



Office of the Information Commissioner

Freedom of information for Western Australia



ANNUAL REPORT 2021/22



Financial Statements

Office of the Information Commissioner

Disclosures and Legal Compliance

Certification of financial statements

For the reporting period ended 30 June 2022

The accompanying financial statements of the Office of the Information Commissioner have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.


Catherine Fletcher
Information Commissioner
14 November 2022


Michelle Fitzgerald
Chief Finance Officer
14 November 2022

Nexia Perth Audit Services Pty Ltd



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022

Office of the Information Commissioner

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Office of the Information Commissioner (Commissioner) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Office of the Information Commissioner for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Information Commissioner for the financial statements

The Information Commissioner is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Information Commissioner is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commissioner.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.augasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Office of the Information Commissioner. The controls exercised by the Information Commissioner are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Office of the Information Commissioner are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

The Information Commissioner's responsibilities

The Information Commissioner is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Office of the Information Commissioner for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Office of the Information Commissioner are relevant and appropriate to assist users to assess the Commissioner's performance and fairly represent indicated performance for the year ended 30 June 2022.

The Commissioner's responsibilities for the key performance indicators

The Information Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Information Commissioner determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commissioner is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Information Commissioner is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinion on the financial statements, controls and key performance indicators does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Office of the Information Commissioner for the year ended 30 June 2022 included in the annual report on the Commissioner's website. The Commissioner's management is responsible for the integrity of the Commissioner's website. This audit does not provide assurance on the integrity of the Commissioner's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Eftalia Samaras
Senior Director Practice Manager
Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 November 2022

Statement of Comprehensive Income – 30 June 2022

	Note	2022 \$	2021 \$
Cost of services			
<i>Expenses</i>			
Employee benefits expense	2.1(a)	1,745,935	1,657,364
Supplies and services	2.2	565,078	390,489
Depreciation expense	4.1	1,710	1,705
Accommodation expenses	2.2	201,222	201,222
Other expenses	2.2	98,128	89,795
Total cost of services		2,612,073	2,340,575
<i>Income</i>			
Other income	3.2	450	112
Total income		450	112
Net cost of services		2,611,623	2,340,463
<i>Income from State Government</i>			
Service appropriation	3.1	2,262,000	2,145,000
Services received free of charge	3.1	55,937	77,280
Total income from State Government		2,317,937	2,222,280
Surplus/(deficit) for the period		(293,686)	(118,183)
Other comprehensive income			
<i>Items not reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
Total comprehensive income for the period		(293,686)	(118,183)

See also the 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position – 30 June 2022

	Note	2022 \$	2021 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	6.1	738,868	1,032,159
Receivables	5.1	19,111	12,607
Other current assets	5.3	8,099	15,928
Total Current Assets		766,078	1,060,694
<i>Non-Current Assets</i>			
Restricted cash and cash equivalents	6.1	31,807	24,972
Amounts receivable for services	5.2	52,000	44,000
Property, plant and equipment	4.1	5,134	6,844
Total Non-Current Assets		88,941	75,816
Total Assets		855,019	1,136,510
Liabilities			
<i>Current Liabilities</i>			
Payables	5.4	55,155	62,030
Employee related provisions	2.1(b)	377,167	348,044
Total Current Liabilities		432,322	410,074
<i>Non-Current Liabilities</i>			
Employee related provisions	2.1(b)	34,782	44,835
Total Non-Current Liabilities		34,782	44,835
Total Liabilities		467,104	454,909
Net Assets		387,915	681,601
Equity			
Contributed equity		37,000	37,000
Accumulated surplus/(deficit)		350,915	644,601
Total Equity		387,915	681,601

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity – 30 June 2022

	Contributed Equity \$	Accumulated Surplus/ (deficit) \$	Total Equity \$
Balance at 1 July 2020	37,000	762,784	799,784
Surplus/(deficit)	-	(118,183)	(118,183)
Other comprehensive income	-	-	-
Total comprehensive income for the period	37,000	644,601	681,601
Balance at 30 June 2021	37,000	644,601	681,601
Balance at 1 July 2021	37,000	644,601	681,601
Surplus/(deficit)	-	(293,686)	(293,686)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(293,686)	(293,686)
Balance at 30 June 2022	37,000	350,915	387,915

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows – 30 June 2022

	Note	2022 \$	2021 \$
Cash Flows from State Government			
Service appropriation		2,254,000	2,137,000
Net cash provided by State Government		2,254,000	2,137,000
<i>Utilised as follows:</i>			
Cash Flows from Operating Activities			
<i>Payments</i>			
Employee benefits		(1,719,660)	(1,602,561)
Supplies and services		(515,289)	(283,978)
Accommodation		(201,222)	(201,222)
GST payments on purchases		(80,373)	(59,109)
Other payments		(98,128)	(89,077)
<i>Receipts</i>			
GST receipts on sales		45	485
GST receipts from taxation authority		73,722	62,788
Other receipts		450	112
Net cash provided by/(used in) operating activities		(2,540,456)	(2,172,562)
Cash Flows from Investing Activities			
<i>Payments</i>			
Purchase of non-current physical assets		-	(8,549)
<i>Receipts</i>			
Proceeds from sale of non-current physical assets		-	-
Net cash provided by/(used in) investing activities		-	(8,549)
Net increase/(decrease) in cash and cash equivalents		(286,456)	(44,111)
Cash and cash equivalents at the beginning of the period		1,057,131	1,101,242
Cash and cash equivalents at the end of the period	6.1	770,675	1,057,131

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1. Basis of Preparation

The OIC is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The OIC is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the *Overview* which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Commissioner on 14 November 2022.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The *Treasurer's Instructions (TIs)*
- 3) Australian Accounting Standards (**AAS**) – Simplified Disclosures
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and the TIs take precedence over AAS. Several AAS are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the OIC as a purchaser that is not recoverable from the Australian Taxation Office (**ATO**) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Note 2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the OIC's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the OIC in achieving its objectives and the relevant notes are:

Employee benefits expense	
Employee related provisions	
Other expenditure	

Notes

[2.1\(a\)](#)

[2.1\(b\)](#)

[2.2](#)

Note 2.1(a) Employee benefits expense

	2022 \$	2021 \$
Employee benefits	1,585,361	1,513,542
Termination benefits	-	-
Superannuation – defined contribution plans	160,574	143,822
Total employee benefits expenses	1,745,935	1,657,364
Add: AASB 16 Non-monetary benefits	-	-
Less: Employee Contributions	-	-
Net employee benefits	1,745,935	1,657,364

Employee benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the OIC is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation is the amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the

WSS, the GESBs, or other GESB schemes or other superannuation funds.

AASB 16 non-monetary benefits are non-monetary employee benefits, predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 and are excluded from the employee benefits expense.

Employee contributions are contributions made to the OIC by employees towards employee benefits that have been provided by the OIC. This includes both AASB 16 and non-AASB 16 employee contributions.

Note 2.1(b) Employee related provisions

	2022 \$	2021 \$
Current		
<i>Employee benefits provision</i>		
Annual leave	146,202	146,508
Long service leave	229,266	199,961
	375,468	346,469
<i>Other provisions</i>		
Employment on-costs	1,699	1,575
Total current employee related provisions	377,167	348,044
Non-current		
<i>Employee benefits provision</i>		
Long service leave	34,626	44,634
	34,626	44,634

Other provisions

Employment on-costs	156	201
Total non-current employee related provisions	34,782	44,835
Total employee related provisions	411,949	392,879

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Long service leave liabilities are unconditional long service leave provisions are classified as current liabilities as the OIC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the OIC has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the OIC does not expect to wholly settle the amounts within 12 months. The present value is measured taking into

account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Employment on-costs involve the settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of *Other expenditure* (Note 2.2) (apart from the unwinding of the discount (finance cost)) and are not included as part of the OIC's 'employee benefits expense'. The related liability is included in *Employment on-costs provision*.

	2022 \$	2021 \$
<i>Employment on-cost provision</i>		
Carrying amount at start of period	1,776	1,566
Additional/(reversals of) provisions recognised	79	210
Carrying amount at the end of the period	1,855	1,776

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the OIC's long service leave provision. These include:

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as an employee benefits expense.

Note 2.2 Other expenditure

	2022 \$	2021 \$
<i>Supplies and services</i>		
Goods and supplies	87,712	41,212
Services and contracts	477,366	349,277
Total supplies and services expenses	565,078	390,489

	2022 \$	2021 \$
<i>Accommodation expenses</i>		
Office rental	201,222	201,222
Total accommodation expense	201,222	201,222
<i>Other expenses</i>		
Communications	1,161	2,264
Printing and binding	6,606	6,511
Electricity	5,328	4,798
Insurance	14,374	12,012
Travel and accommodation	2,917	3,343
Professional development	14,159	15,583
Audit fees	27,900	44,625
Employment on-costs	81	250
Research and advertising	25,556	-
Other	46	408
Total other expenses	98,128	89,794
Total other expenditure	864,428	681,505

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Office rental is expensed as incurred as Memorandum of Understanding Agreements between the OIC and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Expenditure on research and advertising is recognised as an expense in the period in which it is incurred.

Employee on-costs includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1(b) *Employee related provisions*. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 3. Our Funding Sources

How we obtain our funding

This section provides additional information about how the OIC obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the OIC and the relevant notes are:

	Notes
Income from State Government	3.1
Other income	3.2

Note 3.1 Income from State Government

	2022 \$	2021 \$
<i>Appropriation received during the period:</i>		
Service appropriations	1,983,000	1,867,000
Service appropriations - Other Statutes	279,000	278,000

Total appropriation received during period	2,262,000	2,145,000
<i>Resources received free of charge from other public sector entities during the period:</i>		
Department of Finance - Building Management and Works	55,106	77,280
State Solicitor's Office	831	-
Total resources received	55,937	77,280
	2,317,937	2,222,280

Service appropriations are recognised as income at the fair value of consideration received in the period in which the OIC gains control of the appropriated funds. The OIC gains control of appropriated funds at the time those funds are deposited in the bank account or credited to holding account held at Treasury.

Resources received from other public sector entities is recognised as income equivalent to the fair value of the assets received, or the fair value of those services received that can be reliably determined and which would have been purchased if not donated.

Summary of consolidated account appropriations

	Budget	Supple- mentary Funding	Revised Budget	Actual	Variance
<i>Delivery of services</i>			\$'000		
Item 13 Net amount appropriated to deliver services	1,983	-	1,983	1,983	-
<i>Amount Authorised by Other Statutes</i>					
<i>Freedom of Information Act 1992</i>	279	-	279	279	-
Total appropriations to deliver services	2,262	-	2,262	2,262	-
<i>Capital</i>					
Capital appropriations	-	-	-	-	-
Total consolidated account appropriations	2,262	-	2,262	2,262	-

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 3.2 Other income

	2022 \$	2021 \$
Other recoups	450	112
	450	112

Other revenue is recognised at fair value when the OIC obtains control over the assets comprising the contributions, usually when cash is received.

Note 4. Key Assets

Assets the OIC utilises for economic benefit or service potential

This section includes information regarding the key assets the OIC utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

Note 4.1 Plant and equipment

	2022 \$	2021 \$
<i>Office equipment and computers</i>		
At cost	40,949	40,949
Accumulated depreciation	(35,815)	(34,105)
	5,134	6,844

Reconciliations of the carrying amounts of office equipment and computers at the beginning and end of the reporting period are set out below:

1 July 2021

Gross carrying amount	40,949
Accumulated depreciation	(34,105)
Carrying amount at the start of the period	6,844
Additions	-
Depreciation	(1,710)
Carrying amount at the end of the period	5,134

Initial recognition

Items of plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Useful lives

All plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated

useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Office equipment	5 years
Computers	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the OIC is a not-for-profit office, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not

increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Note 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the OIC's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes
Receivables	5.1
Amounts receivable for services	5.2
Other assets	5.3
Payables	5.4

Note 5.1 Receivables

	2022 \$	2021 \$
<i>Current</i>		
Trade receivables	554	647
GST receivable	18,557	11,960
Total receivables	19,111	12,607

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The OIC holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The OIC recognises a loss allowance for expected credit losses (**ECLs**) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the OIC has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, OIC recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The OIC has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. There was no ECL expenses in this financial year.

Note 5.2 Amounts receivable for services (Holding Account)

	2022 \$	2021 \$
Non-current	52,000	44,000
Balance at the end of the period	52,000	44,000

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the Holding Account).

Note 5.3 Other assets

	2022 \$	2021 \$
<i>Current</i>		
Prepayments	8,099	15,928
Balance at the end of the period	8,099	15,928

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 5.4 Payables

	2022 \$	2021 \$
<i>Current</i>		
Trade payables	23,693	37,763
GST payable	40	50
Accrued salaries	31,422	24,217
Balance at the end of the period	55,155	62,030

Payables are recognised at the amounts payable when the OIC becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 15 to 20 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The OIC considers

the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 6.1 *Cash and cash equivalents*) consists of amounts paid annually, from office appropriations for salaries expense into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

Note 6. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the OIC.

Note 6.1 Cash and cash equivalents

	2022 \$	2021 \$
Cash and cash equivalents	738,868	1,032,159
Restricted cash and cash equivalents ^(a)	31,807	24,972
Balance at the end of the period	770,675	1,057,131

(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

The accrued salaries suspense account consists of amounts paid annually, from OIC appropriations for salaries expense into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

Note 7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the OIC.

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

Note 7.1 Financial Instruments

	2022 \$	2021 \$
<i>Financial assets</i>		
Cash and cash equivalents	31,807	1,057,131
Financial assets at amortised cost ^(a)	52,000	44,647
Total financial assets	83,807	1,101,778
<i>Financial liabilities</i>		
Financial liabilities at amortised cost ^(b)	55,155	62,030
Total financial liabilities	55,155	62,030

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

Note 7.2 Contingent assets and liabilities

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

The OIC had no contingent liabilities and contingent assets as of 30 June 2022.

Note 8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Changes in accounting policy	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Supplementary financial information	8.8

Note 8.1 Events occurring after the end of the reporting period

There were no events occurring after the reporting date that impact on the financial statements.

Note 8.2 Changes in accounting policies

The OIC has not made any changes to its accounting policies that would impact on the reported results of the OIC.

Note 8.3 Key management personnel

The OIC has determined key management personnel to include senior officers of the OIC. The OIC does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the OIC for the reporting period are presented within the following bands:

Compensation Band (\$)	2022	2021
\$290,001 - \$300,000	1	1
	2022	2021
	\$	\$
Total compensation of senior officers	301,464	293,073

Note 8.4 Related party transactions

The OIC is a wholly-owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the OIC include:

- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government

consolidated financial statements (i.e. wholly owned public sector entities);

- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board.

Material transactions with related parties

Outside of normal citizen type transactions with the OIC, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

Note 8.5 Related bodies

The OIC has no related bodies.

Note 8.6 Affiliated bodies

The OIC has no affiliated bodies.

Note 8.7 Remuneration of Auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current reporting period is as follows:

	2022 \$	2021 \$
Auditing of accounts, financial statements and performance indicators	27,000	27,900
	27,000	27,900

Note 8.8 Supplementary financial information

(a) Write-offs

There were no write-offs during the previous or current financial year.

(b) Losses through theft, defaults and other causes

There were no thefts, defaults or losses during the previous or current financial year.

(c) Gifts of public property

There were no gifts of public property during the previous or current financial year.

Note 9 Explanatory statement

This section explains variations in the financial performance of the OIC.

	Notes
Explanatory Statement for Controlled Operations	9.1
<p>All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which are greater than 10% from their comparative and that the variation is more than 1% of the dollar aggregate amount of: the Total Cost of Services for the Statements of Comprehensive Income and Statement of Cash Flows (>\$23,406); and Total Assets for the Statement of financial position (>\$10,850).</p>	

9.1.1 Statement of Comprehensive Income variances

	Variance Note	Estimate 2022	Actual 2022	Actual 2021	Estimate and actual variance	2021 and 2022 actual variance
Statement of Comprehensive Income						
<i>Expenses</i>						
Employee benefits expense		1,632,000	1,745,935	1,657,364	113,935	88,571
Supplies and services	1, 2	355,000	565,078	390,489	210,078	174,589
Accommodation expenses		218,000	201,222	201,222	(16,778)	-
Depreciation expense		14,000	1,710	1,705	(12,290)	5
Other expenses	3	165,000	98,128	89,795	(66,872)	8,333
Total cost of services		2,384,000	2,612,073	2,340,575	228,073	271,498
<i>Income</i>						
<u>Revenue</u>						
Other revenue		4,000	450	112	(3,550)	338
Total Revenue		4,000	450	112	(3,550)	338
Total income other than income from State Government		4,000	450	112	(3,550)	338
Net cost of services		2,380,000	2,611,623	2,340,463	231,623	271,160
<u>Income from State Government</u>						
Service appropriation		2,262,000	2,262,000	2,145,000	-	117,000
Resources received free of charge	4	110,000	55,937	77,280	(54,063)	(21,343)
Total income from State Government		2,372,000	2,317,937	2,222,280	(54,063)	95,657
Surplus/(deficit) for the period		(8,000)	(293,686)	(118,183)	(285,686)	175,503

Other comprehensive income					
Changes in asset revaluation surplus	-	-	-	-	-
Gains/(losses) recognised directly in equity	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	(8,000)	(293,686)	(118,183)	(285,686)	175,503

Major Estimate and Actual (2022) Variance Narratives for the Income Statement

- Supplies and services have increased primarily due to an increase in the use of external contractors, including labour hire, consultancy services and participation in a research project with other jurisdictions.
- The estimate is a standard yearly estimate which is no longer reflective of current expenditure and will be revised.
- Estimates for resources received free of charge are based on previous years and will be reviewed.

Major Actual (2022) and Comparative (2021) Variance Narratives for the Income Statement

- Supplies and services increased from last year primarily due to an increase in the use of external contractors, including labour hire, consultancy services and participation in a research project with other jurisdictions.

9.1.2 Statement of Financial Position variances

	Variance Note	Estimate 2022	Actual 2022	Actual 2021	Estimate and actual variance	2021 and 2022 actual variance
Assets						
Current Assets						
Cash and cash equivalents	5,6	947,000	738,868	1,032,159	(208,132)	(293,291)
Holding account receivables	7	16,000	-	-	(16,000)	-
Receivables		19,000	19,111	12,607	111	6,504

OVERVIEW	OPERATIONAL PERFORMANCE	SIGNIFICANT ISSUES	DISCLOSURES & LEGAL COMPLIANCE	KEY PERFORMANCE INDICATORS	FINANCIAL STATEMENTS	OIC STATISTICS	AGENCY STATISTICS
Other Current Assets			34,000	8,099	15,928	(25,901)	(7,829)
Total Current Assets			1,016,000	766,078	1,060,694	(249,922)	(294,616)
<u>Non-Current Assets</u>							
Restricted cash and cash equivalents		8	18,000	31,807	24,972	13,807	6,835
Amounts receivable for services		9	36,000	52,000	44,000	16,000	8,000
Property, Plant and Equipment		10	15,000	5,134	6,844	(9,866)	(1,710)
Total non-current assets			69,000	88,941	75,816	19,941	13,125
Total assets			1,085,000	855,019	1,136,510	(229,981)	(281,491)
<i>Liabilities</i>							
<u>Current Liabilities</u>							
Payables		11	-	55,155	62,030	55,155	(6,875)
Provisions		12	336,000	377,167	348,044	41,167	29,123
Other		13	15,000	-	-	(15,000)	-
Total Current Liabilities			351,000	432,322	410,074	81,322	22,248
<u>Non-Current Liabilities</u>							
Provisions		14,15	25,000	34,782	44,835	9,782	(10,053)
Total Non-Current Liabilities			25,000	34,782	44,835	9,782	(10,053)
Total liabilities			376,000	467,104	454,909	91,104	12,195
Net assets/(liabilities)			709,000	387,915	681,601	(321,085)	(293,686)
<u>Equity</u>							
Contributed equity			37,000	37,000	37,000	-	-
Accumulated surplus/(deficiency)			672,000	350,915	644,601	321,085	(293,686)
Total equity			709,000	387,915	681,601	321,085	(293,686)

Major Estimate and Actual (2022) Variance Narratives for the Statement of Financial Position

- 5) The variance in cash and cash equivalents is the result of the increase in the total cost of services in the income statement.
- 7) The variance in the holding account is due to funds not spent as expected. The asset replacement project was not completed due to other priorities.
- 8) The variance in the restricted cash and cash equivalents is due to the yearly increase in funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year.
- 9) Amounts receivable for services is a non-cash service appropriation for asset replacement. The variance is due to asset replacement not carried out as expected during the year.
- 10) The variance in property, plant and equipment is due to expected capital purchases not made during the year.
- 11, 12 & 13) The estimates for 2021-22 were reported incorrectly. Current liabilities in these statements comprise of trade payables, the end of year salary accrual, GST payable and employee leave liability (see notes 2(1)(b) and 5.4 to the financial statements). Future estimates have now been corrected to include 'payables' (trade payables and GST payable) and 'employee provisions' (employee leave liability and end of year salary accrual). The increase in provisions for 2021-22 are due to the increase in leave liability since the estimates were published.
- 14) The variance in provisions relates to the movements in non-current long service leave liability.

Major Actual (2022) and Comparative (2021) Variance Narratives for the Statement of Financial position

- 6) The decrease in cash and cash equivalents from 2021 is the result of the variance in the total cost of services in the income statement.
- 15) The decrease in provisions is due to the reduction in non-current long service leave liability from 2021.

9.1.3 Statement of Cash Flow variances

	Variance Note	Estimate 2022	Actual 2022	Actual 2021	Estimate and actual variance	2021 and 2022 actual variance
Cash flows from State Government						
Service appropriation		2,254,000	2,254,000	2,137,000	-	117,000
Capital appropriation		-	-	-	-	-
Holding account drawdowns		-	-	-	-	-
Net cash provided by State Government		2,254,000	2,254,000	2,137,000	-	117,000
<i>Utilised as follows:</i>						
Cash flows from operating activities						
<u>Payments</u>						
Employee benefits		(1,632,000)	(1,719,660)	(1,602,561)	87,660	(117,099)
Services and supplies	16,17	(327,000)	(515,289)	(283,978)	188,289	(231,311)
Accommodation		(218,000)	(201,222)	(201,222)	(16,778)	-
GST payments on purchases	18	(30,000)	(80,373)	(59,109)	50,373	(21,264)
Other payments		(107,000)	(98,128)	(89,077)	(8,872)	(9,051)
<u>Receipts</u>						
GST receipts on sales		-	45	485	(45)	(440)
GST receipts from taxation authority		48,000	73,722	62,788	(25,722)	10,934
Other revenue		4,000	450	112	3,550	338
Net cash used in operating activities		(2,262,000)	(2,540,456)	(2,172,562)	278,456	(367,894)
<i>Cash flows from investing activities</i>						
<u>Payments</u>						
Purchase of non-current assets		-	-	(8,549)	-	8,549
<u>Receipts</u>						
Proceeds from sale of non-current physical assets		-	-	-	-	-
Net cash provided by/(used in) investing activities		-	-	(8,549)	-	8,549
<i>Cash flows from financing activities</i>						
Net increase/(decrease) in cash and cash equivalents		(8,000)	(286,456)	(44,111)	278,456	(242,345)
Cash and cash equivalents at the beginning of the period		973,000	1,057,131	1,101,242	(84,131)	(44,111)
Cash and cash equivalents at the end of the period		965,000	770,675	1,057,131	194,325	(286,456)

Major Estimate and Actual (2021) Variance Narratives for the Cashflow Statement

- 16) Supplies and services have increased primarily due to an increase in the use of external contractors, including labour hire, consultancy services and participation in a research project with other jurisdictions.
- 18) The variance in GST payments is a result of the increase in payables during the year.

Major Actual (2022) and Comparative (2021) Variance Narratives for the Cashflow Statement

- 17) Supplies and services increased from last year primarily due to an increase in the use of external contractors, including labour hire, consultancy services and participation in a research project with other jurisdictions.