

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

**ANNUAL REPORT
2016-2017**

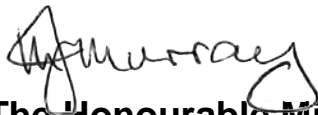


PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

ANNUAL REPORT
2016-2017

TO: The Parliament of Western Australia

I present my Annual Report for the year ending 30 June 2017 pursuant to section 203 of the *Corruption, Crime and Misconduct Act 2003 (WA)*.



The Honourable Michael Murray AM QC
Parliamentary Inspector of the Corruption and Crime Commission



THIS REPORT

This is my fifth Annual Report as Parliamentary Inspector of the Corruption and Crime Commission after taking office on 8 January 2013. It is made pursuant to s 203 of the *Corruption, Crime and Misconduct Act 2003 (WA)* and deals with my activities generally during the 2016-2017 year.

THE OFFICE OF PARLIAMENTARY INSPECTOR

My primary responsibilities as an officer of the Parliament of Western Australia are:

- to oversee the activities of the Commission and its officers;
- to keep the Parliament informed of material issues concerning the operation of the Commission;
- to assess the effectiveness and appropriateness of the Commission's procedures;
- to generally exercise my functions and powers under the Act, and
- to assist the Joint Standing Committee to perform its functions.

One or both of the Acting Parliamentary Inspectors Craig Colvin SC and Matthew Howard SC acts as Parliamentary Inspector when I am unable to perform my functions. I am grateful to them for their contribution, as I am to my sole staff member, Mr Murray Alder.

THE WORKLOAD OF MY OFFICE

My Office undertook 96 new matters during the reporting period, 10 more than in the previous reporting period, and finalised 101 matters, 6 more than in the previous reporting period. 85 of the finalised matters were commenced in the reporting period and 16 were from the previous reporting period.

The number of matters undertaken by my Office since my appointment in January 2013 has increased by 138%. The staff of my Office, however, remains my assistant Mr Alder and me.

The investigative work undertaken

58% of the work of my Office was devoted to its investigation function.

The nature and the number of matters undertaken by my Office were:

- Allegations made against a Commission officer received by the Commission about which my Office was notified under s 196(4) of the Act (54).

The allegations included misconduct, unfair or incorrect use of powers, inadequate assessment or investigation of complaints made to the

Commission, alleged incompetence, and alleged corruption of Commission officers;

- Complaints about some aspect of the Commission's assessment of complaints of misconduct made to it (34).

The majority of these complaints were that the Commission failed to assess the alleged conduct of a public officer as constituting misconduct, that the Commission conducted an inadequate assessment of a complaint of misconduct, that the Commission had made an unfair or incorrect decision, or that the Commission failed to adequately explain the reason for its assessment;

Complaints about the correctness of the Commission's decision to take no action, or no further action in respect of a matter, regardless of its perceived merits (at least by the complainant) were received;

- Matters initiated by my Office (1).

The subject of this matter was an internal administrative issue, which was ultimately resolved satisfactorily;

- Issues referred to my Office by the Joint Standing Committee under s 195(2)(d) of the Act (2).

These were requests from the Committee to make submissions to two of its inquiries, one concerning the Commission's power to arrest and prosecute matters (or lack thereof) and the other concerning the processes of appointment of the Parliamentary Inspector and the Commissioner;

- Matters arising with the Commission other than under s 196(4) of the Act (1).

The subject of this matter was the ramifications of the judgment by the Supreme Court in the case of *A - v - Maughan* [2016] WASCA 128 which held that the Commission has never had the legislative power to commence criminal proceedings in respect of suspected offences committed under the *Criminal Code*;

- Miscellaneous (4).

The subject of these matters was an invitation to make a submission to an inquiry being conducted by the Parliamentary Committee which oversees the Independent Commission against Corruption in New South Wales; a complaint regarding the accidental disclosure of information in a report by the Committee; a lengthy complaint about Police harassment which was subsequently referred to the Commission

for investigation, and a complaint of harassment which did not fall within my jurisdiction and upon which the complainant was informally advised about avenues to seek redress which may be open.

The audit work undertaken

42% of my Office's work was devoted to its audit function.

My Office audits the operation of the Act, the Commission's operations to determine if they comply with the laws of the State, and the Commission's operations conducted under the Act. These audits are conducted in two principal ways: in the assessment and investigation of complaints made about Commission activities, and when my assistant attends the Commission on a quarterly basis to examine the Commission's records.

Reports tabled with the Parliament or the Joint Standing Committee

I tabled 1 Report in the Parliament during the reporting period on 8 February 2017 relating to the misconduct by a Commission officer, and I tabled 1 Report with the Joint Standing Committee on 28 June 2017 relating to alleged misconduct by the Commission itself, as opposed to the Commissioner and/or other officers of the Commission.

Issues of concern

Some issues of concern have persisted, or have arisen, during the reporting period between my Office and the Commission, but have not, as yet, been properly resolved.

Section 196(9) of the Act

The Commission continues to suggest that the application of this section precludes me, or at least delays me until it completes its own actions, from undertaking my functions or exercising my powers in respect of a matter which has as one of its dimensions an issue that arises from, or can be dealt with under, a jurisdiction created by, or that is subject to, the *Industrial Relations Act 1979*.

In one case during the reporting period which related to a serious allegation made against a Commission officer which I was investigating, the Commission refused to provide me with its file after I requested it under s 196(3)(b) of the Act on the basis that it had not yet completed its consideration of certain industrial issues, including the release of the officer from his employment.

The Act does not subordinate my functions and powers concerning non-industrial issues which fall within my jurisdiction to an industrial issue that may exist between the Commission and its officers. Rather, s 196(9) of the Act

simply excludes me from reviewing an industrial matter (that is, the Commission's or the Commission officer's position, decision or action taken or proposed in respect of industrial aspects of the matter).

S 205 of the Act

The Commission has suggested before and during the reporting period that s 205 of the Act prevents me from naming in my reports a Commission officer about whose conduct I have formed an adverse opinion, including an opinion of misconduct or serious misconduct despite the operation of s 208 of the Act which authorises disclosure of official information in circumstances which include the making of Reports to the Parliament or the Committee.

There is nothing in the Act which elevates the identity of a Commission officer to any special level of protection from my publication. Further, in my view the Commission may not claim legal professional privilege, or any other privilege, to restrict my power of disclosure when the exercise of the functions of my Office requires it. Transparency and accountability applies to my reporting to Parliament or to the Committee of the conduct – exemplary or poor – of Commission officers.

The Commission's preliminary investigations of allegations made against its officers

The most common flaw in the Commission's approach when conducting a preliminary investigation into the conduct of its own officers when that conduct may involve criminal behaviour has been to interview those officers in a manner which is not in accordance with the provisions of the *Criminal Investigation Act*, although for the purpose of assessing if the officers have committed serious misconduct.

This approach undermines (and has in the past defeated) any subsequent referral by me of the allegation to law enforcement agencies for criminal investigation and prosecution. Despite my repeated criticism of this practice in previous reporting periods, the practice continues.

Power of arrest

I am aware that Commissioner McKecknie QC has expressed the opinion that his officers have the power to arrest a person who is suspected of having committed a criminal offence, although he has conceded that there is some doubt about the existence of this power, and has suggested that a specific legislative power of arrest should be granted to his officers in order to eliminate any doubt.

As the Court of Appeal's decision in *A - v - Maughan* [2016] WASCA 128 (15 July 2016) confirmed, it is not a function of the Commission to commence or conduct criminal prosecutions in respect of offences or crimes under the *Criminal Code*, and I therefore do not accept that the statutory power of arrest can be exercised in furtherance of a criminal investigation which might culminate in the exercise of a prosecutorial power which the Commission does not have.

Interstate exercise of powers and functions

In some past reporting periods, and during this reporting period, the Commission has purported to exercise its functions and powers in an Australian territory other than Western Australia. However, in the absence of an extraterritorial provision in the Act, or some other empowering Commonwealth legislative provision, the Commission cannot exercise its functions and powers outside Western Australia.

The Commission's decision not to investigate complaints of the use of excessive force

During my term I have become concerned about the Commission's response to complaints of the use of excessive force by police officers, and during the reporting period a particular complaint to me about the issue has increased my concern. That complaint is currently being determined by me and may result in a report to the Joint Standing Committee.

Auditing telecommunications interception affidavits and warrants

Throughout my term my Office, along with my counterparts in N.S.W., Victoria and Queensland, I have urged the Commonwealth Attorney General to amend the *Telecommunications (Interception and Access) Act 1979 (Cth)* to enable our respective offices to audit generally, affidavits and warrants obtained and used by our respective integrity bodies.

Such affidavits and warrants, and the use in various ways of the information obtained from them by the Commission, are the only investigative tools of the Commission my Office is precluded from accessing and auditing (except when I am concerned with suspected misconduct by the Commission or its officers), yet those investigative processes are arguably the most powerful and intrusive possessed by the Commission.

Efforts to address this flaw by amending the *TI Act* have been made in conjunction with the previous Committee, but to no avail. It remains a dangerous lacuna in my powers of oversight of the Commission, to the effect that flawed or even corrupt practices in the process of applying for such warrants, or in the use of intercepted information, are capable of occurring undetected outside the Commission.

The Commission's written responses dismissing complaints

In some instances the Commission tends to write to its complainants dismissing their complaints without adequately explaining why it has concluded that the complaint either does not meet the definition of serious misconduct under the Act, or does not justify the Commission expending its resources to investigate it.

Such brief responses from the Commission often cause misunderstanding and annoyance of the complainant, who subsequently complains to the Commission, or to my Office. The result may often be a fuller explanation of the Commission's decision. The time and resources required to rectify the situation might have been expended more profitably by the Commission if it had, at the outset, given an adequate explanation.

On a number of occasions I have drawn this issue to the Commission's attention, and while the Commission has responded by providing a fuller explanation in those instances, this problem still arises from time to time.

Cooperation between the Commission and my Office

The cooperation between the Commission and my Office established during the previous reporting period under Commissioner McKechnie QC and the executive officers in the Commission, continued during the reporting period. Any points of friction or disagreement are discussed and settled cooperatively, either at senior staff or Parliamentary Inspector / Commissioner level. That is not to say that there are not, on occasions, matters in respect of which the Commission and my Office simply have different views.



Parliament House



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PARLIAMENTARY INSPECTOR OF THE CORRUPTION AND CRIME COMMISSION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Parliamentary Inspector of the Corruption and Crime Commission which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Parliamentary Inspector of the Corruption and Crime Commission for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Parliamentary Inspector in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Parliamentary Inspector for the Financial Statements

The Parliamentary Inspector is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Parliamentary Inspector determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Parliamentary Inspector is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Parliamentary Inspector.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parliamentary Inspector.
- Conclude on the appropriateness of the Parliamentary Inspector's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Parliamentary Inspector regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Parliamentary Inspector of the Corruption and Crime Commission. The controls exercised by the Parliamentary Inspector are those policies and procedures established by the Parliamentary Inspector to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Parliamentary Inspector of the Corruption and Crime Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

The Parliamentary Inspector's Responsibilities

The Parliamentary Inspector is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected.

Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Parliamentary Inspector of the Corruption and Crime Commission for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Parliamentary Inspector of the Corruption and Crime Commission are relevant and appropriate to assist users to assess the Parliamentary Inspector's performance and fairly represent indicated performance for the year ended 30 June 2017.

The Parliamentary Inspector's Responsibility for the Key Performance Indicators

The Parliamentary Inspector is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Parliamentary Inspector determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Parliamentary Inspector is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Parliamentary Inspector of the Corruption and Crime Commission for the year ended 30 June 2017 included on the Parliamentary Inspector's website. The Parliamentary Inspector's management is responsible for the integrity of the Parliamentary Inspector's website.

This audit does not provide assurance on the integrity of the Parliamentary Inspector's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

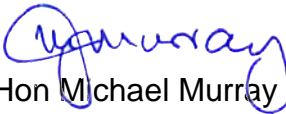
A handwritten signature in blue ink, appearing to read 'Don Cunningham', with a stylized flourish at the end.

DON CUNNINGHAME
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 August 2017

Key Performance Indicators

Certification of Key Performance Indicators for the Year Ended 30 June 2017

I hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Office of the Parliamentary Inspector of the Corruption and Crime Commission's performance, and fairly represent the performance of the Office of the Parliamentary Inspector of the Corruption and Crime Commission for the financial year ended 30 June 2017.


The Hon Michael Murray AM QC
Accountable Authority

7 August 2017

PERFORMANCE INDICATOR REPORT

For the period 1 July 2016 to 30 June 2017.

OUTCOMES AND SERVICES

RELATIONSHIPS TO GOVERNMENT GOALS

Broad, high-level government goals are supported at agency level by more specific agency desired outcomes. Agencies deliver services to achieve these desired outcomes that ultimately contribute to meeting the higher level government strategic goals. The following table illustrates the relationship between the agency level desired outcome and service and the most appropriate government goal.

Government Goal	Desired Outcome	Service
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	An informed Parliament on the integrity of the Corruption and Crime Commission.	Evaluation of the effectiveness and appropriateness of Corruption and Crime Commission operations.

KEY PERFORMANCE INDICATORS

The Parliamentary Inspector is required under Section 61 of the *Financial Management Act 2006* and Treasurer's Instruction TI 904, to disclose key performance indicators in the annual report.

The following performance indicators should be read in conjunction with the accompanying notes to the Key Performance Indicators. Explanations are provided where there is a significant variation of more than 10% between 2016-17 actual results and budget targets or between actual results of current year and prior year.

KEY EFFECTIVENESS INDICATOR

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual
Number of reports completed and tabled in Parliament within target timeframes *	1	1	1	1	1

* The Parliamentary Inspector is not required to report to Parliament until after the audit of these Key Performance Indicators, therefore the report referred to in the effectiveness indicator is the annual report for the previous year.

The Parliamentary Inspector seeks to achieve the outcome of *an informed Parliament on the integrity of the Corruption and Crime Commission*. The indicator is measured by determining if the Parliamentary Inspector met the statutory annual reporting requirements contained in section 203 of the *Corruption, Crime and Misconduct Act 2003* i.e.

203. Annual report to Parliament

- (1) *The Parliamentary Inspector is to prepare, within 3 months after 30 June of each year, a report as to his or her general activities during that year.*
- (2) *The Parliamentary Inspector is to cause a copy of a report prepared under this section to be laid before each House of Parliament, or dealt with under section 206, within 21 days of the preparation of the report.*
- (3) *This section does not limit Part 5 of the Financial Management Act 2006 and the report required under this section may be prepared and dealt with in conjunction with the report required under that Part.*

This measure is a key indicator of performance because timeliness of reporting is essential if the Parliament is to base decisions on the information provided by the Parliamentary Inspector.

There is no significant variation.

KEY EFFICIENCY INDICATORS

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Actual
Average cost per investigation/case	\$8,110	\$8,198	\$5,028	\$7,311	\$4,639
Cost of the audit function as a percentage of total cost of operations	49%	40%	45%	45%	42%

AVERAGE COST PER INVESTIGATION/CASE

The average cost per investigation/case is calculated by determining the total cost of the investigation function and dividing it by the number of investigations closed for the period.

The total cost of the investigation function is calculated by determining the percentage of salaries devoted to the investigation function and then applying that percentage to the total expenditure of the Parliamentary Inspector for the period. This gives the total cost of the investigation function.

The number of specific investigations conducted and completed by the Parliamentary Inspector is recorded electronically. Each investigation is commenced by receipt of a written complaint and recorded in a complaints register. When the investigation is completed it is recorded as closed. The number of investigations is drawn from this information.

The variance between the 2016-17 Actual and the 2016-17 Target for the average cost per investigation is due to a 55% higher than anticipated number of investigations being finalised in the 2016-17 reporting period. The Office finalised 101 matters which is 36 matters more than estimated.

COST OF THE AUDIT FUNCTION AS A PERCENTAGE OF TOTAL COST OF OPERATIONS

The cost of the audit function as a percentage of the total cost of operations is calculated by determining the percentage of total Parliamentary Inspector salaries devoted to the audit function and then applying that percentage to the total expenditure of the Parliamentary Inspector for the period. For example, if 50% of salaries cost is devoted to the audit function then it is considered that 50% of the total cost of the Office is devoted to the audit function.

There is no significant variation.

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

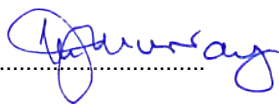
Financial Statements

Certification of Financial Statements

For the year ended 30 June 2017

The accompanying financial statements of the Office of the Parliamentary Inspector of the Corruption and Crime Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period year ended 30 June 2017 and the financial position as at 30 June 2017.

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

Signed.....

The Hon Michael Murray AM QC
Accountable Authority

7 August 2017

Signed.....

Rodolfo Montilva
A/ Chief Finance Officer

7 August 2017



**Office of the Parliamentary Inspector of the Corruption and Crime Commission
Annual Report 2016/2017**

Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
COST OF SERVICE			
Expenses			
Employee benefits expense	6	442,573	506,584
Supplies and services	8	179,053	179,615
Depreciation	9	32,106	26,755
Accommodation expenses	10	122,551	121,760
Other expenses	11	31,574	33,726
Total cost of services		807,857	868,440
Income			
Other revenue	13	5,966	-
Total income other than income from State Government		5,966	-
NET COST OF SERVICES		801,891	868,440
Income from State Government			
Service appropriation	14	746,000	713,000
Resources received free of charge	14	147,639	145,205
Total income from State Government		893,639	858,205
SURPLUS FOR THE PERIOD		91,748	(10,235)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		91,748	(10,235)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Office of the Parliamentary Inspector of the Corruption and Crime Commission
Annual Report 2016/2017

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	23	326,753	227,394
Receivables	15	3,922	26,381
Other Assets	19	656	652
Total Current Assets		331,331	254,427
Non-Current Assets			
Amounts receivable for services	16	163,000	108,000
Property, plant and equipment	17	253,978	286,084
Total Non-Current Assets		416,978	394,084
TOTAL ASSETS		748,309	648,511
LIABILITIES			
Current Liabilities			
Payables	20	16,009	41,664
Provisions	21	308,692	281,283
Total Current Liabilities		324,701	322,947
Non-Current Liabilities			
Provisions	21	14,932	8,636
Total Non-Current Liabilities		14,932	8,636
TOTAL LIABILITIES		339,633	331,583
NET ASSETS		408,676	316,928
EQUITY			
Contributed equity	22	160,000	160,000
Accumulated surplus	22	248,676	156,928
TOTAL EQUITY		408,676	316,928

The Statement of Financial Position should be read in conjunction with the accompanying notes.



**Office of the Parliamentary Inspector of the Corruption and Crime Commission
Annual Report 2016/2017**

Statement of Changes in Equity

For the year ended 30 June 2017

	Note	Contributed equity \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2015	22	160,000	167,163	327,163
Total comprehensive loss for the period		-	(10,235)	(10,235)
Balance at 30 June 2016		160,000	156,928	316,928
Balance at 1 July 2016		160,000	156,928	316,928
Total comprehensive income for the period		-	91,748	91,748
Balance at 30 June 2017		160,000	248,676	408,676

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Office of the Parliamentary Inspector of the Corruption and Crime Commission
Annual Report 2016/2017**

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		691,000	658,000
Net cash provided by State Government		691,000	658,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(442,165)	(419,807)
Supplies and services		(62,993)	(91,839)
Accommodation		(108,943)	(121,760)
GST payments on purchases		(17,068)	(39,178)
Receipts			
Receipts from services		23,369	-
GST receipts from taxation authority		18,321	50,242
GST receipts on sales		(2,162)	2,162
Net cash (used in) operating activities	23	(591,641)	(620,180)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		-	(193,139)
Net cash (used in) investing activities		-	(193,139)
Net increase in cash and cash equivalents		99,359	(155,319)
Cash and cash equivalents at the beginning of the reporting period		227,394	382,713
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23	326,753	227,394

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

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Notes to the Financial Statements

Note 1: Australian Accounting Standards

General

The financial statements for the Office of the Parliamentary Inspector of the Corruption and Crime Commission (the Office) for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Office has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Office cannot adopt an Australian Accounting Standard earlier than the commencement date unless specifically permitted by Treasurer's instruction 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not yet operative) by the Office of the Parliamentary Inspector for the annual reporting period ended 30 June 2017.

Note 2: Summary of significant accounting policies

(a) General statement

The Office is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act 2006 and the Treasurer's Instructions impose legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

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

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

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

Note 3 'Judgements made by management in applying accounting policies' discloses judgement that have been made in the process of applying the Office's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the Office of the Parliamentary Inspector of the Corruption and Crime Commission and no other related bodies.

Mission

The Office of the Parliamentary Inspector accepts and can investigate allegations of misconduct by the Corruption and Crime Commission.

It also makes recommendations to the Corruption and Crime Commission, independent agencies, appropriate authorities and reports and makes recommendations to Parliament and Standing Committees.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

Notes to the Financial Statements

(e) Income

Revenue recognition

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

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at Treasury.

(f) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income.

Initial recognition and measurement

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

Subsequent measurement

Subsequent to initial recognition of an asset, items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Leasehold improvement	10 years
Photocopier	5 years

(g) Impairment of assets

Property, plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Office is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and the depreciated replacement cost.

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

(h) Leases

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

Notes to the Financial Statements

(i) Financial instruments

In addition to cash, the Office has two categories of financial instruments:

- Receivables
- Financial liabilities measured at amortised cost

These have been disaggregated into the following classes:

Financial Assets

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

Financial Liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method. The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise of cash on hand to a known amount of cash.

(k) Accrued salaries

Accrued salaries (see note 20 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Office of the Parliamentary Inspector considers the carrying amount of accrued salaries to be equivalent to its fair value. The last pay day in 2016-2017 was 30 June 2017, therefore an accrual of 1 day was provided for this financial year.

(l) Amounts receivable for services (holding account)

The Office receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(m) Receivables

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

(n) Payables

Payables are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

(o) Provisions

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

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Notes to the Financial Statements

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund provider. The Office makes concurrent contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Office of the Parliamentary Inspector's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined Contribution) made by the Office to GESB extinguishes the agency's obligations to the related superannuation liability.

The Office has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasury. All other GSS obligations are funded by concurrent contributions made by the Office to the GESB.

The GESB makes all benefits payments in respect of the Pension Scheme and GSS, and is recouped from the Treasury for the employee's share.

Provisions – other

Employment on-costs

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

Notes to the Financial Statements

(p) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds.

(q) Resources received free of charge or for nominal cost

Resources (Assets or services) received free of charge or for nominal cost that the Office would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Resources received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(r) Comparative figures

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

Note 3: Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Office evaluates these judgements regularly.

Operating lease commitments

The Office has entered into a number of leases for building for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Note 4: Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long service leave

Several estimations and assumptions used in calculating the Office long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 5: Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Office has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2016 that impacted the office.

AASB 1057	<i>Application of Australian Accounting Standards</i> This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2014-4	<i>Amendments to Australian Accounting Standards-Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i> The adoption of this Standard has no financial impact for the Model Authority as depreciation is not determined by reference to revenue generation, but the reference to consumption of future economic benefits.
AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i> The amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Office has determined that the application of the Standard has no financial impact.

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<i>AASB 2015-2</i>	<i>Amendments to Australian Accounting Standards Australian Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i>
	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concern expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.
<i>AASB 2015-6</i>	<i>Amendments to Australian Accounting Standards Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i>
	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.
<i>AASB 2015-7</i>	<i>Amendments to Australia Accounting Standards – Fair Value Disclosures of Not for Profit Public Sector Entities [AASB 13]</i>
	This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Office cannot early adopt an Australian Accounting Standard unless specifically permitted by *TI 1101 Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. By virtue of a limited exemption, the Office has early adopted AASB 2015 7 Amendments to Australian Accounting Standards Fair Value Disclosures of Not for Profit Public Sector Entities. Where applicable, the Office plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
<i>AASB 9</i>	<i>Financial Instruments</i>	1 Jan 2018
	This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.	
	The mandatory application date of this Standard was amended to 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> . The Office has not yet determined the application or the potential impact of the Standard.	
<i>AASB 15</i>	<i>Revenue from Contracts with Customers</i>	1 Jan 2019
	This Standard establishes the principles that the Office shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.	
	The Office's income is principally derived from appropriations which will be measured under <i>AASB 1058 Income of Not for Profit Entities</i> and will be unaffected by this change. However, the Office has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Office has discharged its performance obligations.	

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<i>AASB 16</i>	<i>Leases</i>	1 Jan 2019
	<p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$284,593 over 5 years. The Office anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short term or low value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	
<i>AASB 1058</i>	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019
	<p>This Standard clarifies and simplifies the income recognition requirements that apply to not for profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Office has not yet determined the application or the potential impact of the Standard.</p>	
<i>AASB 2014-1</i>	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018
	<p>Part E makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Office to determine the application or potential impact.</p>	
<i>AASB 2010-7</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Int 2, 5, 10, 12, 19 & 127]</i>	1 Jan 2018
	<p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Office has not yet determined the application or the potential impact of the Standard.</p>	
<i>AASB 2014-5</i>	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018
	<p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Office has not yet determined the application or the potential impact of the Standard.</p>	
<i>AASB 2014-7</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	<p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Office has not yet determined the application or the potential impact of the Standard.</p>	
<i>AASB 2015-8</i>	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2019
	<p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not For Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016 7. The Office has not yet determined the application or the potential impact of AASB 15.</p>	

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<i>AASB 2016-2</i>	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.	
<i>AASB 2016-3</i>	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
	This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Office has not yet determined the application or the potential impact.	
<i>AASB 2016-4</i>	<i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	1 Jan 2017
	This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under <i>AASB 13 Fair Value Measurement</i> . The Office has not yet determined the application or the potential impact.	
<i>AASB 2016-7</i>	<i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 Jan 2017
	This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15 for not for profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.	
<i>AASB 2016-8</i>	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities.</i>	1 Jan 2019
	This Standard inserts Australian requirements and authoritative implementation guidance for not-for profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no future impact.	
<i>AASB 2017-2</i>	<i>Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle</i>	1 Jan 2017
	This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.	

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Note 6: Employee benefits expense

	2017	2016
	\$	\$
Wages and salaries ^(a)	407,391	467,951
Superannuation - defined contribution plans ^(b)	35,182	38,633
	442,573	506,584

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State, GESB and other eligible funds. Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Other expenses'. Employment on-costs liability is included at note 21 'Provisions'.

Note 7: Compensation of Key Management Personnel

The Office has determined that key management personnel include the responsible Ministers, Accountable Authority and senior officer of the Office. However, the Office is not obligated to compensate the responsible Ministers and therefore disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances*.

Total compensation for key management personnel, comprising accountable authority and other senior officer for the reporting period are presented within the following bands:

	2017	2016
Compensation of members of the accountable authority		
Compensation Band (\$)		
30,001 – 40,000 ^(a)	-	1
250,001 – 260,000	-	1
260,001 – 270,000	1	-
Compensation of senior officers		
Compensation Band (\$)		
250,001 – 260,000	1	1
	\$	\$
Short-term employee benefits	462,457	492,923
Post-employment benefits	35,317	37,590
Other long-term benefits	19,698	21,490
Total compensation of key management personnel	517,472	552,002

(a) The accountable authority against this band ceased being an Acting Parliamentary Inspector in June 2016

Note 8: Supplies and services

	2017	2016
	\$	\$
Communications	5,586	8,746
Consumables	4,228	4,679
Consultants and contractors	21,600	20,985
Resources received free of charge (note 13)	147,639	145,205
	179,053	179,615

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Note 9: Depreciation expenses

	2017	2016
	\$	\$
Leasehold Improvement	30,461	25,384
Office equipment	1,645	1,371
	<u>32,106</u>	<u>26,755</u>

Note 10: Accommodation expenses

	2017	2016
	\$	\$
Building rentals	122,551	121,760
	<u>122,551</u>	<u>121,760</u>

Note 11: Other expenses

	2017	2016
	\$	\$
Insurance other	5,729	5,295
Other expenses ^(a)	25,845	28,431
	<u>31,574</u>	<u>33,726</u>

(a) Includes bank fees, court transcripts, electricity, travel, motor vehicle operating expense and leased car bay.

Note 12: Related Party Transactions

The Office is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Office is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the Office include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and

Significant transactions with government related entities

Significant transactions include:

- service appropriations (Note 14);
- services received free of charge from the Department of Attorney General and Department of Finance (Note 14);
- lease rentals payments to the Department of Finance (Note 10);
- Commitments for future lease payments to the Department of Finance (Note 24);
- Insurance payments to the Insurance Commission and Riskcover fund (Note 11) and
- Remuneration for services provided by the Auditor General (note 27).

Material transactions with related parties:

The Office had no material related party transactions with ministers, senior officers or their close family members or their controlled or jointly controlled entities.

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Material transaction with other related parties:

- Superannuation payments to GESB (Note 6)

Note 13: Other income

	2017	2016
	\$	\$
Other income	5,966	-
	5,966	-

Services provided free of charge by an Acting Parliamentary Inspector.

Note 14: Income from State Government

	2017	2016
	\$	\$
Appropriation received during the period:		
Service appropriation ^(a)	746,000	713,000
Resources received free of charge from other state government agencies during the period: ^(b)		
Department of the Attorney General		
- financial, human resources and information technology services	138,146	135,963
Department of Finance		
-Lease accommodation services	9,493	9,242
Total Income from State Government	893,639	858,205

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (Holding Account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

(b) Resources received free of charge or for nominal cost are recognised as revenue at fair value of the resources that can be reliably measured and which would have been purchased if they were not donated. The value of resources received free of charge recognised during the period was calculated based on estimates and information provided by Department of Finance and Department of Attorney General.

Note 15: Receivables

	2017	2016
	\$	\$
<u>Current</u>		
Trade and other receivables	-	23,368
GST receivable	3,922	3,013
Total current	3,922	26,381

Note 16: Amounts receivable for services (Holding Account)

	2017	2016
	\$	\$
Non-current	163,000	108,000
Total Amounts receivable for services	163,000	108,000

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

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Note 17: Property, plant and equipment

	2017 \$	2016 \$
<u>Leasehold Improvement</u>		
Leasehold Improvement at Cost	304,612	304,612
Leasehold Improvement Accumulated Depreciation	(55,845)	(25,384)
	248,767	279,228
<u>Office equipment</u>		
Office equipment at Cost	8,228	8,227
Office equipment Accumulated Depreciation	(3,017)	(1,371)
	5,211	6,856
	253,978	286,084

Reconciliation of the carrying amounts of property, plant, and equipment at the beginning and end of the reporting period are set out in the table below.

	Leasehold Improvement \$'000	Office equipment \$'000	Works in progress \$'000	Total \$'000
2017				
Carrying amount at start of period	279,228	6,856	-	286,084
Depreciation	(30,461)	(1,645)	-	(32,106)
Carrying amount at the end of period	248,767	5,211	-	253,978
2016				
Carrying amount at start of period	-	-	119,700	119,700
Additions	184,912	8,227	-	193,139
Transfers ^(a)	119,700	-	(119,700)	-
Depreciation	(25,384)	(1,371)	-	(26,755)
Carrying amount at the end of period	279,228	6,856	-	286,084

(a) Transfers represent the completion of BCG Centre fit-out previously recognised in Work in Progress in 2015.

Note 18: Note 18: Impairment of assets

There were no indications of impairment to property, plant and equipment at 30 June 2017.

Note 19: Other current assets

	2017 \$	2016 \$
Prepayments	656	652
Total other current assets	656	652

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Note 20: Payables

	2017	2016
	\$	\$
<u>Current</u>		
Trade payables	14,386	2,167
Accrued salaries	1,623	39,497
Total current	16,009	41,664

Note 21: Provisions

	2017	2016
	\$	\$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	196,665	179,977
Long service leave ^(b)	109,706	101,306
	<u>306,371</u>	<u>281,283</u>
<i>Other provision</i>		
Employment on-costs ^(c)	2,321	-
Carrying amount at end of period	<u>2,321</u>	<u>-</u>
	308,692	281,283

Non-Current

<i>Employee benefits provision</i>		
Long service leave ^(b)	14,823	8,636
	<u>14,823</u>	<u>8,636</u>
<i>Other provision</i>		
Employment on-costs ^(c)	109	-
	<u>109</u>	<u>-</u>
	14,932	8,636

Assessments indicated that actual settlement of the annual leave liabilities is expected to occur as follows:

	2017	2016
	\$	\$
Within 12 months of the end of the reporting period	198,143	179,977
	198,143	179,977

Assessments indicate that actual settlement of the long service leave liabilities is expected to occur as follows:

	2017	2016
	\$	\$
More than 12 months after the end of the reporting period	124,638	109,942
	124,638	109,942

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 11 'Other expenses'.

	2017	2016
	\$	\$
Movements in other provisions		
Movements in each class of provisions during the period, other than employee benefits are set out below		
<u>Employee on-cost provision</u>		
Carrying amount at start of period	-	-
Additional/(reversals of) provisions recognised	2,430	-
Carrying amount at the end of the period	2,430	-

Note 22: Equity

The Western Australia Government holds the equity interest in the Office on behalf of the community. Equity represents the residual interest in the net assets of the Office.

	2017	2016
	\$	\$
Contributed equity		
Balance at start of period	160,000	160,000
Balance at end of period	160,000	160,000
Accumulated surplus		
Balance at start of period	156,928	167,163
Result for the period	91,748	(10,235)
Balance at end of period	248,676	156,928
Total Equity at end of period	408,676	316,928

Notes to the Financial Statements

Note 23: Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2017	2016
	\$	\$
Cash and cash equivalents	326,753	227,394
	326,753	227,394

Reconciliation of net cost of services to net cash flows used in operating activities

	2017	2016
	\$	\$
Net cost of services	(801,891)	(868,440)
Non-cash items		
Depreciation expense	32,106	26,755
Resources received free of charge	147,639	145,205
(Increase)/decrease in assets		
Receivables	23,368	(23,368)
Prepayments	(4)	(652)
Increase/(decrease) in liabilities		
Current payables ^(a)	(25,655)	27,224
Provisions	27,409	52,095
Non-current provisions	6,296	7,775
Net GST receipts/(payments) ^(b)	1,253	11,064
Change in GST in receivables/payables ^(c)	(2,162)	2,162
Net cash (used in) by operating activities	(591,641)	(620,180)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e. cash transactions.

(c) This reverses out the GST in receivables and payables

Note 24: Commitments

	2017	2016
	\$	\$
Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows:		
Less than one year	103,360	98,438
Between one and five years	181,233	271,041
	284,593	369,479

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Note 25: Explanatory notes

All variances between estimates (original budget) and actual results for 2017, and between the actual results for 2017 and 2016 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$17,280 for the Statements of Comprehensive Income and Statement of Cash Flows; and,
- 5% and \$8,480 for the Statement of Financial Position.

Statement of Comprehensive Income

	Note	Estimate 2017 \$	Actual 2017 \$	Actual 2016 \$	Variance between estimate and actual \$	Variance between actual results for 2017 and 2016 \$
COST OF SERVICES						
Expenses						
Employee benefits expense	A	465,000	442,573	506,584	22,427	(64,011)
Supplies and services		165,000	179,053	179,615	(14,053)	(562)
Depreciation	1	55,000	32,106	26,755	22,894	5,351
Accommodation expenses	2	144,000	122,551	121,760	21,449	791
Other expenses		35,000	31,574	33,726	3,426	(2,152)
Total cost of services		864,000	807,857	868,440	56,143	(60,583)
Income						
Other Income		-	5,966	-	(5,966)	5,966
Total income other than income from State Government		-	5,966	-	(5,966)	5,966
NET COST OF SERVICES		864,000	801,891	868,440	62,109	(66,549)
Income from State Government						
Service appropriation		726,000	746,000	713,000	(20,000)	33,000
Resources received free of charge		138,000	147,639	145,205	(9,639)	2,434
Total income from State Government		864,000	893,639	858,205	(29,639)	35,434
SURPLUS/(DEFICIT) FOR THE PERIOD		-	91,748	(10,235)	(91,748)	101,983
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	91,748	(10,235)	(91,748)	101,983

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Statement of Financial Position

		Estimate 2017	Actual 2017	Actual 2016	Variance between estimate and actual	Variance between actual results for 2017 and 2016
	Note	\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash and cash equivalents		26,000	326,753	227,394	(300,753)	99,359
Receivables	3 B	16,000	3,922	26,381	12,078	(22,459)
Other asset		-	656	652	(656)	4
Total Current Assets		42,000	331,331	254,427	(289,331)	76,904
Non-Current Assets						
Amounts receivable for services	C	163,000	163,000	108,000	-	55,000
Property, plant and equipment	4 D	219,000	253,978	286,084	(34,978)	(32,106)
Total Non-Current Assets		382,000	416,978	394,084	(34,978)	22,894
TOTAL ASSETS		424,000	748,309	648,511	(324,309)	99,798
LIABILITIES						
Current Liabilities						
Payables		14,000	16,009	41,664	(2,009)	(25,655)
Provisions	5 E	78,000	308,692	281,283	(230,692)	27,409
Total Current Liabilities		92,000	324,701	322,947	(232,701)	1,754
Non-Current Liabilities						
Provisions	6	4,000	14,932	8,636	(10,932)	6,296
Total Non-Current Liabilities		4,000	14,932	8,636	(10,932)	6,296
TOTAL LIABILITIES		96,000	339,633	331,583	(243,633)	8,050
NET ASSETS		328,000	408,676	316,928	(80,676)	91,748
EQUITY						
Contributed equity		160,000	160,000	160,000	-	-
Accumulated surplus		168,000	248,676	156,928	(80,676)	91,748
TOTAL EQUITY		328,000	408,676	316,928	(80,676)	91,748

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Statement of Cash Flows

		Estimate 2017 \$	Actual 2017 \$	Actual 2016 \$	Variance between estimate and actual \$	Variance between actual results for 2017 and 2016 \$
Note						
CASH FLOWS FROM STATE GOVERNMENT						
	Service appropriation	671,000	691,000	658,000	(20,000)	33,000
	Net cash provided by State Government	671,000	691,000	658,000	(20,000)	33,000
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
	Employees benefits	(465,000)	(442,165)	(419,807)	(22,835)	(22,358)
	Supplies and services	(62,000)	(62,993)	(91,839)	993	28,846
	Accommodation	(144,000)	(108,943)	(121,760)	(35,057)	12,817
	GST payments on purchases	-	(17,068)	(39,178)	17,068	22,110
Receipts						
	Receipts from services	-	23,369	-	(23,369)	23,369
	GST receipts from taxation authority	-	18,321	50,242	(18,321)	(31,921)
	GST receipts on Sales	-	(2,162)	2,162	2,162	(4,324)
	Net cash used in operating activities	(671,000)	(591,641)	(620,180)	(79,359)	28,539
CASH FLOW FROM INVESTING ACTIVITIES						
Payments						
	Purchase of non-current physical assets	-	-	(193,139)	-	193,139
	Net cash used in investing activities	-	-	(193,139)	-	193,139
Net increase in cash and cash equivalents						
		-	99,359	(155,319)	(99,359)	254,678
	Cash and cash equivalents at the beginning of the period	26,000	227,394	382,713	(201,394)	(155,319)
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26,000	326,753	227,394	(300,753)	99,359

Notes to the Financial Statements

Variance between Estimate and Actual:

1. Actual depreciation was lower by \$22,894 (41.63%) due to the adoption of a more conservative depreciation policy to amortise the Parliamentary Inspector Office than what was initially budgeted.
2. Actual accommodation was lower by \$21,449 (14.90%) due to savings on lease contract estimates.
3. Actual receivables was lower by \$12,078 (75.49%) due to lower GST return from tax office in line with reduction in spending.
4. Actual property, plant and equipment was lower by \$34,978 (15.97%) due to the adoption of a more conservative depreciation policy to amortise the Parliamentary Inspector Office than what was initially budgeted.
5. Actual Current Provision was higher by \$230,692 (295.76%) was a direct result of current year's accrual of long service and annual leave entitlement.
6. Actual Non Current Provision was higher by \$10,932 (273.30%) than estimated due to current year's accrual of leave and key management personnel unable to clear balances.
7. Actual Accommodation was lower by \$35,057 (24.34%) due to savings on lease contract estimates and invoices remaining in arrears as at year end.
8. Receipts from services is \$23,368 (100%) higher than budget due to the receipt of monies relating to the recoup of out-of-pocket fit out expenses from Department of Finance.
9. A higher than estimated GST receipts of \$18,321 (100%) was due to unbudgeted refunds of GST paid on supplies and services as part of quarterly BAS returns with the ATO.

Variance between actual results for 2017 and 2016:

- A. Actual employee benefits decreased by \$64,011 (12.64%) due to payments made to the Acting Parliamentary Inspector and an additional pay period in the 2015/16 financial year.
- B. 2017 receivables was lower by \$22,459 (85.13%) due one-off AR invoice raised in 2016 to recoup out of pocket project expenditure (\$23,368) from the Department of Finance.
- C. Increase in 2017 non-current amount receivable for services was a result of the growing potential of cash funding requirement to cover asset replacement costs in the future.
- D. 2017 decrease in property, plant and equipment by \$32,106 (11.22%) relates to the decrease in net book value.
- E. 2017 Current Provision was higher by \$27,409 (9.74%) was due to the increase in current year's accrual of long service and annual leave entitlement.
- F. Increase in service appropriation by \$33,000 (5.02%) relates to the increase of funding provided for an Acting Parliamentary Inspector and wage escalation.
- G. increase in employee benefits in 2017 by \$22,358 (5.33%) was due to cash payment made to the Acting Parliamentary Inspector.
- H. Decrease in 2017 supplies and services by \$28,846 (31.41 %) was due to additional out-of-pocket expenses as part of the fitout in 2016. The money was recouped back from the Department of Finance during the year.
- I. Decrease in payments of GST by \$22,110 (56.43%) is in line with reduced spending and reduced non-current physical asset purchases during the year as the Officer fit out was completed in 2016.
- J. Receipts from services is \$23,369 (100%) higher than prior period due to the receipt of monies relating to the recoup of out-of-pocket fit out expenses from Department of Finance.
- K. Decrease in GST receipts of \$31,921 (63.53%) was due to lower refunds of GST input Tax credit from the ATO, in line with lower purchases of supplies and services and purchases of non-current assets during the year.
- L. Decrease in purchases of non-current physical assets by \$193,139 (100%) in 2017 was due to the completion of the fit out at the new premise in 2015/16.

Notes to the Financial Statements

Note 26: Financial instruments

(a) Categories of financial instruments

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

Credit risk

Credit risk arises when there is the possibility of the Office receivables defaulting on their contractual obligations resulting in financial loss to the Office. The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment, as shown in the table at Note 26 (c) 'Financial Instruments disclosures' and Note 15 'Receivables'.

Credit risk associated with the Office financial assets is minimal because the main receivable is the amounts receivable for services (Holding Account). The Office does not have any significant credit risks as services are provided only to government agencies. In addition, receivable balances are monitored on an ongoing basis with the result that the Office exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of Credit risk other than in respect of cash and cash equivalents.

Liquidity risk

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

Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates and interest rates will affect the Office's income on the value of its holdings of financial instruments. The Office does not trade in foreign currency and is not materially exposed to other price risks because it does not hold investments in securities or bonds.

The Office is not exposed to interest rate risk because cash and cash equivalents are non-interest bearing and it has no borrowings therefore neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are:

	2017	2016
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	326,753	227,394
Receivables ^(a)	163,000	131,368
	489,753	358,762
<u>Financial Liabilities</u>		
Payables	16,009	41,664
	16,009	41,664

(a) The amount of loans and receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).

Notes to the Financial Statements

(c) Financial instruments disclosures

Credit Risk

The following table details the Office maximum exposure to credit risk, and the ageing analysis of financial assets. The Office maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the office.

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

Ageing analysis of financial assets

	Carrying Amount \$	Not past due and not impaired \$	Past due but not impaired				Impaired financial assets \$
			Up to 1 month \$	1-3 months \$	3 months to 1 year \$	More than 5 years \$	
2017							
Cash and cash equivalents	326,753	326,753	-	-	-	-	-
Amounts receivable for services	163,000	163,000	-	-	-	-	-
	489,753	489,753	-	-	-	-	-
2016							
Cash and cash equivalents	227,394	227,394	-	-	-	-	-
Receivables	23,368	23,368	-	-	-	-	-
Amounts receivable for services	108,000	108,000	-	-	-	-	-
	358,762	358,762	-	-	-	-	-

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

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Liquidity and interest rate exposure

The following table details the Office's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Carrying Amount \$	Non- interest Bearing \$	Nominal Amount \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$
2017							
<u>Financial Assets</u>							
Cash and cash equivalents	326,753	326,753	326,753	326,753	-	-	-
Amounts receivable for services	163,000	163,000	163,000	-	-	-	163,000
	489,753	489,753	489,753	326,753	-	-	163,000
<u>Financial Liabilities</u>							
Payables	16,009	16,009	16,009	16,009	-	-	-
	16,009	16,009	16,009	16,009	-	-	-
2016							
<u>Financial Assets</u>							
Cash and cash equivalents	227,394	227,394	227,394	227,394	-	-	-
Receivables	23,368	23,368	23,368	23,368	-	-	-
Amounts receivable for services	108,000	108,000	108,000	-	-	-	108,000
	358,762	358,762	358,762	250,762	-	-	108,000
<u>Financial Liabilities</u>							
Payables	41,664	41,664	41,664	41,664	-	-	-
	41,664	41,664	41,664	41,664	-	-	-

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

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amount that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Notes to the Financial Statements

Note 27: *Remuneration of auditor*

Remuneration paid or payable to the Auditor General in respect of the audit for current financial year is as follows:

	2017	2016
	\$	\$
Auditing the accounts, financial statements and key performance indicators	16,800	18,500

Note 28: *Events occurring after the end of the financial period*

There were no events occurring after the end of the financial period.

Note 29: *Contingent liabilities and contingent assets*

There were no contingent liabilities or contingent assets as at 30 June 2017 (2016: nil).

Note 30: *Related bodies*

The Office of the Parliamentary Inspector had no related bodies during the financial year (2016: nil).

Note 31: *Affiliated bodies*

The Office of the Parliamentary Inspector had no affiliated bodies during the financial year (2016: nil).

Note 32: *Supplementary financial information*

There were no losses of public moneys or other public property through theft or default during the financial year (2016: nil).

There were no write offs of public money or other public property during the financial year (2016: nil).

There were no gifts of public property during the financial year (2016: nil).

