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To the Director Office for Public Integrity

Opinion

I have audited the financial report of the Office for Public Integrity for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office for Public Integrity as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Director and the Executive Director Finance, People and Performance, Attorney-General's Department.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Office for Public Integrity. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Director for the financial report

The Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Director is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Director is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Office for Public Integrity for the financial year ended 30 June 2024.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 this financial report.

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

- identify and assess the risks of material misstatement of the financial report, 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 Office for Public Integrity's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- conclude on the appropriateness of the Director'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 entity'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 report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director about, 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 the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

25 September 2024

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Office for Public Integrity

Financial Statements


For the year ended 30 June 2024

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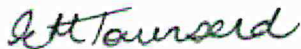
Office for Public Integrity
Certification of the Financial Statements
For the year ended 30 June 2024

We certify that the:

- financial statements of the Office for Public Integrity (OPI):
 - are in accordance with the accounts and records of the OPI;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the OPI at the end of the financial year and the result of its operation and cash flows for the year ended 30 June 2024.
- internal controls employed by the OPI for the financial year over its financial reporting and its preparation of financial statements have been effective.



Andrew Swanson
Executive Director, Finance People and Performance
24 September 2024



Emma Townsend
Director, Office for Public Integrity
24 September 2024

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Office for Public Integrity
Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
SA Government grants, subsidies and transfers	2.1	2 891	2 854
Resources received free of charge	2.2	37	43
Total income		2 928	2 897
Expenses			
Employee related expenses	3.2	2 221	1 867
Supplies and services	4.1	543	600
Depreciation	5.1	31	117
Other expenses	4.2	59	65
Total expenses		2 854	2 649
Net result		74	248
Total comprehensive result		74	248

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

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Office for Public Integrity
Statement of Financial Position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	591	392
Receivables	6.2	23	-
Total current assets		614	392
Non-current assets			
Property, plant and equipment	5.1	7	37
Total non-current assets		7	37
Total assets		621	429
Current liabilities			
Employee related liabilities	3.3	168	159
Payables	7.1	105	92
Total current liabilities		273	251
Non-current liabilities			
Employee related liabilities	3.3	288	192
Total non-current liabilities		288	192
Total liabilities		561	443
Net assets		60	(14)
Equity			
Retained earnings		60	(14)
Total equity		60	(14)

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

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Office for Public Integrity
Statement of Changes in Equity
For the year ended 30 June 2024

	Retained earnings \$'000	Total equity \$'000
Balance at 7 October 2022	(262)	(262)
Net result for 2022-23	248	248
Total comprehensive result for 2022-23	248	248
Balance at 30 June 2023	(14)	(14)
Net result for 2023-24	74	74
Total comprehensive result for 2023-24	74	74
Balance at 30 June 2024	60	60

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

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Office for Public Integrity
Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
SA Government grants, subsidies and transfers		2 891	2 854
GST recovered from the ATO		45	62
Cash generated from operations		2 936	2 916
Cash outflows			
Employee related payments		(2 121)	(1 846)
Payments for supplies and services		(592)	(708)
Other expenses		(24)	(24)
Cash used in operations		(2 737)	(2 578)
Net cash provided by operating activities		199	338
Net increase in cash and cash equivalents		199	338
Cash and cash equivalents at the beginning of the reporting period		392	54
Cash and cash equivalents at the end of the reporting period	6.1	591	392

The accompanying notes form part of these financial statements.

Office for Public Integrity
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1. About the Office for Public Integrity

The Office for Public Integrity (OPI) is a not-for-profit independent office established under Part 3 of the *Independent Commission Against Corruption Act 2012* (ICAC Act).

Section 45 of the ICAC Act states that the Director of OPI must, before 30 September in each year, prepare a report on the operations of OPI.

OPI does not control any other entity and has no interests in unconsolidated structure entities. OPI has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

1.1. Basis of Preparation

These financial statements are general purpose financial statements prepared in accordance with:

- Section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- Relevant Australian Accounting Standards applying simplified disclosures.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

All financial assets and financial liabilities are measured at amortised cost.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST).

The net amount of the GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as OPI is a member of an approved GST group of which the Attorney-General's Department is responsible for the remittance and collection of GST.

Office for Public Integrity
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs

OPI exercises its responsibilities based on the following legislation:

- *ICAC Act 2012;*
- *Police Complaints and Discipline Act 2016 and Regulations;*
- *Public Interest Disclosure Act 2018 (PID Act).*

OPI's responsibilities include:

- Receiving complaints about public administration from members of the public;
- Receiving reports about corruption, misconduct and maladministration in public administration from public officers and authorities;
- Referring complaints and reports to inquiry agencies, law enforcement agencies, public authorities or public officers for further investigation or action when needed, such as:
 - Ombudsman SA;
 - ICAC;
 - Judicial Conduct Commissioner;
 - Chief Executives of Government Departments;
 - SA Police.
- Overseeing the assessment and investigation of complaints and reports about the conduct of SA Police Officers and other functions pursuant to section 8 of the *Police Complaints and Discipline Act 2016*.

OPI also has responsibility for overseeing public interest disclosures and receives disclosures of public interest information under the PID Act.

2. Income

2.1. SA Government grants, subsidies and transfers

SA Government transfers are recognised on receipt. SA Government transfers consist of \$2.891 million (2023: \$2.854 million) for operational funding.

2.2. Resources received free of charge

	2024	2023
	\$'000	\$'000
Resources received free of charge - Shared Services SA	18	24
Resources received free of charge - Department of the Premier and Cabinet	19	19
Total resources received free of charge	37	43

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

OPI receives Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA. ICT services are received from DPC.

Office for Public Integrity
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3. Board, committees and employees

3.1. Key management personnel

The key management personnel of OPI is the Director OPI who has responsibility for the strategic direction and management of OPI. OPI is independent and accountable to the South Australian Parliament.

Total compensation for key management personnel was \$266,000 (2023: \$252 000).

Transactions with Key Management Personnel and other related parties

Related parties of OPI include the key management personnel and their close family members. There are no other transactions or balances to disclose with key management personnel or related parties.

3.2. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	1 642	1 407
Employment on-costs - superannuation	205	166
Annual leave	159	168
Employment on-costs - payroll tax	104	86
Long service leave	100	33
Skills and experience retention leave	11	7
Total employee related expenses	2 221	1 867

Employment on-costs – superannuation

Departmental employees are employed under part 7 of the *Public Sector Act 2009*.

Superannuation employment on-cost charges represents OPI's contribution to superannuation plans in respect of current services of current employees.

Employee remuneration

In 2023-24 there was 1 employee whose normal remuneration was equal to or greater than the base executive remuneration level during the year.

Office for Public Integrity
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.3. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	120	120
Employment on-costs	23	22
Long service leave	18	13
Skills and experience retention leave	4	4
Accrued salaries and wages	3	-
Total current employee related liabilities	168	159
Non-current		
Long service leave	261	175
Employment on-costs	27	17
Total non-current employee related liabilities	288	192
Total employee related liabilities	456	351

Employee related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

Salary inflation rate for annual leave and SERL liability was 2.4% (2023: 2%).

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

AASB 119 *Employee Benefits* contains the calculation methodology for the long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance (DTF) has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds for 2024 is 4.25% (2023: 4%).

The actuarial assessment performed by DTF has increased the salary inflation rate to 3.5% (2023: 2.5%) for the long service leave liability.

The non-current portion of long service leave reflects the estimate of leave to be taken in greater than 12 months.

Office for Public Integrity
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.3 Employee related liabilities (continued)

The net financial effect of the changes to actuarial assumptions in the current financial year is a increase in the long service leave liability of \$14,299 and employee benefits expense of \$14,299. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

OPI makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the superannuation schemes.

In the actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased to 44% (2023: 43%) and the average factor for the calculation of employer superannuation cost on-costs is 11.5% (2023: 11.1%). These rates are used in the employment on-cost calculation.

The net financial effect of the changes in the current financial year and subsequent years is impracticable to estimate.

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Accommodation	340	474
Information technology and communications charges	95	43
General administrative expense	74	76
Consultants	21	-
Marketing information	1	3
Other supplies and services	12	4
Total supplies and services	543	600

Accommodation

The office's accommodation is provided by the Department of Infrastructure and Transport (DIT) under a Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. This arrangement does not meet the definition of a lease set out in AASB 16 and accordingly is expensed.

4.2. Other expenses

	2024	2023
	\$'000	\$'000
Other	59	65
Total other expenses	59	65

Other expenses include audit fees paid / payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$22,000 (2023: \$21 000). No other services were provided by the Audit Office of South Australia.

Office for Public Integrity
Notes to and forming part of the financial statements
For the year ended 30 June 2024

5. Non-financial assets

5.1. Property, plant and equipment

Property, plant and equipment owned by OPI with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by OPI is recorded at fair value.

Impairment

There were no indications of impairment on OPI's owned plant and equipment.

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	29	8	37
Subtotal	<u>29</u>	<u>8</u>	<u>37</u>
Losses for the period recognised in net result:			
Depreciation	(29)	(2)	(31)
Subtotal	<u>(29)</u>	<u>(2)</u>	<u>(31)</u>
Carrying amount at the end of the period	<u>-</u>	<u>6</u>	<u>6</u>
Gross carrying amount			
Gross carrying amount	-	19	19
Accumulated depreciation	-	(12)	(12)
Carrying amount at the end of the period	<u>-</u>	<u>7</u>	<u>7</u>

Useful lives

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Leasehold Improvements	1-12
Plant and equipment	1-16

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

6. Financial Assets

6.1. Cash and cash equivalents

	2024 \$'000	2023 \$'000
Deposits with the Treasurer	591	392
Total cash and cash equivalents	<u>591</u>	<u>392</u>

Deposits with the Treasurer are non-interest bearing. The carrying amount of cash and cash equivalents represents fair value.

Office for Public Integrity
Notes to and forming part of the financial statements
For the year ended 30 June 2024

6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Prepayments	23	-
Total current receivables	<u>23</u>	<u>-</u>
Total receivables	<u><u>23</u></u>	<u><u>-</u></u>

7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Accrued expenses	46	33
Creditors	59	59
Total current payables	<u>105</u>	<u>92</u>
Total payables	<u><u>105</u></u>	<u><u>92</u></u>

Payables and accruals are recognised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

8. Outlook

8.1. Unrecognised contractual commitments

There are no material commitments as at 30 June 2024.

8.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

OPI is not aware of any contingent assets or liabilities at reporting date.

8.3. Events after the reporting period

OPI is not aware of any after balance date events.