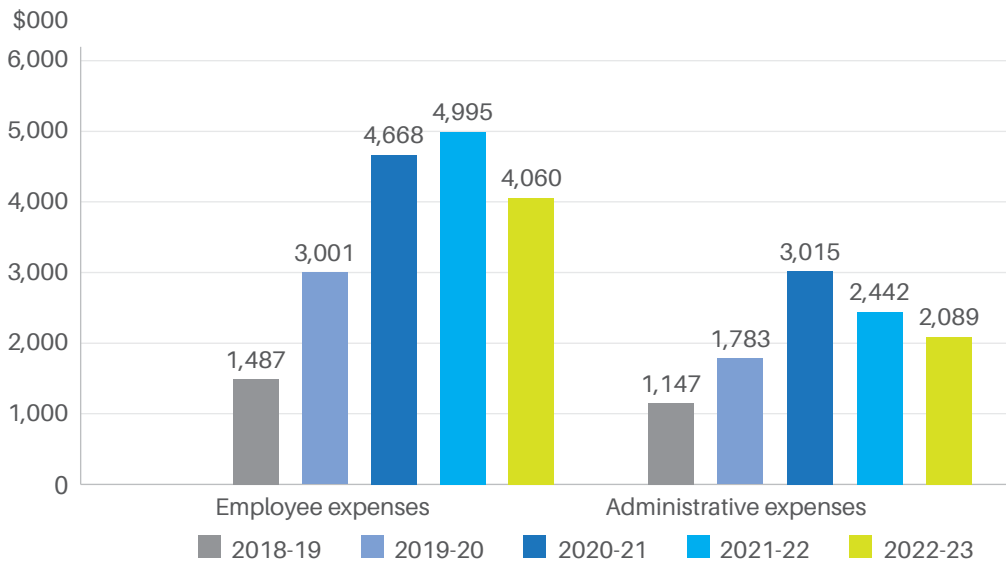


Expenses

Employee expenses in 2022-23 saw a decline of \$935,000 from 2021-22 as a result of accommodating the decrease in output appropriation funding and difficulty in recruiting employees to the office.

Similarly, administrative expenses decreased by \$353,000 to accommodate the reduction in output appropriation funding by primarily reducing outsourcing investigative services.

Figure 11: Expenses comparison by year (\$000)



Financial position

The OICAC had a minor increase of \$8,000 in its total assets during the 2022-23 financial year, the result of an improvement of \$286,000 in the end-of-year cash balance and the reduction in property, plant and equipment due to depreciation and amortization expenses.

Total liabilities lessened by \$84,000, primarily due to lower employee benefits provisions and provisions for court cases at year end, compared to the prior year.

The OICAC’s total cash balance as at 30 June 2023 was \$3.673 million, which is sufficient to continue to meet its liabilities.

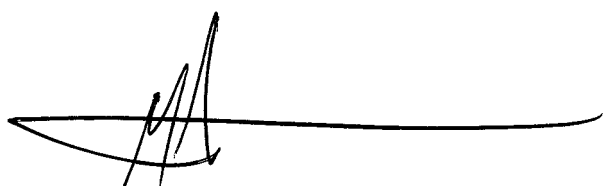
	2022-23	2021-22	Difference
Total assets	\$000	\$000	\$000
Total liabilities	5,382	5,374	8
Net assets	(885)	(970)	85
	4,497	4,404	93

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 Australian Accounting Standards and with the requirements as prescribed in 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 2023 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
31 August 2023



Robyn Miller-Smith
A/Director Corporate Services
31 August 2023

Comprehensive operating statement

For the year ended 30 June 2023

	Note	2022-23	2021-22
		\$000	\$000
INCOME			
Appropriation			
Output	4	5,558	6,991
Goods and services received free of charge	5	672	594
Other income	6	12	-
TOTAL INCOME	3	6,242	7,585
EXPENSES			
Employee expenses		4,060	4,995
Administrative expenses			
Property management		45	43
Purchases of goods and services	7	1,099	1,532
Depreciation and amortisation	12, 14	273	273
Other administrative expenses ¹		672	594
TOTAL EXPENSES	3	6,149	7,437
NET SURPLUS/(DEFICIT)		93	148
TOTAL OTHER COMPREHENSIVE INCOME		93	148

1. Includes DCDD service charges and 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 2023

	Note	2022-23	2021-22
		\$000	\$000
ASSETS			
Current assets			
Cash and deposits	9	3,673	3,387
Receivables	11	60	63
Total current assets		3,733	3,450
Non-current assets			
Property, plant and equipment	12, 17	1,565	1,797
Intangibles	14, 17	84	127
Total non-current assets		1,649	1,924
TOTAL ASSETS		5,382	5,374
LIABILITIES			
Current liabilities			
Payables	15	255	202
Provisions	16	630	768
Total current liabilities		885	970
TOTAL LIABILITIES		885	970
NET ASSETS		4,497	4,404
EQUITY			
Capital		2,235	2,235
Accumulated funds		2,262	2,169
TOTAL EQUITY		4,497	4,404

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

Statement of changes in equity

For the year ended 30 June 2023

	Note	Equity at 1 Jul	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 Jun
		\$000	\$000	\$000	\$000
2022-23					
Accumulated funds		2,169	93	-	2,262
Total accumulated funds		2,169	93	-	2,262
Capital - transactions with owners					
Equity injections					
Equity transfers in		2,235	-	-	2,235
Other equity injections		50	-	-	50
Equity withdrawals					
Capital withdrawal		(50)	-	-	(50)
Total capital - transactions with owners		2,235	-	-	2,235
Total equity at end of financial year		4,404	93	-	4,497
2021-22					
Accumulated funds		2,021	148	-	2,169
Total accumulated funds		2,021	148	-	2,169
Capital - transactions with owners					
Equity injections					
Equity transfers in		2,224	-	11	2,235
Other equity injections		50	-	-	50
Equity withdrawals					
Capital withdrawal		(50)	-	-	(50)
Total capital - transactions with owners		2,224	-	11	2,235
Total equity at end of financial year		4,245	148	11	4,404

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 2023

	Note	2022-23	2021-22
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Appropriation received			
Output		5,558	6,991
Receipts from sales of goods and services		111	142
Total operating receipts		5,669	7,133
Operating payments			
Payments to employees		(4,116)	(5,041)
Payments for goods and services		(1,267)	(1,612)
Total operating payments		(5,383)	(6,653)
Net cash from/(used in) operating activities	10	286	480
Net increase/(decrease) in cash held		286	480
Cash at beginning of financial year		3,387	2,907
CASH AT END OF FINANCIAL YEAR	9	3,673	3,387

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

Index of notes to the financial statements

Note	
1.	Objectives and funding
2.	Statement of significant accounting policies
3.	Comprehensive operating statement by output group
	INCOME
4.	Appropriation
5.	Goods and services received free of charge
6.	Other income
	EXPENSES
7.	Purchases of goods and services
8.	Write-offs, postponements, waivers, gifts and ex gratia payments
	ASSETS
9.	Cash and deposits
10.	Cash flow reconciliation
11.	Receivables
12.	Property, plant and equipment
13.	Office as lessee
14.	Intangibles
	LIABILITIES
15.	Payables
16.	Provisions
	OTHER DISCLOSURES
17.	Fair value measurement
18.	Financial instruments
19.	Related parties
20.	Contingent liabilities and contingent assets
21.	Events subsequent to balance date
22.	Budgetary information

1. Objectives and funding

The OICAC's mission is to support and improve integrity in Northern Territory (NT) public administration through the discharge of statutory functions to achieve the highest standards of integrity in NT public administration.

The OICAC is predominantly funded, 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 OICAC are summarised into 2 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 1995* requires the OICAC 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:

- a) a certification of the financial statements
- b) a comprehensive operating statement
- c) a balance sheet
- d) a statement of changes in equity
- e) a cash flow statement
- f) 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 agency 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 2022-23 financial year

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

Standards and interpretations issued but not yet effective

No Australian accounting standards have been adopted early for 2022-23 financial year.

Several 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.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities

This standard amends the application of AASB 13 Fair Value Measurement to non-financial assets of not-for-profit public sector entities not held primarily to generate cash inflows. It applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

This revised standard provides clarification and further guidance on the current requirements for measuring non-financial assets, including:

- when an asset's use is considered 'financially feasible'
- application of the cost approach in measurement of an asset's fair value
- costs to be included in the calculation of replacement cost
- indicators of economic obsolescence.

This standard is not expected to have a material impact on the financial statements when first adopted for the year ending 30 June 2025.

c) Reporting entity

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

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

The principal place of business of the OICAC is:

Level 7, 9 Cavenagh Street

Darwin, NT 0800.

d) Agency and Territory items

The financial statements of the OICAC include income, expenses, assets, liabilities and equity over which the office has control (agency items) and is able to utilise to further its own objectives. 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.

Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the NT 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 goods and services tax (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. Therefore, these items are not included in the agency's financial statements.

e) Comparatives

Where necessary, comparative information for the 2021-22 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 2022-23 as a result of management decisions.

h) Accounting judgments and estimates

The preparation of the financial report requires the making of judgments 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 believed to be reasonable under the circumstances, the results of which form the basis for making judgments 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.

Judgments 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 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 that 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. Gross GST recoverable on commitments is disclosed separately in the commitments note.

j) Contributions by and distributions to government

The OICAC may receive contributions from government where the government is acting as owner of the agency. Conversely, the office 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 OICAC as adjustments to equity.

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

3. Comprehensive operating statement by output group

	Note	OICAC Operations		Corporate and Shared Services		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
		\$000	\$000	\$000	\$000	\$000	\$000
INCOME							
Appropriation							
Output	4	5,558	6,991	-	-	5,558	6,991
Goods and services received free of charge	5	-	-	672	594	672	594
Other income	6	7	-	5	-	12	-
TOTAL INCOME		5,565	6,991	677	594	6,242	7,585
EXPENSES							
Employee expenses		3,611	4,473	449	522	4,060	4,995
Administrative expenses							
Property management		8	5	37	38	45	43
Purchases of goods and services	7	922	1,364	177	168	1,099	1,532
Depreciation and amortisation	12, 14	3	3	270	270	273	273
Other administrative expenses ¹		-	-	672	594	672	594
TOTAL EXPENSES		4,544	5,845	1,605	1,592	6,149	7,437
NET SURPLUS/(DEFICIT)		1,021	1,146	(928)	(998)	93	148
COMPREHENSIVE RESULT		1,021	1,146	(928)	(998)	93	148

1. Includes DCDD service charges and DIPL repairs and maintenance service charges.

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

The OICAC is predominantly funded by parliamentary appropriations for the provision of outputs. Outputs are the services provided or goods produced by an agency for users external to the agency. They support the delivery of the agency's objectives and or statutory responsibilities. The above table disaggregates revenue and expenses that enable delivery of services by output group which form part of the balances of the agency.

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. Appropriation

Appropriation recorded in the operating statement includes output appropriation and Commonwealth appropriation received for the delivery of services.

	2022-23			2021-22		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Output	-	5,558	5,558	-	6,991	6,991
Commonwealth	-	-	-	-	-	-
Total appropriation in the operating statement	-	5,558	5,558	-	6,991	6,991

Appropriation recorded in the cash flow statement includes capital appropriation and Commonwealth capital appropriation received for the delivery of assets to be retained by the agency. The OICAC did not receive capital appropriation or Commonwealth capital appropriation in 2022-23 or 2021-22.

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 recognised on receipt of funds.

Commonwealth appropriation follows from the intergovernmental agreement on federal financial relations, resulting in specific purpose payments and national partnership payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then passed on to the relevant agencies as Commonwealth appropriation.

Where appropriation received has an enforceable contract with sufficiently specific performance obligations as defined in AASB 15, revenue is recognised as and when goods and or services are transferred to the customer or third party beneficiary. Otherwise, revenue is recognised when the agency gains control of the funds.

Summary of changes to budget appropriations

There were no changes to budgeted appropriations authorised to the OICAC during 2022-23. The amount originally identified in the *Appropriation (2022-2023) Act 2022* with revised appropriations as reported in 2023-24 Budget Paper No. 3 Agency Budget Statements and the final end of year appropriation is the same.

Refer to Note 22 Budgetary information for detailed information on variations to the agency's actual outcome compared to budget for revenue and expenses.

Output and capital appropriations reflect funding as a direct result of government-approved decisions, with actual funding received by the OICAC in line with the budgeted amounts.

5. Goods and services received free of charge

	2022-23	2021-22
	\$000	\$000
Corporate and information services	664	592
Repairs and maintenance	8	2
Total goods and services received free of charge	672	594

Resources 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 incurred on the OICAC's assets and costs associated with administration of these expenses are centralised and provided by the Department of Infrastructure, Planning and Logistics (DIPL) on behalf of the office, and form part of goods and services received free of charge by the office.

In addition, these corporate services staff and functions are centralised and provided by DCDD on behalf of the office and form part of goods and services received free of charge by the office:

- financial services including accounts receivable, accounts payable and payroll
- employment and workforce services
- information management services
- procurement services
- property leasing services.

6. Other income

	2022-23			2021-22		
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Miscellaneous revenue	-	12	12	-	-	-
Total other income	-	12	12	-	-	-

Miscellaneous revenue includes reimbursements from other agencies and refunds from suppliers for prior year expenses.

7. Purchases of goods and services

The net surplus/(deficit) has been arrived at after charging these expenses:

	2022-23	2021-22
	\$000	\$000
GOODS AND SERVICES EXPENSES:		
Consultants ¹	211	557
Advertising ²	-	-
Marketing and promotion ³	2	2
Document production	2	30
Legal expenses ⁴	221	357
Recruitment ⁵	41	24
Training and study	88	76
Official duty fares	36	8
Travelling allowance	8	4
Information technology charges and communications	311	285
Motor vehicle expenses	24	23
Other	155	166
Total purchases of goods and services	1,099	1,532

1. Includes marketing, promotion and IT consultants.

2. Does not include recruitment, advertising or marketing and promotion advertising.

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

4. Includes legal fees, claim and settlement costs.

5. 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.

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

Write-off

Write-offs reflect the removal from accounting records the value of public money or public property owing to, or loss sustained by the Territory or agency. It refers to circumstance where the Territory or an agency has made all attempts to pursue the debt. However, is deemed irrecoverable due to reasons beyond the Territory or an agency's control. Write-offs result in no cash outlay and are accounted for under 'Other administrative expenses' in the comprehensive operating statement.

The OICAC had no write-offs in 2022-23 and 2021-22.

Postponement

A postponement is a deferral of a right to recover public money or receipt of public property from its due date. This has no effect on revenues or expenses recognised but may affect cash inflows or assets in use.

The OICAC had no postponements in 2022-23 and 2021-22.

Waiver

Waivers reflect the election to forego a legal right to recover public money or receive public property. Once agreed with and communicated to the debtor, a waiver will have the effect of extinguishing the debt and renouncing the right to any future claim on that public money or public property. Waivers result in no cash outlay, and are accounted for under 'Current grants and subsidies expense' in the comprehensive operating statement.

The OICAC had no waivers in 2022-23 and 2021-22.

Gifts

A gift is an asset or property, deemed surplus to government's requirements, transferred to a suitable recipient, without receiving any consideration or compensation, and where there is no constructive or legal obligation for the transfer. Gifted property is accounted under 'Other administrative expenses' in the comprehensive operating statement.

The OICAC gifted 65 low-value assets with zero carrying values to the Independent Broad-based Anti-Corruption Commission (IBAC) Victoria in 2022-23. This process occurred as the OICAC has no technical specialists to use the equipment following cessation of a consultancy contract with an external party. Gifting of these items was approved by the ICAC NT in accordance with the *Financial Management Act 1995*. The equipment was gifted to IBAC Victoria for IBAC's specialist support to the OICAC when required. No items were gifted by the OICAC in 2021-22.

Ex gratia

Ex gratia payments or act-of-grace payments are gratuitous payments where no legal obligation exists. All ex gratia payments are approved by the Treasurer. Ex gratia payments result in cash outlay and are accounted for under 'Purchases of goods and services' in the comprehensive operating statement.

The OICAC had no ex gratia payments in 2022-23 and 2021-22.

9. Cash and deposits

	2022-23	2021-22
Cash at bank	\$000 3,673	\$000 3,387
Total cash and deposits	3,673	3,387

For the purposes of the balance sheet and the cash flow statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

10. Cash flow reconciliation

The total of agency 'Cash and deposits' of \$3.673 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

	2022-23	2021-22
	\$000	\$000
Net surplus/(deficit)	93	148
Non-cash items:		
Depreciation and amortisation	273	273
Changes in assets and liabilities:		
Decrease/(increase) in receivables	13	16
Decrease/(increase) in prepayments	(10)	(2)
(Decrease)/increase in payables	54	12
(Decrease)/increase in provision for employee benefits	(70)	138
(Decrease)/increase in other provisions	(67)	(105)
Net cash from/(used in) operating activities	286	480

11. Receivables

	2022-23	2021-22
	\$000	\$000
CURRENT		
GST receivables	10	23
Prepayments	50	40
Total receivables	60	63

Receivables are initially recognised when the agency becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include contract receivables, accounts receivable, accrued contract revenue and other receivables.

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

Prepayments

Prepayments represent payments made in advance of receipt of goods and services. Prepayments are recognised on an accrual basis and amortised over the period in which the economic benefits from these assets are received.

12. Property, plant and equipment

a) Total property, plant and equipment

	2022-23	2021-22
	\$000	\$000
PLANT AND EQUIPMENT		
At fair value	2,304	2,304
Less: accumulated depreciation	(739)	(507)
Total property, plant and equipment	1,565	1,797

b) Reconciliation of carrying amount of property, plant and equipment

Property, plant and equipment includes right-of-use assets under AASB 16 Leases and service concession assets under AASB 1059. The OICAC did not have right-of-use assets and service concession assets in 2023-22 or 2021-22.

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

	Plant and equipment	
	2022-23	2021-22
	\$000	\$000
Carrying amount as at 1 July	1,797	2,017
Additions	-	-
Disposals	-	-
Additions/disposals from administrative restructuring	-	-
Additions/disposals from asset transfers	-	62
Depreciation/amortisation expense	(232)	(282)
Carrying amount as at 30 June	1,565	1,797

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 other 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, DIPL is responsible for managing general government capital works projects on a whole of government basis. Therefore, appropriation for all OICAC capital works is provided directly to DIPL 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 agency.

Revaluations and impairment

Revaluation of assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land
- buildings
- infrastructure assets.

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

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at 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 agency assets are assessed for any indicators of impairment on an annual basis. If any indicator of impairment exists, the OICAC 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. Impairment loss may only be reversed if there has been change in the assumptions used to determine the asset's recoverable amount. Where an impairment loss is subsequently reversed, the reversal is limited so that the carrying amount of the asset does not exceed the revised estimate of its recoverable amount, nor exceed the net carrying amount that would have been determined had not impairment loss been recognised for the asset in the prior years. 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 2023. No impairment adjustments were required as a result of this review.

Depreciation and amortisation expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated using the straight-line method over their estimated useful lives.

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

	2022-23	2021-22
Plant and equipment	5-10 years	5-10 years

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

13. Office as lessee

The OICAC leases car parking bays and a basement storage area that 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.

14. Intangibles

a) Total intangibles

	2022-23	2021-22
	\$000	\$000
Intangibles with a finite useful life		
Computer software		
Gross carrying amount	211	211
Less: accumulated amortisation	(127)	(84)
Carrying amount at 30 June	84	127
Total intangibles	84	127

The office's intangibles relate to computer software. The office recognises intangible assets only if it is probable that future economic benefits will flow to the office and the costs of the asset can be measured reliably. Where an asset is acquired at no or nominal cost, the cost is the fair value as at the date of acquisition.

Intangible assets arising from configuration and customisation costs for an application software in a Software as a Service (SaaS) arrangement are only recognised where the services create a separately identifiable software code from which the agency has the power to both obtain the future economic benefits and restrict others' access to those benefits.

There is no active market for any of the agency's intangible assets. As such, intangible assets are recognised and carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangibles with limited useful lives are amortised using the straight-line method over their estimated useful lives, which reflects the pattern of when expected economic benefits are likely to be realised.

The estimated useful lives for finite intangible assets are determined in accordance with the Treasurer's Directions and are determined as shown.

	2022-23	2021-22
Intangibles	5 years	5 years

Intangible assets with finite useful life are assessed for indicators of impairment on an annual basis. If any indicator of impairment exists, the OICAC determines the asset's recoverable amount. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

OICAC intangible assets were assessed for impairment as at 30 June 2023. No impairment adjustments were required as a result of this review.

b) Reconciliation of carrying amount of intangibles

	Computer software	
	2022-23	2021-22
	\$000	\$000
Intangibles with a finite useful life		
CARRYING AMOUNT AT 1 JULY	127	169
Additions	-	-
Disposals	-	-
Additions/disposals from administrative restructuring	-	-
Additions/disposals) from asset transfers	-	-
Amortisation	(43)	(42)
Carrying amount as at 30 June	84	127

15. Payables

	2022-23	2021-22
	\$000	\$000
Accounts payable	5	4
Accrued salaries and wages	90	69
Other accrued expenses	160	129
Total payables	255	202

Liabilities for accounts payable and other amounts payable are carried at amortised 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 OICAC. Accounts payable are normally settled within 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

Salaries and wages that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the amounts expected to be paid.

16. Provisions

	2022-23	2021-22
	\$000	\$000
CURRENT		
Employee benefits		
Recreation leave	468	539
Leave loading	46	46
Other current provisions		
Other provisions	116	183
Total provisions	630	768

Reconciliations of provisions (other than employee benefits)

	2022-23	2021-22
	\$000	\$000
Balance at 1 July	183	289
Additional provisions recognised	-	110
Reductions arising from payments	(67)	(216)
Balance at 30 June	116	183

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 recreation leave and other employee benefit liabilities that fall due within 12 months of 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 of estimated future cash flows, calculated using the appropriate government bond rate and taking into consideration expected future salary and wage levels, experience of employee departures and periods of service.

All recreation leave is classified as a current liability.

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 OICAC. Therefore, no long service leave liability is recognised within these financial statements.

The OICAC employed 26 staff as at 30 June 2023 (24 staff as at 30 June 2022). The number of staff includes those who were on parental leave.

17. 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 or liabilities.

Observable inputs are publicly available data relevant to the characteristics of the assets or liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments not available publicly but relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency 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 this 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.

a) Fair value hierarchy

The OICAC 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.

This table 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets								
Plant and equipment (Note 12)	-	-	-	-	1,565	1,797	1,565	1,797
Intangibles (Note 14)	-	-	-	-	84	127	84	127
Total assets	-	-	-	-	1,650	1,924	1,650	1,924

There were no transfers between Level 1 and Levels 2 or 3 during 2022-23.

b) Valuation techniques and inputs

The valuation technique used to measure fair value of the level 3 asset class, plant and equipment (Note 12), and intangibles (Note 14) in 2022-23 was the cost approach.

There were no changes in valuation techniques from 2021-22 to 2022-23.

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	Total
	\$000	\$000	\$000
2022-23			
Fair value as at 1 July	1,797	127	1,924
Additions	-	-	-
Disposals	-	-	-
Transfers in/out	-	-	-
Depreciation/amortisation	(231)	(42)	(273)
Fair value as at 30 June	1,566	85	1,651
2021-22			
Fair value as at 1 July	2,017	169	2,186
Additions	-	-	-
Disposals	-	-	-
Transfers in/out	62	-	62
Depreciation/amortisation	(282)	(42)	(324)
Fair value as at 30 June	1,797	127	1,924

ii) Sensitivity analysis

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

18. 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 OICAC 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 OICAC has limited exposure to financial risks.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The NT Government's investments, loans and placements, and borrowings are predominantly managed by the NT Treasury Corporation adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

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		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value			
	\$000	\$000	\$000	\$000	\$000
2022-23					
Cash and deposits	-	-	3,673	-	3,673
Receivables ¹	-	-	-	-	-
Total financial assets	-	-	3,673	-	3,673
Payables ¹	-	-	5	-	5
Total financial liabilities	-	-	5	-	5
2021-22					
Cash and deposits	-	-	3,387	-	3,387
Receivables ¹	-	-	-	-	-
Total financial assets	-	-	3,387	-	3,387
Payables ¹	-	-	4	-	4
Total financial liabilities	-	-	4	-	4

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

Categories of financial instruments

The OICAC'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 (FVOCI)
- fair value through profit and loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost
- fair value through profit and loss (FVTPL).

These classifications are based on the OICAC's business model for managing 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 with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by the OICAC 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 assets at fair value through other comprehensive income

Financial assets are classified at fair value through other comprehensive income when they are held by the OICAC to both collect contractual cash flows and sell the financial assets, and the contractual cash flows are solely payments of principal and interest.

These assets are initially and subsequently recognised at fair value. Changes in the fair value are recognised in other comprehensive income, except for the recognition of impairment gains or losses and interest income which are recognised in the operating result in the comprehensive operating statement. When financial assets are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the comprehensive operating statement.

For equity instruments elected to be categorised at FVOCI, changes in fair value recognised in other comprehensive income are not reclassified to profit or loss on derecognition of the asset. Dividends from such instruments continue to be recognised in the comprehensive operating statement as other income when the agency's right to receive payments is established.

The OICAC does not have any financial assets under this category.

Financial assets at fair value through profit or loss

Financial assets are classified at FVTPL where they do not meet the criteria for amortised cost or FVOCI. These assets are initially and subsequently recognised at fair value with gains or losses recognised in the net result for the year.

The OICAC does not have any financial assets under this category.

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 OICAC's financial liabilities categorised at amortised cost include all accounts payable.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at FVTPL when the liabilities are either held for trading or designated as FVTPL. Financial liabilities classified at FVTPL are initially and subsequently measured at fair value with gains or losses recognised in the net result for the year.

For financial liabilities designated at FVTPL, changes in the fair value of the liability attributable to changes in the agency's credit risk are recognised in other comprehensive income, while remaining changes in the fair value are recognised in the net result.

The OICAC does not have any financial liabilities under this category.

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 OICAC 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 creditworthy 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 OICAC 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 OICAC's 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 arising that deplete cash to levels that compromise the office's ability to meet its financial obligations.

The following tables detail the OICAC's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at the 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.

Maturity analysis for financial liabilities

2022-23	Carrying amount	Less than a year	1 to 5 ears	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Payables ¹	5	5	-	-	5
Total financial liabilities	5	5	-	-	5

1. Amounts disclosed exclude statutory amounts and accruals (such as Accountable Officer's Trust Account (AOTA), accrued expenses, unearned revenue and provisions), as these do not meet the definition of financial instrument and therefore amounts will not recognise the balance sheet.

2021-22	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Payables ¹	4	4	-	-	4
Total financial liabilities	4	4	-	-	4

1. Amounts disclosed exclude statutory amounts and accruals (such as AOTA, accrued expenses, unearned revenue and provisions), as these do not meet the definition of financial instrument and therefore amounts will not recognise the balance sheet.

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 OICAC is not exposed to interest rate risk as its financial assets and financial liabilities are non-interest bearing.

ii) Price risk

The OICAC is not exposed to price risk as it does not hold units in unit trusts.

iii) Currency risk

The OICAC is not exposed to currency risk as it does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

19. Related parties

i) Related parties

The OICAC is a government administrative entity to assist the ICAC who has been established under the ICAC Act. Related parties of the office include:

- the portfolio minister and key management personnel (KMP), because they have authority and responsibility for planning, directing and controlling the activities of the office
- close family members of the portfolio minister or 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 the portfolio minister, or controlled or jointly controlled by their close family members.

ii) Key management personnel (KMP)

Key management personnel of the OICAC are those persons having authority and responsibility for planning, directing and controlling the activities of the office. These include the ICAC and the Executive Director.

iii) Remuneration of KMP

The details below exclude the salaries and other benefits of the minister for the Office of the ICAC as the minister's remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's annual financial statements.

This table shows the aggregate compensation of KMP of the OICAC.

	2022-23	2021-22
	\$000	\$000
Short-term benefits	728	601
Post-employment benefits	94	82
Long-term benefits	-	-
Termination benefits	-	-
Total remuneration of key management personnel	822	683

iv) Related party transactions

Transactions with NT Government-controlled entities

The OICAC's primary ongoing source of funding is received from the Central Holding Authority in the form of output and capital appropriation.

This table provides quantitative information about all related party transactions entered into during the year with other NT Government-controlled entities.

Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
2022-23				
All NT Government departments	674	780	-	-
2021-22				
All NT Government departments	594	818	-	-

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

Other related party transactions

Given the breadth and depth of NT Government activities, related parties will transact with the NT 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.

Outside normal citizen-type transactions with the NT Government, there were no related-party transactions that involved KMP and their close family members.

20. Contingent liabilities and contingent assets

a) Contingent liabilities

The OICAC had entered into contracts and agreements that contain indemnities. The contingent liabilities arising from these indemnities are unquantifiable and the likelihood of occurrence from these indemnities is considered low.

The contingent liabilities relating to any litigation matter are not disclosed on the basis that disclosure may adversely affect the outcome of any current or future litigation.

b) Contingent assets

The OICAC had no contingent assets as at 30 June 2023 or 30 June 2022.

21. 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.

22. Budgetary information

The following tables present the variations between the 2022-23 original budgeted financial statements, as reported in 2022-23 Budget Paper No. 3 Agency Budget Statements, and the 2022-23 actual amounts reported in the financial statements, together with explanations for significant variations.

Refer to Note 4 for detailed information on changes to budgeted appropriations from the 2022-23 original budget to the 2022-23 final budget.

Comprehensive operating statement	2022-23 Actual	2022-23 Original budget	Variance	Note
	\$000	\$000	\$000	
INCOME				
Appropriation				
Output	5,558	5,558	-	
Goods and services received free of charge	672	638	34	
Other income	12	-	12	
TOTAL INCOME	6,242	6,196	46	
EXPENSES				
Employee expenses	4,060	4,806	(746)	1
Administrative expenses			-	
Purchases of goods and services	1,144	752	392	2
Depreciation and amortisation	273	275	(2)	
Other administrative expenses	672	638	34	
TOTAL EXPENSES	6,149	6,471	(322)	
NET SURPLUS/(DEFICIT)	93	(275)	368	
COMPREHENSIVE RESULT	93	(275)	368	

Notes:

These note descriptions relate to variances greater than \$100,000 or where multiple significant variances have occurred.

- Employee expenses were lower than the original budget as a result of planned delay in filling vacant positions to fund additional purchases of goods and services, unplanned delay in filling vacant positions due to no suitable applicants selected in several recruitment activities, and a position being paid through a workers compensation scheme instead of the OICAC's budget for the period July 2022 to January 2023.
- Purchases of goods and services were higher than the original budget because the OICAC used the funding saved from the planned delay in filling position vacancies for additional purchases to meet the minimum of fixed operational and discretionary requirements, and to accommodate the decreased output appropriation.

Balance Sheet	2022-23 Actual	2022-23 Original budget	Variance	Note
	\$000	\$000	\$000	
ASSETS				
Current assets				
Cash and deposits	3,673	2,907	766	1
Receivables	60	77	(17)	
Total current assets	3,733	2,984	749	
Non-current assets				
Property, plant and equipment	1,565	1,564	1	
Intangibles	84	85	(1)	
Total non-current assets	1,649	1,649	-	
TOTAL ASSETS	5,382	4,633	749	
LIABILITIES				
Current liabilities				
Deposits held				
Payables	255	189	66	
Provisions	630	735	(105)	2
Total current liabilities	885	924	(39)	
TOTAL LIABILITIES	885	924	(39)	
NET ASSETS	4,497	3,709	788	
EQUITY				
Capital	2,235	2,236	(1)	
Reserves	-	-	-	
Accumulated funds	2,262	1,473	789	
TOTAL EQUITY	4,497	3,709	788	

Note:

These note descriptions relate to variances greater than \$100,000 or where multiple significant variances have occurred.

1. The retention of the cash balance from unused funds from 2021-22 brought the opening balance in 2022-23 to \$3.387 million. The unused output appropriation and cash improvement in 2022-23 brought the cash and deposits to \$3.673 million, meaning cash and deposits increased by \$766,000.
2. Provisions were lower than the original amount budgeted by \$105,000 as result of the reduction of the accumulated recreation leave of the employees and the reduction of provisions for court cases.

Cash flow statement	2022-23 Actual	2022-23 Original budget	Variance	Note
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	5,558	5,558	-	
Receipts from sales of goods and services	111	-	111	
Total operating receipts	5,669	5,558	111	
Operating payments				
Payments to employees	4,116	4,806	(690)	1
Payments for goods and services	1,267	752	515	2
Total operating payments	5,383	5,558	(175)	
Net cash from/(used in) operating activities	286	-	286	
Net increase/(decrease) in cash held	286	-	286	
Cash at beginning of financial year	3,387	2,907	480	
CASH AT END OF FINANCIAL YEAR	3,673	2,907	766	

Note:

These note descriptions relate to variances greater than \$100,000 or where multiple significant variances have occurred.

1. Payments to employees was lower than the original budget by \$690,000 as a result of planned delay in filling vacant positions to fund additional purchases of goods and services, unplanned delay in filling vacant positions as a result of no suitable applicants selected in several recruitment activities, and a position being paid through a workers compensation scheme instead of the OICAC's budget for the period July 2022 to January 2023.
2. Payments for goods and services were higher than the original budget by \$515,000, mainly because the OICAC used the funding saved from the planned delay in filling position vacancies for additional purchases to meet the minimum of fixed operational and discretionary costs, and to accommodate the decreased output appropriation.

Glossary

Abbreviation

AASB	Australian Accounting Standards Board
AO	Administrative Officer (includes AO3, AO5 and AO6)
ARCC	Audit, Risk and Compliance Committee
ATO	Australian Tax Office
Budget Paper no. 3.	2022-23 Agency Budget Statements
DCDD	Department of Corporate and Digital Development
DIPL	Department of Infrastructure, Planning and Logistics
EI	Employment Instruction
FTE	full-time equivalent
FVOCI	fair value through other comprehensive income
FVTPL	fair value through profit and loss
GST	goods and services tax
ICAC	Independent Commissioner Against Corruption
ICAC Act	<i>Independent Commissioner Against Corruption Act 2017</i>
KMP	key management personnel
KPIs	key performance indicators
MLA	Member of the Legislative Assembly
NT	Northern Territory
NTPS	Northern Territory Public Sector
OCPE	Office of the Commissioner for Public Employment
OICAC or the office	Office of the Independent Commissioner Against Corruption
PDP	professional development plan
PID	Public Interest Disclosures
PSEMA	<i>Public Sector Employment and Management Act 1993</i>
SAO	Senior Administrative Officer, (includes SAO1 and SAO2)
SP2	Senior Professional 2
the Strategic Plan	Strategic Plan 2022 to 2026
VFT	Value for Territory
WHS	work health and safety
WHSMS	WHS management system

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