

AUSTRALIAN COMMISSION FOR LAW ENFORCEMENT INTEGRITY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION FOR 2008–09

The *Law Enforcement Integrity Commissioner Act 2006* (LEIC Act) establishes the office of Integrity Commissioner, supported by a statutory agency, the Australian Commission for Law Enforcement Integrity (ACLEI). The LEIC Act is administered by the Attorney-General.

The Integrity Commissioner's role is to detect, investigate and prevent corruption in the Australian Crime Commission and the Australian Federal Police.

ACLEI's primary focus will continue to be on assessment and investigation of allegations of corrupt conduct and other possible corruption issues that have been brought to the attention of the Integrity Commissioner.

Additional annual funding, along with a capital injection, will be provided to ACLEI in 2008–09. During 2008–09, ACLEI will begin recruiting additional investigative staff to work towards completing assessments and investigations of possible corruption issues in a timely manner. ACLEI will also work towards corruption prevention in the Australian Federal Police and the Australian Crime Commission and further developing its relationships within the anti-corruption arena.

As a relatively new agency, ACLEI will recruit additional staff to work towards full establishment of its corporate functionality. To accommodate the additional staff, ACLEI will secure and fit out new premises.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows total resources from all origins. The table summarises how resources will be applied by departmental classification.

Funding appropriated to the Attorney-General's Department for the ongoing operations of ACLEI was transferred to ACLEI during 2007–08 under section 32 of the *Financial Management and Accountability Act 1997*. ACLEI is providing

agency resourcing information and budgeted financial statements for the first time in these PB Statements.

Additional annual funding of \$0.750m in 2008–09 and \$2.000m per year from 2009–10 onwards will be provided to address identified resourcing shortfalls, along with a capital injection of \$0.750m in 2008–09.

Table 1.1: Resource statement—Budget estimates for 2008–09 (as at Budget May 2008)

	Estimate of prior year amounts available in 2008–09 (\$'000)	+	Proposed at Budget 2008–09 (\$'000)	=	Total estimate 2008–09 (\$'000)	Estimated appropriation available 2007–08 (\$'000)
ORDINARY ANNUAL SERVICES						
Departmental outputs						
Departmental outputs	3,076 ³		2,821 ¹		5,897	2,013
Total ordinary annual services	3,076		2,821		5,897⁴	2,013
OTHER SERVICES						
Departmental non-operating						
Equity injections	69		750 ²		819	–
Total other services	69		750		819	–
Total resourcing for the Australian Commission for Law Enforcement Integrity	3,145		3,571		6,716	2,013

All figures are GST exclusive.

Notes:

1. Appropriation Bill (No. 1) 2008–09.
2. Appropriation Bill (No. 2) 2008–09.
3. Estimated adjusted balance carried forward from previous year for annual appropriations.
4. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the outcome resource statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.

1.3 BUDGET MEASURES

Budget measures relating to ACLEI are detailed in Budget Paper No. 2. ACLEI has one new measure, as shown in Table 1.2.

Table 1.2: Agency 2008–09 Budget measures

	Output	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)
EXPENSE MEASURES					
Australian Commission for Law Enforcement Integrity—increased operational resourcing					
	1.1				
	Departmental outputs	750	2,000	2,000	2,000
Total expense measures	Departmental	750	2,000	2,000	2,000
CAPITAL MEASURES					
Australian Commission for Law Enforcement Integrity—increased operational resourcing					
	1.1				
	Departmental capital	750	–	–	–
Total capital measures	Departmental	750	–	–	–

The additional annual funding will allow ACLEI to recruit a small number of additional investigative staff to work towards completing assessments and investigations of possible corruption issues in a timely manner, and to recruit additional staff to fully establish its corporate functionality as a statutory agency.

The capital injection will be used to fit out premises to accommodate the expanded organisation and to procure equipment for the additional staff.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the government on the Australian community. Agencies are required to identify the output groups that demonstrate their contribution to government outcomes over the coming year.

ACLEI's outcome is described below by output, including the indicators and targets used to assess and monitor performance.

2.1.1 Outcome 1: Assurance that Australian Government law enforcement agencies and their staff act with integrity

Outcome 1 strategy

ACLEI will continue to focus on assessment and investigation of possible corruption issues in the Australian Federal Police and the Australian Crime Commission that have been brought to the attention of the Integrity Commissioner. ACLEI will also continue to work towards raising corruption prevention awareness in those agencies.

Outcome 1 resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing available for Outcome 1.

Table 2.1: Total resources available for Outcome 1

	2008–09 total estimate of available resources (\$'000)	2007–08 estimated actual (\$'000)
Outcome 1		
Output 1.1: Detect, investigate and prevent corruption in prescribed Commonwealth law enforcement agencies; assist law enforcement agencies to maintain and improve the integrity of staff members		
Departmental outputs	2,821	2,013
Total resources for Outcome 1	2,821	2,013
Average staffing level (number)	12	9

Contributions to Outcome 1

Output 1.1

Output 1.1: Detect, investigate and prevent corruption in prescribed Commonwealth law enforcement agencies; assist law enforcement agencies to maintain and improve the integrity of staff members	
Output 1.1 contributes to Outcome 1 by ensuring that possible corruption issues in the Australian Federal Police (AFP) and the Australian Crime Commission (ACC) that are brought to the attention of the Integrity Commissioner are independently assessed and, where appropriate, investigated in a timely manner. Through this output, ACLEI will also assist the AFP and the ACC to maintain the integrity of their staff by raising corruption prevention awareness in those agencies.	
Key performance indicators	2008–09 target
Possible corruption issues in the AFP and the ACC that are brought to the attention of the Integrity Commissioner are independently assessed and, where appropriate, investigated, in a timely manner	100% of possible corruption issues brought to the attention of the Integrity Commissioner are assessed within 90 days 75% of investigations of corruption issues are concluded within six months of commencement of the investigation
Corruption prevention awareness is increased in the AFP and ACC	A total of 15 presentations on corruption prevention awareness are made to staff of the AFP and ACC (AFP—10, ACC—5)

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2008–09. It explains how budget plans are incorporated into the financial statements.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The agency resource statement (Table 1.1) details the total available appropriation from all sources. For departmental operating appropriation (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities (generally depreciation and employee entitlements), the total amount of departmental operating appropriation available to an agency is unlikely to be fully used in the Budget year.

The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009–10 Budget year, including amounts related to meeting future obligations to maintain the agency’s asset base and to meet employee entitlement liabilities.

Table 3.1.1 reconciles the total available appropriation and amounts attributable to outcomes.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	(\$'000)
Total available departmental operating appropriation (outputs)	6,021
Less estimated payments in 2008–09	(2,676)
Estimated departmental outputs carried forward and available for 2009–10	3,345

3.1.2 Movement of administered funds between years

ACLEI has no administered funds.

3.1.3 Special accounts

ACLEI has no special accounts.

3.1.4 Australian Government Indigenous expenditure

ACLEI has no Australian Government Indigenous expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences between agency resourcing and financial statements

There are no significant differences between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Income statement

In April 2008, the Minister for Finance and Deregulation approved a budgeted operating loss for ACLEI of \$0.523m in 2007–08. The estimated deficit is due to increased employee expenses, supplier expenses and depreciation expense.

ACLEI has budgeted for a break-even operating result in 2008–09.

Total revenue is estimated to be \$2.821m, all from government.

Expenses are projected to total \$2.821m, comprising \$1.604m in employee expenses, \$1.072m in payments to external suppliers and \$0.145m in depreciation expense.

Balance sheet

A capital injection of \$0.750m will be provided in 2008–09. This funding will be used to fit out and equip premises to accommodate increased staff numbers from 2008–09.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
INCOME					
Revenue					
Revenue from government	2,013	2,821	4,116	4,160	4,207
Total revenue	2,013	2,821	4,116	4,160	4,207
Total income	2,013	2,821	4,116	4,160	4,207
EXPENSES					
Employees	1,444	1,604	2,109	2,175	2,242
Suppliers	826	1,072	1,862	1,840	1,820
Depreciation and amortisation	266	145	145	145	145
Total expenses	2,536	2,821	4,116	4,160	4,207
Surplus (deficit) attributable to the Australian Government	(523)	-	-	-	-

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	169	169	169	169	169
Trade and other receivables	2,976	3,121	3,266	3,411	3,556
Other	15	15	15	15	15
Total financial assets	3,160	3,305	3,450	3,595	3,740
Non-financial assets					
Infrastructure, plant and equipment	366	971	826	681	536
Total non-financial assets	366	971	826	681	536
Total assets	3,526	4,276	4,276	4,276	4,276
LIABILITIES					
Provisions					
Employees	71	71	71	71	71
Total provisions	71	71	71	71	71
Payables					
Suppliers	217	217	217	217	217
Total payables	217	217	217	217	217
Total liabilities	288	288	288	288	288
Net assets	3,238	3,988	3,988	3,988	3,988
EQUITY¹					
Parent entity interest					
Contributed equity	876	1,626	1,626	1,626	1,626
Retained surpluses or accumulated deficits	2,362	2,362	2,362	2,362	2,362
Total parent entity interest	3,238	3,988	3,988	3,988	3,988
Total equity	3,238	3,988	3,988	3,988	3,988
Current assets	3,160	3,305	3,450	3,595	3,740
Non-current assets	366	971	826	681	536
Current liabilities	288	288	288	288	288
Non-current liabilities	–	–	–	–	–

Note:

1. Equity is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Appropriations	2,123	2,676	3,971	4,015	4,062
Other	7	–	–	–	–
Total cash received	2,130	2,676	3,971	4,015	4,062
Cash used					
Employees	876	1,604	2,109	2,175	2,242
Suppliers	1,154	1,072	1,862	1,840	1,820
Total cash used	2,030	2,676	3,971	4,015	4,062
Net cash from (used by) operating activities	100	–	–	–	–
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	175	750	–	–	–
Total cash used	175	750	–	–	–
Net cash from (used by) investing activities	(175)	(750)	–	–	–
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	876	750	–	–	–
Total cash received	876	750	–	–	–
Cash used					
Other	632	–	–	–	–
Total cash used	632	–	–	–	–
Net cash from (used by) financing activities	244	750	–	–	–
Net increase (decrease) in cash held	169	–	–	–	–
Cash at the beginning of the reporting period	–	169	169	169	169
Cash at the end of the reporting period	169	169	169	169	169

Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2008–09)

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2008				
Balance carried forward from previous period	2,362	–	876	3,238
Income and expenses				
Net operating result	–	–	–	–
Total income and expenses	–	–	–	–
Transactions with owners				
Contribution by owners				
<i>Appropriation (equity injection)</i>	–	–	750	750
Total transactions with owners	–	–	750	750
Estimated closing balance as at 30 June 2009	2,362	–	1,626	3,988

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister’s Orders, Australian Accounting Standards, Australian Equivalents to International Financial Reporting Standards and Accounting Guidance Releases, and having regard to the Statements of Accounting Concepts.

Revenue from government

Appropriations are recognised as revenue.

Employee expenses

Employee expenses consist of salaries, allowances, leave entitlements, superannuation and workers’ compensation.

Supplier expenses

Supplier expenses consist of consultant and contractor costs, travel expenses and administrative costs.

Cash

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

Assets and liabilities

Assets and liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are, however, not recognised unless required by an accounting standard.

