

# AUSTRALIAN COMMISSION FOR LAW ENFORCEMENT INTEGRITY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

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, the Australian Federal Police and other prescribed Australian Government agencies with law enforcement functions.

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. In addition, ACLEI will assist agencies to identify and address corruption risks, and to raise corruption prevention awareness.

In pursuit of these goals, ACLEI will continue to develop partnerships with state integrity agencies and others who may assist ACLEI.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Agency resource statement—Budget estimates for 2009–10 as at Budget, May 2009**

	Estimate of prior year amounts available in 2009–10 (\$'000)	+ Proposed at Budget 2009–10 (\$'000)	=	Total estimate 2009–10 (\$'000)	Actual available appropriation 2008–09 (\$'000)
<b>ORDINARY ANNUAL SERVICES</b>					
<b>Departmental</b>					
Prior year departmental appropriation	3,006 <sup>2</sup>	–		3,006	3,006
Departmental appropriation	–	4,127 <sup>1</sup>		4,127	2,821
<b>Total ordinary annual services</b>	<b>3,006</b>	<b>4,127</b>		<b>7,133</b>	<b>5,827</b>
<b>OTHER SERVICES</b>					
<b>Departmental non-operating</b>					
Equity injections	825	–		825	825
<b>Total other services</b>	<b>825</b>	<b>–</b>		<b>825</b>	<b>825</b>
<b>Total net resourcing for agency</b>	<b>3,831</b>	<b>4,127</b>		<b>7,958</b>	<b>6,652</b>

All figures are GST exclusive.

1. Appropriation Bill (No. 1) 2009–10.
2. Estimated adjusted balance carried forward from previous year for annual appropriations.

## 1.3 BUDGET MEASURES

ACLEI does not have any new Budget measures.

## 1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009–10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. Figure 2 outlines the transition from the 2008–09 Budget year (as at Additional Estimates), which was presented in administered items, outputs and output groups, to the program reporting framework used for the 2009–10 Budget. The table also captures revisions made to ACLEI's outcome statement under the Operation Sunlight Outcome Statements Review.

**Figure 2: Transition table**

2008–09 Budget year	2009–10 Budget year
Outcome 1: Assurance that Australian Government law enforcement agencies and their staff act with integrity	Outcome 1: Independent assurance to the Australian Government that Commonwealth law enforcement agencies and their staff act with integrity by detecting, investigating and preventing corruption
Output Group 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	Program 1.1: Detect, investigate and prevent corruption in prescribed law enforcement agencies; assist law enforcement agencies to maintain and improve the integrity of staff members

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Agencies deliver programs, which are the government actions taken to deliver the stated outcomes. Agencies are required to identify the programs that contribute to government outcomes over the Budget and forward years.

ACLEI’s outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of ACLEI in achieving government outcomes.

**Outcome 1: Independent assurance to the Australian Government that Commonwealth law enforcement agencies and their staff act with integrity by detecting, investigating and preventing corruption**

#### Outcome 1 strategy

ACLEI will contribute to Outcome 1 by ensuring that corruption issues in the Australian Federal Police and the Australian Crime Commission brought to the attention of the Integrity Commissioner are assessed in a timely manner and, where appropriate, investigated. ACLEI will also assist law enforcement agencies to maintain the integrity of their staff by contributing to corruption prevention initiatives.

## Outcome 1 budgeted expenses and resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

Outcome 1: Independent assurance to the Australian Government that Commonwealth law enforcement agencies and their staff act with integrity by detecting, investigating and preventing corruption	2008–09 Estimated actual expenses (\$'000)	2009–10 Estimated expenses (\$'000)
<b>Program 1.1: Detect, investigate and prevent corruption in prescribed law enforcement agencies; assist law enforcement agencies to maintain and improve the integrity of staff members</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	3,211	4,127
<b>Total expenses for Outcome 1</b>	<b>3,211</b>	<b>4,127</b>
	<b>2008–09</b>	<b>2009–10</b>
<b>Average staffing level (number)</b>	13	17

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

## Contributions to Outcome 1

**Program 1.1: Detect, investigate and prevent corruption in prescribed law enforcement agencies; assist law enforcement agencies to maintain and improve the integrity of staff members**

### Program objective

ACLEI's program objective is to ensure that instances of corruption are identified and addressed, and that law enforcement agencies have appropriate measures in place to control internal corruption risks. In this way, ACLEI can provide independent assurance to the Australian Government about the integrity of prescribed law enforcement agencies.

<b>Program 1.1 expenses</b>					
<b>(\$'000)</b>	<b>2008–09 Revised budget</b>	<b>2009–10 Budget</b>	<b>2010–11 Forward year 1</b>	<b>2011–12 Forward year 2</b>	<b>2012–13 Forward year 3</b>
Program support	3,211	4,127	4,149	4,191	4,225
<b>Total program expenses</b>	<b>3,211</b>	<b>4,127</b>	<b>4,149</b>	<b>4,191</b>	<b>4,255</b>

### **Program 1.1 deliverables**

- Corruption issues are promptly brought to the attention of the Integrity Commissioner for independent assessment and decision on how each issue should be dealt with (either by ACLEI, the agency to which the issue relates, or another agency).
- Where appropriate, ACLEI independently investigates corruption issues, giving priority to serious or systemic corruption.
- Where appropriate, the Integrity Commissioner uses statutory coercive and intrusive information-gathering powers to assist in investigations.
- ACLEI analyses and reports on patterns and trends in law enforcement corruption.
- ACLEI recommends changes to laws and to agency practices and procedures to improve integrity in law enforcement, and to detect and prevent corruption more effectively.
- ACLEI contributes to corruption prevention initiatives such as the assessment of corruption risk and raising awareness about corruption deterrence, thereby helping to build corruption-resistant work cultures.
- Staff members of law enforcement agencies are made aware that information about corruption can be referred with confidence to the Integrity Commissioner.

**Program 1.1 key performance indicators**

- The corruption notification and referral system is effective.
  - Law enforcement agencies notify ACLEI of corruption issues in a timely way.
  - Other agencies provide information about corruption issues to ACLEI.
  - ACLEI is seen as viable for reporting information about corruption.
- ACLEI assesses all notifications and referrals of corruption issues in a timely way.
  - Upon receipt, ACLEI assesses information about corruption to determine how each issue should be dealt with. Credible information about corruption is prioritised.
- ACLEI's investigations are conducted professionally and efficiently, and add value to the integrity system.
  - Investigations adhere to the Integrity Commissioner's Investigation Guidelines.
  - ACLEI investigations are properly managed.
  - Investigation reports provided to the Minister are of high quality.
  - Advice is provided to the Minister in a timely way.
- ACLEI monitors the quality of corruption investigations conducted by law enforcement agencies.
  - All agency corruption investigation reports provided to ACLEI for review are assessed for quality and completeness.
  - ACLEI liaises regularly with the agencies' professional standards units.
- ACLEI contributes to policy development and law reform in accountability and corruption prevention relating to law enforcement.
  - Each investigation addresses corruption risk and, where warranted, makes recommendations for systemic improvement in corruption prevention or detection measures.
  - Submissions that relate to corruption prevention or enhancing integrity may be made to government or in other relevant forums.
- Staff members of law enforcement agencies are made aware of ACLEI's role.
  - Marketing and other awareness-raising activities are in place, including joint initiatives with other agencies.
  - Targeted presentations about integrity are made to diverse audiences.
- ACLEI handles personal information appropriately.
  - Regular privacy audits are undertaken to ensure compliance with legal obligations and better practice policy for information-handling.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements that provide a comprehensive snapshot of agency finances for the Budget year 2009–10. It explains how Budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

ACLEI has no administered funds.

#### **3.1.2 Special accounts**

ACLEI has no special accounts.

#### **3.1.3 Australian Government Indigenous Expenditure**

ACLEI has no Indigenous-specific expenses.

### **3.2 BUDGETED FINANCIAL STATEMENTS**

#### **3.2.1 Differences in agency resourcing and financial statements**

There is no significant difference between the agency resourcing and financial statements.

#### **3.2.2 Analysis of budgeted financial statements**

##### **Income statement**

ACLEI has an approved budgeted operating loss of \$0.390m for 2008–09. The estimated deficit is due to increased property operating expenses associated with the lease of further office space to accommodate new staff from 2009–10 onwards and engagement of additional non-ongoing staff to undertake unforeseen work such as managing fit-out of the new premises, preparation of submissions to various inquiries including the Parliamentary Joint Committee on ACLEI's Inquiry into Law Enforcement Integrity Models, and development and implementation of an agency collective agreement.

ACLEI has budgeted for a break-even operating result in 2009–10.

Total revenue is estimated to be \$4.127m, all government appropriation.

Expenses are projected to total \$4.127m, comprising \$2.107m in employee expenses, \$1.875m in payments to suppliers and \$0.145m in depreciation expense.

### 3.2.3 Budgeted financial statements tables

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>EXPENSES</b>					
Employee benefits	1,801	2,107	2,178	2,245	2,333
Suppliers	1,265	1,875	1,826	1,801	1,747
Depreciation and amortisation	145	145	145	145	145
<b>Total expenses</b>	<b>3,211</b>	<b>4,127</b>	<b>4,149</b>	<b>4,191</b>	<b>4,225</b>
<b>Net cost of (contribution by) services</b>	<b>(3,211)</b>	<b>(4,127)</b>	<b>(4,149)</b>	<b>(4,191)</b>	<b>(4,225)</b>
Appropriation revenue	2,821	4,127	4,149	4,191	4,225
<b>Surplus (deficit)</b>	<b>(390)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(390)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	183	183	183	183	183
Trade and other receivables	3,130	3,275	3,420	3,565	3,710
Other	29	29	29	29	29
<b>Total financial assets</b>	<b>3,342</b>	<b>3,487</b>	<b>3,632</b>	<b>3,777</b>	<b>3,922</b>
<b>Non-financial assets</b>					
Land and buildings	55	55	55	55	55
Infrastructure, plant and equipment	986	841	696	551	406
Intangibles	73	73	73	73	73
<b>Total non-financial assets</b>	<b>1,114</b>	<b>969</b>	<b>824</b>	<b>679</b>	<b>534</b>
<b>Total assets</b>	<b>4,456</b>	<b>4,456</b>	<b>4,456</b>	<b>4,456</b>	<b>4,456</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	464	464	464	464	464
<b>Total provisions</b>	<b>464</b>	<b>464</b>	<b>464</b>	<b>464</b>	<b>464</b>
<b>Payables</b>					
Suppliers	47	47	47	47	47
<b>Total payables</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>
<b>Total liabilities</b>	<b>511</b>	<b>511</b>	<b>511</b>	<b>511</b>	<b>511</b>
<b>Net assets</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	1,626	1,626	1,626	1,626	1,626
Retained surpluses or accumulated deficits	2,319	2,319	2,319	2,319	2,319
<b>Total parent entity interest</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>
<b>Total equity</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>
<b>Current assets</b>	<b>3,342</b>	<b>3,487</b>	<b>3,632</b>	<b>3,777</b>	<b>3,922</b>
<b>Non-current assets</b>	<b>1,114</b>	<b>969</b>	<b>824</b>	<b>679</b>	<b>534</b>
<b>Current liabilities</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>423</b>
<b>Non-current liabilities</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>88</b>	<b>88</b>

\* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	3,066	3,982	4,004	4,046	4,080
<b>Total cash received</b>	<b>3,066</b>	<b>3,982</b>	<b>4,004</b>	<b>4,046</b>	<b>4,080</b>
<b>Cash used</b>					
Employees	1,801	2,124	2,195	2,262	2,333
Suppliers	1,265	1,858	1,809	1,784	1,747
<b>Total cash used</b>	<b>3,066</b>	<b>3,982</b>	<b>4,004</b>	<b>4,046</b>	<b>4,080</b>
<b>Net cash from (used by) operating activities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	750	–	–	–	–
<b>Total cash used</b>	<b>750</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net cash from or (used by) investing activities</b>	<b>(750)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations—contributed equity	750	–	–	–	–
<b>Total cash received</b>	<b>750</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net cash from (used by) financing activities</b>	<b>750</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net increase (decrease) in cash held</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash at beginning of reporting period	183	183	183	183	183
<b>Cash at end of reporting period</b>	<b>183</b>	<b>183</b>	<b>183</b>	<b>183</b>	<b>183</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity—summary of  
movement (Budget year 2009–10)**

	Retained earnings (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
<b>Opening balance as at 1 July 2009</b>			
Balance carried forward from previous period	2,319	1,626	3,945
<b>Income and expenses</b>			
Surplus (deficit) for the period	–	–	–
<b>Total income and expenses</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Estimated closing balance as at 30 June 2010</b>	<b>2,319</b>	<b>1,626</b>	<b>3,945</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Estimated actual 2008–09 (\$'000)	Budget estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	750	–	–	–	–
<b>Total capital appropriations</b>	<b>750</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Represented by:</b>					
Purchase of non-financial assets	750	–	–	–	–
<b>Total represented by</b>	<b>750</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>ACQUISITION OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	750	–	–	–	–
<b>TOTAL</b>	<b>750</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of departmental asset movements (2009–10)**

	Buildings (\$'000)	Other infrastructure, plant & equipment (\$'000)	Intangibles (\$'000)	Total (\$'000)
<b>As at 1 July 2009</b>				
Gross book value	55	1,131	73	1,259
Accumulated depreciation/amortisation	–	145	–	145
<b>Opening net book balance</b>	<b>55</b>	<b>986</b>	<b>73</b>	<b>1,114</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Other movements</b>				
Depreciation/amortisation expense	–	145	–	145
<b>As at 30 June 2010</b>				
Gross book value	55	1,131	73	1,259
Accumulated depreciation/amortisation	–	290	–	290
<b>Closing net book balance</b>	<b>55</b>	<b>841</b>	<b>73</b>	<b>969</b>

Prepared on Australian Accounting Standards basis.

### **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**

Assets include cash, receivables, leasehold improvements, property and equipment. All assets are held at fair value.

#### **Liabilities**

Liabilities include employee salary and leave entitlements and amounts payable to suppliers.