

**PART C**

**AGENCY ADDITIONAL ESTIMATES  
STATEMENTS**

**OFFICE OF THE INSPECTOR-GENERAL  
OF INTELLIGENCE AND SECURITY**

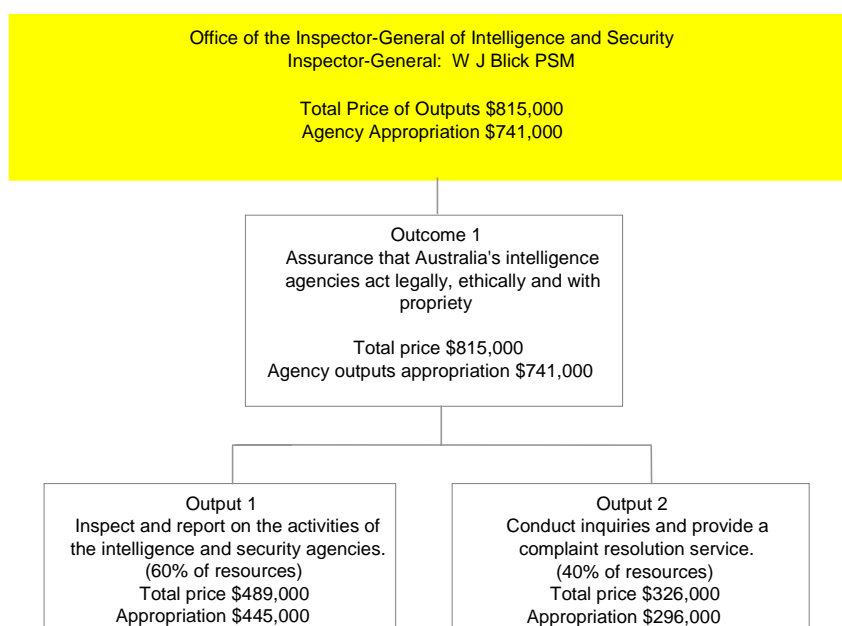
## OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY

### Section 1: Overview, Variations and Measures

#### OVERVIEW

The role of the Office of the Inspector-General of Intelligence and Security is unchanged from that presented in the 2003-04 Portfolio Budget Statements.

**Map 1: Outcomes and output groups**



#### ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The 2003-04 additional estimates consists of one-off supplementation for the \$10,000 increase in the 2003-04 Comcover premium and ongoing funding to

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meet the Budget estimates enhanced quality and timeliness requirements flowing out of the Budget Estimates and Framework Review (BEFR). The office has one outcome and the additional estimates have been allocated to this outcome.

**Measures**

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)
<b>Outcome 1</b>				
<b>Increase in departmental appropriations</b>				
Budget estimates – enhanced quality and timeliness	22	22	24	24
<b>Total variation in departmental appropriations</b>	<b>22</b>	<b>22</b>	<b>24</b>	<b>24</b>

**Other variations to appropriations**

	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Outcome 1</b>				
<b>Increase in departmental appropriations</b>				
Comcover supplementation	10	-	-	-
Indexation adjustment	-	-1	-3	-5
<b>Total variation in departmental appropriations</b>	<b>10</b>	<b>-1</b>	<b>-3</b>	<b>-5</b>

**MEASURES — AGENCY SUMMARY**

Explanation for the measure and policy outcomes being provided through the AEs process are:

**Budget estimates – enhanced quality and timeliness**

The Government will provide additional funding to agencies of \$88.5 million over five years (including \$0.1 million in 2007-08) to implement the Budget Estimates and Framework Review (BEFR) recommendations. This funding includes capital of \$7.4 million over four years.

In the 2003-04 Budget the Government made provision for \$78 million over five years to improve the accuracy, responsiveness and effectiveness of agencies' contribution to the Commonwealth's budget estimates and framework system and to assist agencies to drive improved financial management and reporting within their organisations. The Government has provided an extra \$10.5 million over five years to fund agencies to implement the BEFR recommendations.

See Table 1.1: Summary of measures since the 2003-04 Budget for details of the Office's funding for this measure.

Table 1.1: Summary of measures since the 2003-04 Budget

Measure	Outcome	Output groups affected	Appropriations 2003-04 (\$'000)			Appropriations 2004-05 (\$'000)			Appropriations 2005-06 (\$'000)			Appropriations 2006-07 (\$'000)		
			Admin items	Dept output	Total	Admin items	Dept output	Total	Admin items	Dept output	Total	Admin items	Dept output	Total
Budget estimates – enhanced quality and timeliness	1	1&2	-	22	22	-	22	22	-	24	24	-	24	24
<b>Total</b>			<b>-</b>	<b>22</b>	<b>22</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>-</b>	<b>24</b>	<b>24</b>	<b>-</b>	<b>24</b>	<b>24</b>

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

**Table 1.2: Appropriation Bill (No. 3) 2003-04**

	2002-03 available \$'000	2003-04 budget \$'000	2003-04 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Assurance that the intelligence agencies act legally, ethically and with propriety.	657	709	741	32	-
<b>Total Departmental</b>	657	709	741	32	-

**Note 1:** 2002-03 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:

*Budget Appropriation + Additional Estimates Appropriation*

### Summary of staffing

The average staffing level of the office remains unchanged at 4.6.

## OUTCOMES AND OUTPUT GROUPS

**Table 2.1: Performance information for outputs affected by additional estimates — Outcome 1**

Effectiveness - Overall achievement of the Outcome – (Measures, indicators and targets used as appropriate)	
<p>The Commonwealth provides funds for the support of the Inspector-General of Intelligence and Security to enable the responsibilities and functions outlined in the <i>Inspector-General of Intelligence and Security Act, 1986</i> to be exercised.</p> <p>Successive Annual Reports have commented on how the effectiveness of the Office may be assessed against a range of performance criteria including:</p> <ul style="list-style-type: none"> <li>. the timeliness of inquiries</li> <li>. the level of acceptance by agencies, complainants and Ministers of conclusions and recommendations of inquiries conducted, and</li> <li>. the extent for which there has been change within the agencies as a result of the activities of the Inspector-General of Intelligence and Security.</li> </ul>	
Performance information for Agency outputs	
<p><b>Output 1</b> Inspect and report on the activities of the intelligence and security agencies.</p> <p><b>Output 2</b> Conduct inquiries and provide a complaint service.</p>	<p>Quality: Outcome of specific monitoring activities</p> <p>Quantity: Extent of coverage of monitoring undertaken</p> <p>Price: \$489,000</p> <p>Quality: Outcome of investigation of complaints.</p> <p>Quantity: Number of cases finalised or under recommendation, timeliness of investigations and volume of outstanding cases.</p> <p>Price: \$326,000</p>

### Section 3: Budgeted financial statements

Revisions to the budgeted departmental financial statements since the 2003-04 Portfolio Budget Statements are presented in this section.

**Table 3.1: Budgeted departmental statement of financial performance for the period ended 30 June 2003**

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>Revenues from ordinary activities</b>					
Revenue from Government	657	741	749	765	763
Interest	2	-	-	-	-
Resources received free of charge	69	74	74	74	74
<b>Revenues from ordinary activities</b>	<b>728</b>	<b>815</b>	<b>823</b>	<b>839</b>	<b>837</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	560	575	593	609	607
Suppliers	181	235	225	225	225
Depreciation and amortisation	2	5	5	5	5
<b>Expenses from ordinary activities</b>	<b>743</b>	<b>815</b>	<b>823</b>	<b>839</b>	<b>837</b>
<b>Operating surplus or deficit from ordinary activities</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or deficit</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or deficit attributable to Commonwealth</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The office received one-off supplementation of \$10,000 for the 2003-04 Comcover premium increase. This supplementation is recorded against the heading revenues from Government (incoming) and the heading suppliers (outgoing). The office is also receiving ongoing appropriation of \$22,000 in 2003-04 and 2004-05 increasing to \$24,000 in 2005-06 to meet the Budget estimates enhanced quality and timeliness requirements. These additional requirements will be met by engaging an accountant, as the office does not have the skills in-house.

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**Table 3.2: Budget departmental statement of financial position as at 30 June**

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	301	265	265	265	265
<b>Total financial assets</b>	<b>301</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	3	7	7	7	7
Prepayments	1	2	2	2	2
<b>Total non-financial assets</b>	<b>4</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Total assets</b>	<b>305</b>	<b>274</b>	<b>274</b>	<b>274</b>	<b>274</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	311	265	265	265	265
<b>Total provisions</b>	<b>311</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
<b>Payables</b>					
Suppliers	3	1	1	1	1
<b>Total payables</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total liabilities</b>	<b>314</b>	<b>266</b>	<b>266</b>	<b>266</b>	<b>266</b>
<b>EQUITY</b>					
<b>Parent equity interest</b>					
Contributed equity	66	66	66	66	66
Retained surpluses or accumulated deficits	(75)	(58)	(58)	(58)	(58)
<b>Total parent equity interest</b>	<b>(9)</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Current liabilities</b>	<b>222</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>
<b>Non-current liabilities</b>	<b>92</b>	<b>98</b>	<b>98</b>	<b>98</b>	<b>98</b>
<b>Current assets</b>	<b>302</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
<b>Non-current assets</b>	<b>3</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

The office's financial position is unchanged from Budget 2003-04.

**Table 3.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Actual 2002-03 \$'000	Revised budget 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	657	741	749	765	763
Interest	3	-	-	-	-
Other	6	-	-	-	-
<b>Total cash received</b>	<b>666</b>	<b>741</b>	<b>749</b>	<b>765</b>	<b>763</b>
<b>Cash used</b>					
Employees	(514)	585	593	609	607
Suppliers	(115)	151	151	151	151
<b>Total cash used</b>	<b>(629)</b>	<b>736</b>	<b>744</b>	<b>760</b>	<b>758</b>
<b>Net cash from/(used by) operating activities</b>	<b>36</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>FINANCIAL ACTIVITIES</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from/(used by) financing activities</b>	-	-	-	-	-
<b>Net increase/(decrease) in cash held</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	264	265	265	265	265
<b>Cash at the end of the reporting period</b>	<b>300</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>

The one-off supplementation of \$10,000 for the 2003-04 Comcover premium increase is recorded against appropriations under the heading cash received (incoming) and against cash used under the heading suppliers (outgoing). The additional appropriation of \$22,000 in 2003-04 and 2004-05 and \$24,000 from 2005-06 to meet the Budget estimates enhanced quality and timeliness requirements is recorded against cash received under the heading appropriations and is expensed under the heading suppliers.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.