

AUSTRALIAN COMMISSION FOR LAW ENFORCEMENT INTEGRITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Commission for Law Enforcement Integrity's (ACLEI) strategic purpose – through performance of functions prescribed by the *Law Enforcement Integrity Commissioner Act 2006* – is to make it more difficult for corruption to occur or remain undetected in designated Australian Government law enforcement agencies.

Agencies within ACLEI's jurisdiction are the Australian Criminal Intelligence Commission (ACIC), the Australian Federal Police (AFP) including ACT Policing, the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Department of Home Affairs, and prescribed aspects of the Department of Agriculture and Water Resources.

ACLEI's 2018–19 strategic priority will be a continued focus to prioritise detection, disruption and deterrence efforts against serious and systemic corruption and high-impact risk themes. Through strategic intelligence collection, investigation, analysis and dissemination, ACLEI will help agencies strengthen internal capability and adopt early anti-corruption strategies appropriate to their specific risk exposure profile.

From 2019–20, ACLEI will be resourced on an ongoing basis to support a purpose-built operations facility in Sydney. The establishment of a permanent operations base in Sydney will facilitate joint investigations and foster long-term partnerships with other Commonwealth and state integrity and law enforcement agencies.

ACLEI established the Visa Integrity Taskforce (VITF) in 2017–18 with funding of \$3.850m over two years provided from the Confiscated Assets Account, under the *Proceeds of Crime Act 2002*. Using an intelligence-led approach, the taskforce will investigate corruption allegations in the visa system with a focus on the off-shore aspects of visa approval processes. Key stakeholders of the VITF include the Department of Home Affairs, the AFP and the Department of Foreign Affairs and Trade.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to ACLEI for its operations and to deliver programs and services on behalf of the government.

Table 1.1 is presented on a resourcing (that is, appropriations and cash available) basis, while the budgeted expenses by Outcome 1 table in section 2 and the financial statements in section 3 are presented on an accrual basis.

Table 1.1: Entity resource statement—Budget estimates for 2018–19 as at Budget May 2018

	2017–18 Estimated actual \$'000	2018–19 Estimate \$'000
DEPARTMENTAL		
Annual appropriations—ordinary annual services (a)		
Prior year appropriations available (b)	4,258	5,464
Departmental appropriation (c)	10,684	10,585
s74 retained revenue receipts (d)	2,511	2,489
Departmental capital budget (e)	329	840
Annual appropriations—other services—non-operating (f)		
Equity injection	–	162
Total departmental annual appropriations	17,782	19,540
Total departmental resourcing	17,782	19,540
Total resourcing for entity	17,782	19,540
<hr/>		
Average staffing level (number)	49	48

Prepared on a resourcing (that is, appropriations available) basis.

Note: All figures shown above are GST exclusive and may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018–19.

(b) Excludes \$0.922m subject to quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(c) Excludes departmental capital budget.

(d) Estimated retained revenue receipts under section 74 of the PGPA Act.

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. See Table 3.5 for further details. For accounting purposes, this amount is designated as 'contributions by owners'.

(f) Appropriation Bill (No. 2) 2018–19.

1.3 BUDGET MEASURES

Budget measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the ACLEI are detailed in Budget Paper No. 2 and summarised in Part 1 of Table 1.2.

Table 1.2: Entity 2018–19 Budget measures

Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
Expense measures						
Australian Commission for Law Enforcement Integrity Operations Facility—establishment	1.1					
Departmental expenses		–	–	822	829	838
Total		–	–	822	829	838
Attorney-General's Portfolio—efficiencies	1.1					
Departmental expenses		(33)	(33)	(33)	(33)	(33)
Total		(33)	(33)	(33)	(33)	(33)
Total expense measures		(33)	(33)	789	796	805

Prepared on a Government Finance Statistics (fiscal) basis.

Figures displayed as a negative represent a decrease in funds and figures displayed as a positive represent an increase in funds.

Part 2: Other measures not previously reported in a portfolio statement

	Program	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
Expense measures						
Confiscated Assets Account	1.1					
Departmental expenses		1,936	1,914	–	–	–
Total expense measures		1,936	1,914	–	–	–

Prepared on a Government Finance Statistics (fiscal) basis.

Figures displayed as a negative represent a decrease in funds and figures displayed as a positive represent an increase in funds.

Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the budget and forward years.

ACLEI's outcome is described below together with its related program.

Note

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for ACLEI can be found at
<https://www.aclei.gov.au/about/corporate-information>

The most recent annual performance statement can be found at
<https://www.aclei.gov.au/about/corporate-information/annual-reports>

2.1 BUDGETED EXPENSES AND PERFORMANCE 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

Budgeted expenses for Outcome 1

Table 2.1 shows how much ACLEI intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program and departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
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					
Departmental expenses					
Departmental appropriation	10,684	10,585	11,294	11,393	11,594
s74 retained revenue receipts (a)	2,511	2,489	–	–	–
Expenses not requiring appropriation in the budget year (b)	733	679	625	625	571
Departmental total	13,928	13,753	11,919	12,018	12,165
Total expenses for Outcome 1	13,928	13,753	11,919	12,018	12,165

	2017–18	2018–19
Average staffing level (number)	49	48

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

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(b) Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses and resources received free of charge such as audit fees.

Performance criteria for Outcome 1

Table 2.2 shows the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered.

Table 2.2: Performance criteria 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		
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		
Delivery	Working with partners to detect, disrupt and deter corrupt conduct, ACLEI will deliver an effective and fair anti-corruption capability that addresses corruption risk, holds individuals to account, and adds value to the law enforcement integrity system. Since ACLEI's operating environment involves inherent risks, ACLEI will maintain an internal focus on ethical leadership, strong governance and active risk management.	
Performance information		
Year	Performance criteria	Targets
2017–18	ACLEI expects to achieve the performance criteria described in the 2017–18 Portfolio Budget Statements. The 2017–18 performance criteria and targets are the same as for 2018–19.	Overall, ACLEI is on track to meet its qualitative measures.
2018–19	<p>1. The corruption notification and referral system is effective.</p> <p>2. ACLEI's investigations are conducted professionally and efficiently, and add value to the law enforcement integrity system.</p>	<p>1.1 Law enforcement agencies notify ACLEI of corruption issues and related information in a timely way.</p> <p>1.2 Other agencies or individuals provide information about corruption issues, risks and vulnerabilities to ACLEI.</p> <p>1.3 Partner agencies indicate confidence in sharing information or intelligence with ACLEI.</p> <p>1.4 ACLEI prioritises credible information about serious and systemic corruption.</p> <p>1.5 ACLEI supports awareness-raising activities in agencies within the Integrity Commissioner's jurisdiction, including by participating in joint initiatives.</p> <p>2.1 Each investigation considers corruption risk and the broader impact on law enforcement outcomes.</p> <p>2.2 Operational resources are actively managed and targeted for maximum effect.</p> <p>2.3 Risks relating to the operating context of law enforcement agencies are taken into account and, in appropriate circumstances, mitigation strategies are agreed with the agency concerned.</p>

Table 2.2: Performance criteria for Outcome 1 (continued)

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 (continued)		
Performance information		
Year	Performance criteria	Targets
2018–19	<p>3. ACLEI monitors corruption investigations conducted by law enforcement agencies.</p> <p>4. ACLEI insights contribute to accountability and anti-corruption policy development.</p> <p>5. ACLEI's governance and risk management controls are effective and take account of its operational role.</p>	<p>3.1 All agency corruption investigation reports provided to ACLEI for review are assessed for intelligence value and completeness.</p> <p>3.2 ACLEI liaises regularly with the agencies professional standards units about the progress of agency investigations.</p> <p>4.1 When warranted, the Integrity Commissioner makes recommendations for improvement in corruption prevention or detection measures.</p> <p>4.2 Submissions that relate to corruption prevention or enhancing integrity arrangements are made to government or in other relevant forums.</p> <p>4.3 Targeted presentations about integrity are made to diverse audiences.</p> <p>4.4 The Integrity Commissioner's annual report or other publications contain analysis of patterns and trends in law enforcement corruption.</p> <p>5.1 Systems are in place to ensure ACLEI officers act ethically, comply with legislative requirements and adhere to standards set by the Integrity Commissioner.</p> <p>5.2 Regular reviews and audits indicate effective governance, risk management and integrity.</p>
2019–20 and beyond	Same as for 2018–19.	Same as for 2018–19.
Purpose	ACLEI's strategic purpose—through performance of functions prescribed by the <i>Law Enforcement Integrity Commissioner Act 2006</i> —is to make it more difficult for corruption in designated Australian Government law enforcement agencies to occur or remain undetected.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There is no material difference between the entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

ACLEI has budgeted for an operating deficit of \$0.560m in 2018–19. The deficit is equal to the estimated depreciation and amortisation expenses in 2018–19. Total expenses for 2018–19 are estimated at \$13.753m, comprising \$7.786m in employee expenses, \$5.402m in payments to suppliers, \$0.005m in finance costs and \$0.560m in depreciation and amortisation expenses.

ACLEI's revenue from government for 2018–19 is \$10.585m and additional section 74 receipts of \$2.489m. Section 74 receipts in 2018–19 include an amount of \$1.914m for the Visa Integrity Taskforce, provided through the Confiscated Assets Account, under the *Proceeds of Crime Act 2002*.

ACLEI will also be provided a departmental capital budget of \$0.840m and departmental equity injection of \$0.162m in 2018–19, primarily for new leasehold improvements, property, plant and equipment for the Operations Facility in Sydney.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
EXPENSES					
Employee benefits	7,791	7,786	6,260	6,503	6,567
Suppliers	5,572	5,402	5,094	4,950	5,087
Depreciation and amortisation	560	560	560	560	506
Finance costs	5	5	5	5	5
Total expenses	13,928	13,753	11,919	12,018	12,165
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	575	575	–	–	–
Other	1,936	1,914	–	–	–
Total own-source revenue	2,511	2,489	–	–	–
Gains					
Other	173	119	65	65	65
Total gains	173	119	65	65	65
Total own-source income	2,684	2,608	65	65	65
Net (cost of)/contribution by services	(11,244)	(11,145)	(11,854)	(11,953)	(12,100)
Revenue from government	10,684	10,585	11,294	11,393	11,594
Surplus/(deficit) attributable to the Australian Government	(560)	(560)	(560)	(560)	(506)
Total comprehensive income/(loss) attributable to the Australian Government	(560)	(560)	(560)	(560)	(506)

Note: Impact of net cash appropriation arrangements

	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	–	–	–	–	–
Less depreciation/amortisation expenses previously funded through revenue appropriations (a)	560	560	560	560	506
Total comprehensive income/(loss) as per the statement of comprehensive income	(560)	(560)	(560)	(560)	(506)

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation and amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Bill 1 equity appropriations. For information regarding departmental capital budgets, see Table 3.5 Departmental capital budget statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	62	62	62	62	62
Trade and other receivables	4,399	4,493	4,493	4,493	4,493
Total financial assets	4,461	4,555	4,555	4,555	4,555
Non-financial assets					
Land and buildings	1,581	1,890	1,688	1,486	1,284
Property, plant and equipment	707	732	759	787	821
Intangibles	–	108	54	–	–
Other non-financial assets	1,150	1,006	862	718	574
Total non-financial assets	3,438	3,736	3,363	2,991	2,679
Total assets	7,899	8,291	7,918	7,546	7,234
LIABILITIES					
Payables					
Suppliers	1,237	1,088	939	790	641
Other payables	80	80	80	80	80
Total payables	1,317	1,168	1,019	870	721
Provisions					
Employee provisions	1,827	1,921	1,921	1,921	1,921
Other provisions	288	293	298	303	308
Total provisions	2,115	2,214	2,219	2,224	2,229
Total liabilities	3,432	3,382	3,238	3,094	2,950
Net assets	4,467	4,909	4,680	4,452	4,284
EQUITY*					
Parent entity interest					
Contributed equity	3,253	4,255	4,586	4,918	5,256
Reserves	1,256	1,256	1,256	1,256	1,256
Retained surplus/(accumulated deficit)	(42)	(602)	(1,162)	(1,722)	(2,228)
Total parent entity interest	4,467	4,909	4,680	4,452	4,284
Total equity	4,467	4,909	4,680	4,452	4,284

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity—summary of movement (budget year 2018–19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(42)	1,256	3,253	4,467
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	(42)	1,256	3,253	4,467
Comprehensive income				
Surplus/(deficit) for the period	(560)	–	–	(560)
Total comprehensive income	(560)	–	–	(560)
Of which:				
Attributable to the Australian Government	(560)	–	–	(560)
Transactions with owners				
Contributions by owners				
Equity injection—appropriation	–	–	162	162
Departmental capital budget	–	–	840	840
Sub-total transactions with owners	–	–	1,002	1,002
Estimated closing balance as at 30 June 2019				
	(602)	1,256	4,255	4,909
Closing balance attributable to the Australian Government	(602)	1,256	4,255	4,909

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	10,591	10,491	11,294	11,393	11,594
Sale of goods and rendering of services	575	575	–	–	–
Other	1,936	1,914	–	–	–
Total cash received	13,102	12,980	11,294	11,393	11,594
Cash used					
Employees	7,698	7,692	6,260	6,503	6,567
Suppliers	5,404	5,288	5,034	4,890	5,027
Total cash used	13,102	12,980	11,294	11,393	11,594
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	329	1,002	331	332	338
Total cash used	329	1,002	331	332	338
Net cash from/(used by) investing activities	(329)	(1,002)	(331)	(332)	(338)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	329	1,002	331	332	338
Total cash received	329	1,002	331	332	338
Net cash from/(used by) financing activities	329	1,002	331	332	338
Cash and cash equivalents at the beginning of the reporting period	62	62	62	62	62
Cash and cash equivalents at the end of the reporting period	62	62	62	62	62

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	329	840	331	332	338
Equity injections—Bill 2	–	162	–	–	–
Total new capital appropriations	329	1,002	331	332	338
Provided for:					
Purchase of non-financial assets	329	1,002	331	332	338
Total items	329	1,002	331	332	338
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	–	162	–	–	–
Funded by capital appropriation— DCB (b)	329	840	331	332	338
Total purchase of non-financial assets	329	1,002	331	332	338
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	329	1,002	331	332	338
Total cash used to acquire assets	329	1,002	331	332	338

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (budget year 2018–19)

	Buildings \$'000	Other property, plant & equipment \$'000	Computer software & intangibles \$'000	Total \$'000
As at 1 July 2018				
Gross book value	1,783	1,137	82	3,002
Accumulated depreciation/ amortisation and impairment	(202)	(430)	(82)	(714)
Opening net book balance	1,581	707	–	2,288
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation equity (a)	–	–	162	162
By purchase—appropriation ordinary annual services (b)	511	329	–	840
Total additions	511	329	162	1,002
Other movements				
Depreciation/amortisation expense	(202)	(304)	(54)	(560)
Total other movements	(202)	(304)	(54)	(560)
As at 30 June 2019				
Gross book value	2,294	1,466	244	4,004
Accumulated depreciation/amortisation and impairment	(404)	(734)	(136)	(1,274)
Closing net book balance	1,890	732	108	2,730

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2018–19, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018–19 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.