

# AUSTRALIAN COMMISSION FOR LAW ENFORCEMENT INTEGRITY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Integrity Commissioner has a central role in detecting, investigating and preventing corrupt conduct in prescribed Australian Government agencies with law enforcement functions. Currently, those agencies are the Australian Crime Commission, the Australian Federal Police, the former National Crime Authority and, since January 2011, the Australian Customs and Border Protection Service.

The function of the Australian Commission for Law Enforcement Integrity (ACLEI) is to assist the Integrity Commissioner, under the framework of the *Law Enforcement Integrity Commissioner Act 2006*. Through the performance of its functions, ACLEI contributes to building and maintaining a law enforcement culture that resists corruption.

In 2011–12, ACLEI will continue to work innovatively and cooperatively with its partner agencies to detect, disrupt and deter possible corrupt conduct. In particular, ACLEI's strategic focus will be to gather and share information about, and investigate, serious and systemic corruption issues which:

- involve a suspected link between law enforcement and organised crime
- bring into doubt the integrity of senior law enforcement managers
- relate to law enforcement activities that have a higher inherent corruption risk
- warrant the use of the Integrity Commissioner's coercive information-gathering powers, or
- would otherwise benefit from independent investigation.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by departmental classification.

**Table 1.1: Agency resource statement—Budget estimates for 2011–12 as at Budget May 2011**

	Estimate of prior year amounts available in 2011–12 \$'000	+ Proposed at Budget 2011–12 \$'000	= Total estimate 2011–12 \$'000	Actual available appropriation 2010–11 \$'000
<b>ORDINARY ANNUAL SERVICES<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	3,189	–	3,189	2,897
Departmental appropriation <sup>3</sup>	–	6,318	6,318	5,176
<b>Total ordinary annual services</b>	<b>3,189</b>	<b>6,318</b>	<b>9,507</b>	<b>8,073</b>
<b>OTHER SERVICES<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	80	–	80	108
<b>Total other services</b>	<b>80</b>	<b>–</b>	<b>80</b>	<b>108</b>
<b>Total available annual appropriations</b>	<b>3,269</b>	<b>6,318</b>	<b>9,587</b>	<b>8,181</b>
<b>Total net resourcing for agency</b>	<b>3,269</b>	<b>6,318</b>	<b>9,587</b>	<b>8,181</b>

All figures are GST exclusive.

1. Appropriation Bill (No. 1) 2011–12.

2. Estimated adjusted balance carried forward from previous year.

3. Includes an amount of \$1.168m in 2011–12 (\$0.395m in 2010–11) for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4. Appropriation Bill (No. 2) 2011–12.

## 1.3 BUDGET MEASURES

Budget measures relating to ACLEI are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2011–12 Budget measures**

Program	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000	2013–14 \$'000	2014–15 \$'000
<b>Expense measures</b>					
Efficiency dividend—temporary increase in the rate					
1.1					
Departmental expenses	–	(26)	(52)	(66)	(80)
<b>Total expense measures</b>	<b>–</b>	<b>(26)</b>	<b>(52)</b>	<b>(66)</b>	<b>(80)</b>
<b>Capital measures</b>					
Efficiency dividend—temporary increase in the rate					
1.1					
Departmental capital	–	(6)	(1)	(1)	(4)
<b>Total capital measures</b>	<b>–</b>	<b>(6)</b>	<b>(1)</b>	<b>(1)</b>	<b>(4)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

## 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. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. 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 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 detection and prevention initiatives.

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

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

	2010–11 Estimated actual expenses \$'000	2011–12 Estimated expenses \$'000
<b>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</b>	<b>\$'000</b>	<b>\$'000</b>
<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		
Departmental appropriation <sup>1</sup>	4,781	5,150
Expenses not requiring appropriation in the budget year <sup>2</sup>	436	429
<b>Total expenses for Outcome 1</b>	<b>5,217</b>	<b>5,579</b>
	<b>2010–11</b>	<b>2011–12</b>
<b>Average staffing level (number)</b>	24	24

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

1. Departmental appropriation is made up of 'Ordinary annual services (Appropriation Bill No. 1)'.

2. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

## 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 1.1 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 corruption risks. In this way, ACLEI can provide independent assurance to the Australian Government about the integrity of prescribed law enforcement agencies.

**Program 1.1 expenses**

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Program support	4,781	5,150	5,102	5,175	5,227
Expenses not requiring appropriation in the budget year <sup>1</sup>	436	429	329	329	329
<b>Total program expenses</b>	<b>5,217</b>	<b>5,579</b>	<b>5,431</b>	<b>5,504</b>	<b>5,556</b>

1. Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

**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 conduct that constitutes serious corruption or systemic corruption.
- Where appropriate, the Integrity Commissioner uses statutory intrusive and coercive information-gathering powers to assist in investigations.
- ACLEI analyses and reports upon 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 enhances 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 corruption investigations conducted by law enforcement agencies.
  - All agency corruption investigation reports provided to ACLEI for review are assessed for intelligence value 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 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 which provide a comprehensive snapshot of agency finances for the 2011–12 budget year. 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 are no differences between the agency resourcing and financial statements.

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

ACLEI has budgeted for an operating deficit of \$0.429m in 2011–12. The deficit is equal to the estimated depreciation and amortisation expense in 2011–12. Depreciation and amortisation expenses are not funded.

Total expenses for 2010–11 are estimated at \$5.579m, comprising \$3.047m in employee expenses, \$2.076m in payments to suppliers and \$0.429m in depreciation and amortisation expenses.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)  
(for the period ended 30 June)**

	Estimated actual 2010–11 \$'000	Budget estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000	Forward estimate 2013–14 \$'000	Forward estimate 2014–15 \$'000
<b>EXPENSES</b>					
Employee benefits	2,731	3,074	3,169	3,223	3,259
Supplier expenses	2,050	2,076	1,933	1,952	1,968
Depreciation and amortisation	436	429	329	329	329
<b>Total expenses</b>	<b>5,217</b>	<b>5,579</b>	<b>5,431</b>	<b>5,504</b>	<b>5,556</b>
<b>Net cost of (contribution by) services</b>	<b>5,217</b>	<b>5,579</b>	<b>5,431</b>	<b>5,504</b>	<b>5,556</b>
Revenue from government	4,781	5,150	5,102	5,175	5,227
<b>Surplus (deficit)</b>	<b>(436)</b>	<b>(429)</b>	<b>(329)</b>	<b>(329)</b>	<b>(329)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(436)</b>	<b>(429)</b>	<b>(329)</b>	<b>(329)</b>	<b>(329)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	–	–	–	–	–
<b>Total other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive income</b>	<b>(436)</b>	<b>(429)</b>	<b>(329)</b>	<b>(329)</b>	<b>(329)</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(436)</b>	<b>(429)</b>	<b>(329)</b>	<b>(329)</b>	<b>(329)</b>

Prepared on Australian Accounting Standards basis.

**Note: Reconciliation of comprehensive income attributable to the agency**

	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000	2013–14 \$'000	2014–15 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(436)</b>	<b>(429)</b>	<b>(329)</b>	<b>(329)</b>	<b>(329)</b>
Plus non-appropriated expenses					
Depreciation and amortisation expenses	(436)	(429)	(329)	(329)	(329)
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

	Estimated actual 2010–11 \$'000	Budget estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000	Forward estimate 2013–14 \$'000	Forward estimate 2014–15 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	84	84	84	229	229
Trade and other receivables	3,755	3,425	3,425	3,280	3,280
<b>Total financial assets</b>	<b>3,839</b>	<b>3,509</b>	<b>3,509</b>	<b>3,509</b>	<b>3,509</b>
<b>Non-financial assets</b>					
Land and buildings	171	841	729	617	505
Property, plant and equipment	347	729	607	478	530
Intangibles	–	17	9	1	18
Other	9	9	9	9	9
<b>Total non-financial assets</b>	<b>527</b>	<b>1,596</b>	<b>1,354</b>	<b>1,105</b>	<b>1,062</b>
<b>Total assets</b>	<b>4,366</b>	<b>5,105</b>	<b>4,863</b>	<b>4,614</b>	<b>4,571</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	384	384	384	384	384
<b>Total payables</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>384</b>	<b>384</b>
<b>Provisions</b>					
Employee provisions	632	632	632	632	632
Other	159	159	159	159	159
<b>Total provisions</b>	<b>791</b>	<b>791</b>	<b>791</b>	<b>791</b>	<b>791</b>
<b>Total liabilities</b>	<b>1,175</b>	<b>1,175</b>	<b>1,175</b>	<b>1,175</b>	<b>1,175</b>
<b>Net assets</b>	<b>3,191</b>	<b>3,930</b>	<b>3,688</b>	<b>3,439</b>	<b>3,396</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	2,021	3,189	3,276	3,356	3,642
Retained surplus/ (accumulated deficit)	1,170	741	412	83	(246)
<b>Total parent entity interest</b>	<b>3,191</b>	<b>3,930</b>	<b>3,688</b>	<b>3,439</b>	<b>3,396</b>
<b>Total equity</b>	<b>3,191</b>	<b>3,930</b>	<b>3,688</b>	<b>3,439</b>	<b>3,396</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.3: Departmental statement of changes in equity—summary of movement (budget year 2011–12)**

	Retained earnings \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2011</b>			
Balance carried forward from previous period	1,170	2,021	3,191
Adjustment for changes in accounting policies	–	–	–
<b>Adjusted opening balance</b>	<b>1,170</b>	<b>2,021</b>	<b>3,191</b>
<b>Comprehensive income</b>			
Surplus (deficit) for the period	(429)	–	(429)
<b>Total comprehensive income</b>	<b>(429)</b>	<b>–</b>	<b>(429)</b>
Of which:			
Attributable to the Australian Government	(429)	–	(429)
<b>Transactions with owners</b>			
Contributions by owners	–	1,168	1,168
<b>Sub-total transactions with owners</b>	<b>–</b>	<b>1,168</b>	<b>1,168</b>
<b>Estimated closing balance as at 30 June 2012</b>	<b>741</b>	<b>3,189</b>	<b>3,930</b>
<b>Closing balance attributable to the Australian Government</b>	<b>741</b>	<b>3,189</b>	<b>3,930</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Estimated actual 2010–11 \$'000	Budget estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000	Forward estimate 2013–14 \$'000	Forward estimate 2014–15 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	4,451	5,479	5,100	5,315	5,219
<b>Total cash received</b>	<b>4,451</b>	<b>5,479</b>	<b>5,100</b>	<b>5,315</b>	<b>5,219</b>
<b>Cash used</b>					
Employees	2,725	3,064	3,142	3,196	3,232
Suppliers	2,056	2,085	1,958	1,974	1,987
<b>Total cash used</b>	<b>4,781</b>	<b>5,149</b>	<b>5,100</b>	<b>5,170</b>	<b>5,219</b>
<b>Net cash from (used by) operating activities</b>	<b>(330)</b>	<b>330</b>	<b>–</b>	<b>145</b>	<b>–</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	65	1,498	87	80	286
<b>Total cash used</b>	<b>65</b>	<b>1,498</b>	<b>87</b>	<b>80</b>	<b>286</b>
<b>Net cash from (used by) investing activities</b>	<b>(65)</b>	<b>(1,498)</b>	<b>(87)</b>	<b>(80)</b>	<b>(286)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	395	1,168	87	80	286
<b>Total cash received</b>	<b>395</b>	<b>1,168</b>	<b>87</b>	<b>80</b>	<b>286</b>
<b>Net cash from (used by) financing activities</b>	<b>395</b>	<b>1,168</b>	<b>88</b>	<b>81</b>	<b>290</b>
<b>Net increase (decrease) in cash held</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>145</b>	<b>–</b>
Cash and cash equivalents at the beginning of the reporting period	84	84	84	84	229
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>229</b>	<b>229</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Estimated actual 2010–11 \$'000	Budget estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000	Forward estimate 2013–14 \$'000	Forward estimate 2014–15 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget—Bill 1 (DCB)	395	1,168	87	80	286
<b>Total capital appropriations</b>	<b>395</b>	<b>1,168</b>	<b>87</b>	<b>80</b>	<b>286</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
Purchase of non-financial assets	395	1,168	87	80	286
<b>Total items</b>	<b>395</b>	<b>1,168</b>	<b>87</b>	<b>80</b>	<b>286</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation—DCB <sup>1</sup>	65	1,498	87	80	286
<b>Total</b>	<b>65</b>	<b>1,498</b>	<b>87</b>	<b>80</b>	<b>286</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	65	1,498	87	80	286
<b>Total cash used to acquire assets</b>	<b>65</b>	<b>1,498</b>	<b>87</b>	<b>80</b>	<b>286</b>

Prepared on Australian Accounting Standards basis.

DCB = departmental capital budget.

1. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.

**Table 3.2.6: Statement of asset movements (2011–12)**

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2011</b>				
Gross book value	554	1,043	79	1,676
Accumulated depreciation/ amortisation and impairment	383	696	79	1,158
<b>Opening net book balance</b>	<b>171</b>	<b>347</b>	<b>–</b>	<b>518</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase—appropriation ordinary annual services <sup>1</sup>	857	616	25	1,498
<b>Total additions</b>	<b>857</b>	<b>616</b>	<b>25</b>	<b>1,498</b>
<b>Other movements</b>				
Depreciation/amortisation expense	187	234	8	429
<b>As at 30 June 2012</b>				
Gross book value	1,411	1,659	104	3,174
Accumulated depreciation/ amortisation and impairment	570	930	87	1,587
<b>Closing net book balance</b>	<b>841</b>	<b>729</b>	<b>17</b>	<b>1,587</b>

Prepared on Australian Accounting Standards basis.

1. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2011–12 for depreciation/amortisation expenses, departmental capital budgets or other operational expenses.

### 3.2.4 Notes to the financial statements

#### Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

#### Revenue from government

Amounts appropriated for departmental outcomes are recognised as revenue. Appropriations receivable are recognised at their nominal amounts.

#### Employee expenses

Employee expenses consist of salaries, leave entitlements, superannuation, workers' compensation and non-salary benefits.

#### Supplier expenses

Supplier expenses consist of operational expenditure, consultant costs, travel expenses and administrative costs.

**Assets**

Assets include cash, receivables, leasehold improvements, plant and equipment, intangibles and other assets (prepaid expenses). All assets are held at fair value.

**Liabilities**

Liabilities include employee entitlements, amounts payable to suppliers and property make-good provisions.