

ANNUAL REPORT 2001 - 2002



**ANTI-CORRUPTION
COMMISSION**

Hon Dr G I GALLOP BEd MA MPhil DPhil MLA

Premier of Western Australia

In accordance with section 66 of the *Financial Administration and Audit Act 1985* (WA) and section 32 of the *Anti-Corruption Commission Act 1988* (WA), we submit for your information and presentation to Parliament the Annual Report of the Anti-Corruption Commission for the year ending 30 June 2002.

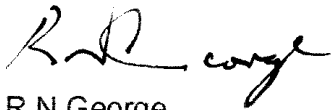
The Annual Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985* (WA).



T E O'Connor QC
Chairman



D G Doig
Member



R N George
Member

6 September 2002

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CHAIRMAN'S OVERVIEW

As is apparent from an examination of the statistics in this report, the year under review has again been extremely busy.

The workload of the Commission has also been markedly increased with the recent appointment of the Hon. G Kennedy QC to inquire into corruption in the West Australian Police Service. In addition to the performance of its normal functions, the Commission is providing significant material to the Royal Commission and is working closely with it.

During the year the Commission's telephone intercept facility was finally commissioned. The benefit of this facility became almost immediately apparent, with telephone interceptions playing a very significant part in the arrest and charging of a public officer with serious drug offences.

As I have previously reported, the Commission is still hampered by the fact that it does not have available to it the full suite of powers given to other like agencies in Australia. Indeed, in some areas, it has less powers than given to an inspector under State Fisheries legislation.

In last year's Annual Report I said that the new State Government had indicated its intention to amend the *Anti-Corruption Commission Act 1988* to allow for public hearings and for the appointment of an Inspector to oversight the work of the Commission. With the subsequent appointment of the Royal Commission, the Government has decided not to proceed with any legislative amendments until the Royal Commission has reported to Government at the end of 2003.

The Commission is pleased that the Parliament has seen fit to pass special legislation granting the Police Royal Commission the covert powers given to most modern investigative agencies, particularly those investigating corruption and criminal conduct by police. The Commission believes it is important that it be granted the same powers.

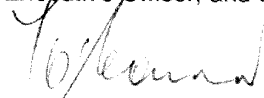
The Commission is also of the view that it should have the power to hold public hearings. This is important to allow the public some insight into the extent of corruption and criminal conduct uncovered as a consequence of the work of the Commission. It also reduces the opportunity for the work of the Commission to be misunderstood or misrepresented, as it has been in the past.

While the *Act* does appear to contemplate reports to Parliament on investigations by the Commission, legal advice received by the Commission is that its power of reporting is so circumscribed as to prevent any meaningful reports.

With this limitation on the content of reports to the Parliament, the Commission believes that the public, through the Parliament, is not fully informed on the activities of the Commission. This reinforces the need for the Commission to have public hearings.

Another significant impediment to the Commission has been the inordinate delay, in the office of the Director of Public Prosecutions, in dealing with Commission briefs. This has been, and continues to be, a matter of serious concern to the Commission.

On behalf of the Commission I would like to thank my fellow Commissioners, our Chief Executive Officer, and the staff of the Commission for their work during the year.



T E O'Connor QC - *Chairman*

CHIEF EXECUTIVE OFFICER - FOREWORD

I am pleased to report that over the past year the development of Anti-Corruption Commission operations and administrative services advanced on a number of fronts, and they will continue to do so in the forthcoming year.

Developments were aimed at not only enhancing our capability for currently dealing with serious misconduct in WA public administration, but also at positioning the organisation to be able to anticipate and respond effectively to future trends and issues, and to extend its support to WA public authorities for preventing corruption.

Commissioning of the electronic and telecommunications surveillance capabilities, and gaining Government authorisation (in September 2001) to conduct approved telecommunication interception activities, marked the final chapter in implementing a contemporary electronic investigation infrastructure. As indicated in the Chairman's overview, the facilities yielded immediate positive results, and will continue to do so.

Investigation resources will be further enhanced in the near future with the recruitment of people with specialist skills (for instance in financial inquiry/analysis) to ensure the organisation is able to effectively address some of the emerging and more sophisticated forms of corruption, such as those related to e'Commerce, and any matters arising out of the Police Royal Commission.

The ACC continues to move towards a more pro-active approach in dealing with serious misconduct and initiating actions aimed at curtailing such behaviour at an early stage, or preventing it from occurring at all.

In the past twelve months the number of cases of alleged serious misconduct reported to the Commission increased slightly, from 477 in 2000-01 to 499.

Although a significant number of allegations continue to be related to sworn police officers, they are not the only matters consuming our investigation resources. An increasing number of matters relating to Public Service officers have, in recent months, drawn substantially on the full range of ACC investigation resources.

Through the year the ACC conducted a number of joint operations (with Police and another authority) into a number of allegations, that ultimately led to the successful conviction of public officers. This close liaison and collaboration will continue and be extended, as appropriate, to include other authorities in order to effectively address matters.

It was also the case that a number of other matters involving serious improper behaviour or criminal conduct by senior public officers, that had been independently investigated by the ACC, progressed to the courts and resulted in convictions.


However (as has been stated previously) the ACC does not consider criminal conviction to be the most significant measure of its success in dealing with allegations of serious misconduct.

Of the 574 matters finalised by the Commission in the 12 months to 30 June 2002, 201 were unsubstantiated. 139 cases were substantiated, of which 72 matters and 20 matters, respectively, resulted in disciplinary action and administrative action being taken by authorities. Criminal charges were also laid in respect of 47 matters. Insufficient evidence prevented the Commission being able to make a determination in 38 matters, and 21 inquiries proved to be inconclusive. These sort of outcomes are not peculiar to Western Australia, but are consistent with experiences in other jurisdictions.

In terms of future opportunities for the ACC, I would like to echo the sentiments of the Commission Chairman about being able to conduct public hearings. Apart from better informing the community about the extent and nature of corrupt activity it would provide key government and public sector decision-makers with valuable insights that would help in developing public policy aimed at addressing the problem.

The ACC is a demanding and, at times, quite testing work environment. The constant, extremely high levels of accountability, standards and reporting expected by the Commission, together with an often, hostile external environment, make for a challenging work place. To assist staff in meeting these challenges some 22 work place improvement projects, suggested by staff, are being implemented with several already in place. I believe these developments will result in benefits for both staff and management and I commend staff for their initiative and commitment to these enhancements.

My thanks are extended to the Commission members for their direction and support, and to all staff for their contribution, persistence and application through what has been a challenging year.



Graeme Chartwood - *Chief Executive Officer*

THE ANTI-CORRUPTION COMMISSION

THE COMMISSION

Commission defined

The Commission is an independent body responsible for ensuring that allegations of corrupt, criminal or serious improper conduct (collectively referred to as serious misconduct) against Western Australian public officers are properly investigated or otherwise dealt with.

The Commission consists of three members appointed by the Governor. The *Anti-Corruption Commission Act 1988* (the *Act*) requires that one member shall be a person who has held, or is eligible for, appointment as a Judge or District Court judge, and that the other two members shall be persons who are not public officers, other than by reason of their appointment as a member.

To ensure the Commission's independence, appointments are as recommended by a committee consisting of:

- the Chief Justice;
- the Chief Judge of the District Court; and
- the Solicitor General.

The Commission is not subject to the direction of the Government. It is, however, accountable to the Parliament of Western Australia through the *Joint Standing Committee on the Anti-Corruption Commission*.

Members of the Commission, at 30 June 2002:

Mr T E O'Connor QC (Chairman)

Mr D G Doig

Mr R N George

Commission members

The Commission meets regularly to determine whether further action, for the purposes of the *Act*, should be carried out in relation to allegations received or initiated by it and, if so, by whom. Investigations are carried out either by staff of the Office of the Anti-Corruption Commission (ACC), or referred (by the Commission) to other authorities for investigation.

Because the ACC has limited investigative resources it investigates only the most serious matters, including those involving allegations against very senior Western Australian public officers, and those matters where the circumstances make investigation by another authority inappropriate.

Over the 12 months to 30 June 2002, the Commission met on 25 occasions, holding five 'special' meetings to deal with specific priority matters and 20 'regular' meetings in which operational and administrative matters were considered.

Commission
functions -
s.12 of the Act

Under section 12 of the *Act* the Commission is authorised to:

- receive or initiate allegations of corrupt conduct, criminal conduct, criminal involvement or serious improper conduct about –
 - police officers; and
 - other public officers;
- consider whether action is needed in relation to an allegation and, if so, by whom that further action should be carried out
- carry out further action in relation to allegations itself, if it is appropriate for it to do so, or to refer allegations to other authorities so that they can carry out further action;
- furnish reports and make recommendations about matters relating to its functions;
- furnish general reports and make general recommendations about matters relating to its functions;
- consult, co-operate and exchange information with independent agencies, appropriate authorities and –
 - the Commissioner of the Australian Federal Police;
 - the Commissioner (however designated) of the police force of another State or a Territory;
 - the Chairman of the National Crime Authority, established by the *National Crime Authority Act 1984* of the Commonwealth; and
 - any authority or body of this State, the Commonwealth, or another State or a Territory that is authorised to conduct inquiries or investigations in relation to conduct in the nature of corrupt conduct, criminal conduct, criminal involvement or serious improper conduct and is declared by the Minister to be an authority or body to which this paragraph applies;
- Assemble evidence obtained in the course of its functions and -
 - furnish to an independent agency or an appropriate authority, evidence which may be admissible in the prosecution of a person for a criminal offence against a written law or which may otherwise be relevant to the functions of the agency or authority; and
 - furnish to the Attorney General or a suitable authority of another State, a Territory, the Commonwealth or another country, evidence which may be admissible in the prosecution of a person for a criminal offence against a law of the jurisdiction concerned or which may otherwise be relevant to that jurisdiction;
- disseminate information to the public about matters relating to its functions; and
- do anything else that is required or authorised to do under this Act or any other written law.

As appropriate, the Commission liaises with and advises relevant authorities on its role, functions and issues relating to serious misconduct. While confidentiality provisions in the *Act* restrict its ability to publicly report in detail on matters subject to inquiry, the Commission provides comment (where it can) to the media on matters of significant public interest.

THE OFFICE OF THE ANTI-CORRUPTION COMMISSION

The Office of the Anti-Corruption Commission (the ACC) is comprised of the personnel appointed by the Commission to carry out its directions.

The ACC currently has positions for 65 staff with responsibilities related to investigations, covering:

ACC functions and responsibilities

- the planning, management and conduct of, and reporting on inquiries and investigations conducted by the ACC itself;
- the review and audit of investigations carried out by authorities to which matters have been referred;
- intelligence gathering and analysis;
- electronic and physical surveillance; and
- legal and technical services, policy and standards development.

The ACC also undertakes joint operations with other investigative agencies (eg the Police Service), and collaborates with other independent agencies (eg Public Sector Standards Commission).

ACC acts independently, jointly, and in collaboration with other authorities

The Commission approves the scope and plans for investigations that are conducted by the ACC. Senior ACC operations staff supervise the overall conduct of the inquiries carried out. Using powers delegated under the *Act*, senior staff may approve the exercise of substantive operational activities including applications for, and the execution of, search warrants and electronic surveillance warrants, as well as the issuing of official notices compelling the provision of information and documents in respect of a particular inquiry.

During the year the ACC had 884 matters under active consideration. More than 90 matters were subject to investigation action by the ACC itself. ACC staff also reviewed 322 reports on investigations carried out by other authorities into matters referred to them by the Commission during the current, or previous, years. 215 new matters were referred to other authorities for investigation

ACC SCOPE AND BOUNDARIES

PUBLIC OFFICERS

The scope of the ACC's responsibilities is extensive, encompassing allegations of serious misconduct against public officers in *any* area of Western Australian public administration.

'Public officer', as defined by the *Act*, includes:

Public Officer defined

- Employees of public sector agencies and statutory authorities and other persons holding public office (whether or not they are in receipt of remuneration);
- Police officers;
- Local government employees and Councillors;
- Members of the judiciary (in respect of alleged judicial corruption only); and
- Members of Parliament.

There are currently approximately 140,000 persons engaged in WA public administration, including approximately 120,000 public sector employees (of which around 5,000 are Police officers); over 14,000 local government employees; 91 Members of Parliament; almost 1,300 local government Councillors; and around 3,300 state authority board members.

Source: Australian Bureau of Statistics; WA Local Gov't Grants Commission Return 2001; Cabinet statistics report.

SERIOUS MISCONDUCT

'Serious misconduct', for the purposes of the ACC, encompasses three main types of conduct:

Corrupt Conduct, Criminal Conduct and Serious Improper Conduct

CORRUPT CONDUCT – involves a public officer 'dishonestly or without lawful authority':

- taking advantage of his/her position with the intention of securing a benefit for him/herself or another person, or with the intention of causing a loss or damage to another person
- or
- acting, or failing to act as required, in the performance of his/her official position

Corrupt conduct often entails calculated, continued and concealed activity.

CRIMINAL CONDUCT - involves a public officer committing, or attempting, inciting, or conspiring to commit certain *Criminal Code* offences (specified in the *Act*) while acting, or purporting to act, in an official capacity. It includes -

- bribery, stealing, fraud, forgery, unauthorised disclosure of official information or secrets, judicial corruption, the making of threats, and unlawful operation of computer systems.

SERIOUS IMPROPER CONDUCT (other than corrupt or criminal conduct) involves a public officer:

- breaching the trust placed in him/her (as a public officer),
- or
- performing his/her official functions in a way that is not honest or impartial,
- or
- misusing information or material acquired in the course of his/her official functions,

which does, or could, constitute an offence, or a disciplinary breach providing reasonable grounds for dismissal.

Serious
Misconduct
defined

LEGISLATION

ACC
Jurisdiction -
s.13 of the Act

The types of matters that are within the jurisdiction of the Commission are defined in section 13 of the *Act*.

As well as complying with the *Anti-Corruption Commission Act 1988*, the Commission and its staff are obliged to carry out their duties in accordance with an array of inter-related legislation (State and Commonwealth).

State legislation of significance to ACC operations includes:

- *Criminal Code*
- *Evidence Act 1906*
- *Public Sector Management Act 1994*
- *Police Act 1892*
- *Surveillance Devices Act 1998*
- *Telecommunications (Interception) Western Australia Act 1996*

Legislation
impacting ACC
operations

Commonwealth legislation of significance includes:

- *Telecommunications Act 1997*
- *Telecommunications (Interception) Act 1979*

Furthermore, because ACC staff deal with matters covering the breadth of Western Australian public administration, they are required to be aware and take account of a comprehensive range of legislation, regulations, policies, procedures and codes of conduct relating to other public authorities.

The Commission has reported to the current and previous Governments that it considers there are a number of deficiencies in its current legislation. These deficiencies still exist and the Government has advised that no amendments will be put to Parliament until the report of the Police Royal Commission, due on 31 August 2003, has been considered.

ACC WORK PRACTICES AND STANDARDS

IMPARTIALITY AND INTEGRITY

Information provided for Commission decision-making (whether supporting or refuting allegations) is required to be accurate, complete and capable of standing up to rigorous examination. Furthermore, there must be evidence of all appropriate avenues of inquiry having been impartially explored in addressing allegations of serious misconduct.

The Commission is as much concerned about clearing people, who have been the subject of unfounded allegations of impropriety, as it is with exposing serious misconduct.

Ongoing review
of all ACC
inquiries

Comprehensive formal reviews are conducted throughout the course of all ACC inquiries, to ensure a high level of accountability and transparency. Work practices and procedures are designed to ensure impartiality and integrity of investigations and decision-making.

In some instances, evidence that might support or refute allegations can not be identified, or corroborated (despite exhaustive inquiries), leading to allegations

that may well be valid, not being able to be proved. Often, in such cases, it is possible to identify administrative actions that may be taken to minimise the opportunity for the alleged behaviour to occur in the future.

PRIVACY AND CONFIDENTIALITY

Particularly because of the consequences of false allegations upon people, the ACC endeavours to carry out its functions in as confidential a manner as possible.

Maintaining informant confidentiality

The Commission is bound not to disclose the identity of a complainant and will only do so with the person's consent. The identity of informants and witnesses is as far as possible kept confidential to ensure that people who speak up about alleged serious misconduct are not subject to intimidation, retribution or any other unfavourable treatment.

From time to time it does become necessary to disclose the names of witnesses and others. The Commission must always do so if required by a court or other tribunal.

Prohibition on information disclosure by ACC personnel

All people engaged in the work of the ACC are bound by strict provisions under the *Act* that prohibit disclosure of information or production of documents received in carrying out their functions. Severe penalties apply in respect of proven breaches of these provisions, including dismissal and criminal prosecution.

A staff member was dismissed early in the year because of that person's inappropriate disclosure of Commission information. The dismissal was subsequently appealed by the person involved to the WA Industrial Relations Commission, which dismissed the appeal. The action taken by the Commission is a clear indication of the seriousness that it attaches to proven breaches of the confidentiality provisions of the ACC Act.

Operational confidentiality constraints

Confidentiality can present difficulties for the ACC when a matter, about which the *Act* prevents it from making a comment, becomes the subject of public speculation and debate. This has occurred when, accurately or otherwise, matters have been publicised by the media, or when individuals (or parties representing them) have chosen, for their own ends, to make public comment about the way in which the ACC has performed its functions.

In such situations the *Act* limits the Commission's ability to respond publicly and to clarify assertions that may be biased or incorrect. This can, and has, resulted in misleading perceptions being picked up in the community as to the motives, activities and performance of the ACC.

ACCOUNTABILITY

The Commission is answerable to the Parliament through the *Joint Standing Committee on the Anti-Corruption Commission* (JSC) which is comprised of eight Members from both Houses of Parliament and includes representatives from the Government, the Opposition, as well as Independent MPs.

Joint Standing Committee on the ACC (JSC)

The JSC monitors and reviews, among other things, the ACC's performance of its functions, reporting to Parliament as appropriate on issues affecting the prevention and detection of serious misconduct in Western Australian public administration. To ensure the Commission's independence, however, the JSC does not have access to detailed operational information, investigate matters relating to information received by the ACC, or reconsider decisions made or actions taken by the ACC.

In the 12 months to 30 June 2002, the Commission met with and reported comprehensively to the JSC on four occasions, with written responses also being provided in relation to specific matters raised at other times by it.

ACC operational accountability

In relation to operational matters, a number of key activities undertaken by the ACC are subject to strict controls. It must, for example, provide justification when seeking authorisation (from a Supreme Court or Federal judge) to engage in electronic surveillance, telecommunication interception, or to execute search warrants. Thereafter, its conduct when carrying out the approved activities is subject to stringent review by independent authorities to monitor strict compliance with State and Commonwealth legislation.

ACC investigations that reveal evidence of criminal conduct are referred to the Director of Public Prosecutions (DPP), the Crown Solicitor, or the Commissioner of Police to consider prosecution.

The Commission is accountable to the Hon Premier for the financial administration of the ACC and briefed him and the respective Parliamentary Committees, on budgetary matters, as required, during the year.

ACC corporate governance and financial accountability

Administratively, the ACC complies with ongoing and annual Government and Parliamentary budget management arrangements. It conforms to the relevant requirements of the *Public Sector Management Act 1994 (WA)*, the *Financial Administration and Audit Act 1985 (WA)*, and public sector standards, including those relating to Equal Employment Opportunity; Occupational Safety and Health; procurement, asset, and risk management; and information/technology security.

ACC security, standards and ethics

All people engaged by the Commission (from permanent staff to contractors) are subject to mandatory and continuing probity and security vetting evaluation processes. This evaluation ranges from Police Service record checks through to high level and exhaustive scrutiny by the independent *Australian Security Vetting Service*. Security vetting is to the national level of 'highly protected'.

Adherence to the Public Sector *Code of Ethics*, and the ACC's own *Code of Conduct* is expected of all ACC personnel at all times.

THE ACC IN OPERATION

ACC ROLE

The ACC's primary role in combating serious misconduct is to ensure that all allegations reported to it are addressed effectively and with impartiality. In fulfilling that role, it monitors and reviews investigations carried out by relevant authorities to which matters have been referred for further action.

Where appropriate, the ACC liaises with other authorities on the progress and/or outcome of investigations. This is an important aspect of the ACC's work because, although its inquiries chiefly involve determining whether the alleged serious misconduct has occurred, they often also expose the potential for serious misconduct, through poor work practices or procedures. Liaison on these matters assists in promoting corruption awareness and minimising opportunities for public officers to engage in such behaviour.

The following case study illustrates the positive outcomes that can result from the ACC's liaison with authorities about work practices and procedures.

In this case Police Service official record keeping methods were examined with a view to enhancing Police Service accountability and also ensuring that accurate information was always available to, among other things, help disprove unfounded allegations of impropriety levelled against police.

BETTER RECORD KEEPING AND POLICE ACCOUNTABILITY

case study

The journals and notebooks maintained by police officers are supposed to record all activities undertaken by them: when, where, how, and who did what? They are intended to be comprehensive records of every incident involving the police officer. The journals, notebooks and diaries are not only admissible as evidence but are also invaluable references if the actions of any officer are called into question.

In early 1999 the Commission, with the support of the Ombudsman, suggested to the Commissioner of Police that the manner in which police journals were used and preserved could be improved.

The Police Service responded promptly, establishing a working party to consider the review of relevant policies and practices, and revising its Records Management strategy as an interim step.

However, progress on the implementation of appropriate standards was slow and it was only with the encouragement of the Commission that the record keeping issues were resolved.

In April 2002, the Police Service's Professional Standards portfolio confirmed that an enhanced system of record keeping was now in operation. It had been resolved that:

- notebooks and journals would be issued with each page individually numbered
- all notebooks and journals would be referenced using barcodes
- a register would be established to record to whom they had been issued, and
- every notebook and journal issued would be retained, until archiving, by individual police districts - rather than by police officers themselves.

The value of accurate record keeping is further demonstrated in the following case study, where reference to comprehensive case notes maintained by police officers clearly refuted allegations of serious criminal conduct. The records enabled the Commission to confidently and promptly finalise inquiries into the allegations, not only saving on the deployment of its resources but, more importantly, producing an outcome that preserved the reputations of the officers against whom false allegations had been made.

POLICE RECORDS REFUTE SERIOUS ALLEGATIONS

case study

Allegations were received by the ACC that police and other public officers had been involved in widespread serious criminal and corrupt activities (including murder, illegal drug use, sexual exploitation of children and improper association with known criminals) and that police officers had failed to act properly in response to the allegations made.

The serious nature of the allegations and the informant's apparent knowledge of considerable relevant information initially prompted significant investigation activity by the ACC. However, early in its inquiries, evidence began to reveal inconsistencies in the informant's story. Many of the allegations against the police were readily refuted because of the comprehensive and accurate record keeping of all the police officers who had previous dealings with the informant.

When confronted with these deficiencies, the informant was unwilling, and unable, to provide valid responses and then refused to assist any further. As no evidence emerged to implicate the persons named, the Commission concluded the allegations to be unsubstantiated, and vexatious.

In advising the Commissioner of Police of the investigation outcomes the ACC complimented the police officers (named by the informant) on the calibre of their record keeping and on having conducted themselves and their inquiries appropriately and professionally.

ADDRESSING ALLEGED SERIOUS MISCONDUCT

The Commission considers all reports of alleged serious misconduct forwarded by:

- principal officers in Western Australian public administration – 'mandatory' reports (s.14,15 of the *Act*); and
- the general public or Western Australian public administration employees – 'voluntary' reports (s.16 of the *Act*).

The Commission may also, in light of its own experience or knowledge, initiate its own allegations – 'own motion' reports (s.13 of the *Act*)

In the twelve months to 30 June 2002, the Commission addressed 499 new cases of serious misconduct: 403 as a result of 'mandatory' reporting, 86 as a result of 'voluntary' reporting, and 10 cases raised as 'own motion' matters.

Matters reported may involve one or more allegations, and may be against one or more public officers.

Source of allegations to Commission - s.13, 14, 15, 16 of the *Act*

Prior to Commission consideration, all 'voluntary' reports are subject to initial assessment by the ACC Complaints, Review and Audit team to establish, inter alia:

Initial Assessment - s.16 'voluntary' reports

- whether the alleged misconduct is within Commission jurisdiction (s.13);
- the role and seniority of any public officers involved;
- the seriousness of the alleged misconduct; and
- whether a Preliminary Inquiry or an Investigation is recommended.

Each assessment report is subject to Commission consideration and decision as to whether a Preliminary Inquiry or Investigation is warranted and, if so, by whom it should be carried out.

s.14 Mandatory Reports

All 'mandatory' reports are forwarded to the Commission for consideration and direction about further action.

A matter that is outside Commission jurisdiction may be brought to the attention of another authority.

For the purposes of determining whether an Investigation is warranted the Commission may authorise a Preliminary Inquiry, under Part III of the *Act*.

In a Preliminary Inquiry the ACC may compel *any* person or body to supply information by way of interview, written statement, and/or the production of documents.

Commission options for 'further action'

If it decides that an Investigation should be carried out the Commission may:

- authorise the conduct of a full Investigation by ACC staff under Part IV of the *Act* ;
- refer the matter to another independent agency or appropriate authority to investigate; or
- authorise the conduct of an investigation by a 'Special Investigator' vested with the powers, under Part IV of the *Act*, similar to a Royal Commission and the Chairman of a Royal Commission under the applied provisions. However, the *Act* does not permit public hearings to be held (a deficiency addressed elsewhere in this report).

Individual matters considered by the Commission may be subject to any one, or more, of the above actions in the course of inquiries.

Where an allegation is referred for investigation to another authority, that authority is required to investigate the allegations and, as soon as possible thereafter, report to the Commission on the outcome of the investigation. The Commission is required to consider every such report forwarded to it.

Allegations that are substantiated may lead to any one, or more, of the following actions being taken:

Substantiated matters - outcomes

- Administrative action - eg. changes to policies or procedures;
- Disciplinary action;
- Criminal charges.

Matters
finalised by the
Commission –
key outcomes

Of the 574 matters finalised by the Commission in the 12 months to 30 June 2002: 201 were unsubstantiated; 139 were substantiated, of which 72 matters and 20 matters, respectively, resulted in disciplinary action and administrative action being taken by authorities; Criminal charges were laid in respect of 47 matters; Insufficient evidence prevented the Commission being able to make a determination in 38 matters; and 21 inquiries proved to be inconclusive. These sorts of outcomes are consistent with those experienced in other jurisdictions.

ACC OPERATIONS - OVERVIEW

The ACC Operations Division ('Operations') is responsible for the key inquiry/investigation functions of evidence discovery and capture, analysis, review and reporting, which facilitate the Commission's decision-making processes.

Operations -
investigation
resources

One investigation team (Complaints, Review and Audit - CRA) conducts the majority of initial assessments of 'voluntary' reports of alleged misconduct. It also reviews or audits all reports of investigations carried out by other authorities prior to those reports being forwarded to the Commission for consideration.

Two other Investigation teams carry out the investigations that the Commission decides to undertake, either independently, or as part of a joint operation with other agencies.

Specialist input is provided, as required, by ACC Intelligence, Electronic Surveillance and Special Projects (surveillance) units. In respect of most matters, these units are an integral part of operation scoping, planning, execution, analysis and reporting.

RESPONDING TO ALLEGATIONS

ACC - not a law
enforcement
agency

Despite its investigative powers, the ACC does not have the authority to make findings and it is not a law enforcement agency.

It does not have the power to direct that disciplinary action be taken or to initiate the criminal prosecution of any person. The responsibility for criminal prosecutions lies with the DPP or the WA Police Service. Nevertheless, the ACC plays an important role in that it assembles and provides evidence upon which such proceedings are commenced.

The following case study illustrates how the objective application of ACC investigation capabilities can reveal apparent miscarriages of justice which may have serious consequences for those persons subject to improper behaviour by public officers.

WRONGFUL CONVICTION?**case study**

The ACC received an allegation that a man had been wrongfully convicted, along with two others, following a questionable police investigation.

Several years before the ACC's involvement the three men had been convicted of burglary, criminal damage, deprivation of liberty and assault occasioning bodily harm, which had come about following an altercation arising over accusations of theft in a small country town. The evidence that had led to the convictions was that the three men had beaten a man (Mr 'A') because they thought he had stolen some of their property.

Mr A told a court that during the beating he had been strangled to the point of fainting and that, upon awaking, he had been forced to use a gun to protect himself, admitting that in the course of the exchange he had fired two 'warning' shots.

There was no police station in the town itself and it was some time before police from another town arrived, and several hours later when investigating detectives turned up. Following an investigation by the uniformed police and detectives, the three men accused of having attacked Mr A were taken into custody, charged and later convicted; largely on the testimony of Mr A and the evidence assembled by the police.

The ACC arranged for forensic examinations of the sites where the offences were alleged to have occurred, reviewed the police and court records, and conducted interviews with Mr A, his family, the uniformed police and detectives, other witnesses and the three men who had been convicted.

From these inquiries evidence was assembled indicating that:

- While there had been an altercation involving Mr A and the three men, it may not have been as violent as Mr A had alleged
- Mr A may have self-inflicted some of his injuries
- Many of the convicted men's actions appear to have been taken in self-defence
- One of Mr A's gunshots may not have been fired into the air, but toward the men as they were retreating
- Important evidence may have been tampered with between the time the uniformed police arrived at the scene and when the detectives arrived
- An independent witness to the events following the altercation was not interviewed by the police, nor called as a witness at the trials; nor were the defendants told about the existence of the witness
- Standard operating procedures for evidence gathering, protection and evaluation had not been followed by the police
- The interviews of the defendants had failed to comply with standard operating procedures
- Mr A, some of his family, and the uniformed police may have fabricated evidence and committed perjury at the trials of the three men
- The detectives, while not actively contributing to the perjury, appear to have conducted such a poor investigation that false and inadequate evidence had been allowed to convict the three men.

The ACC advised the Commissioner of Police, the DPP and the Attorney General of the results of its investigation.

The three men have already served their sentences; however, the matter may, subject to certain procedural requirements being met, be referred to the Court of Criminal Appeal for consideration of whether the convictions should be quashed.

Collaboration
with other
authorities -
s.12 of the Act

As appropriate, the ACC exchanges information with other independent agencies and appropriate authorities that have related responsibilities (the Parliamentary Commissioner for Administrative Investigations – Ombudsman, the Public Sector Standards Commission, and the Police Service). The ACC is also a partner in 14 standing Memoranda of Understanding, with Western Australian and interstate organisations, that define protocols for liaison, joint operations, access to special services (for example, witness protection) and information sharing.

Over the year the ACC took part in two joint operations to investigate significant matters of serious misconduct.

The following case study illustrates how collaboration can produce meaningful outcomes, not just in terms of individual prosecutions but also by way of identifying and addressing systemic problems of serious misconduct.

BUSTED GOING INTO PRISON

case study

In late 2001 the Commissioner of Police advised the ACC about information gathered during a proactive inquiry conducted by the Police Service. The results of the inquiry appeared to support allegations that staff of the Department of Justice (DoJ) may have been involved in smuggling unauthorised items into prisons.

A joint task force investigation, involving the ACC, the Police Service and DoJ, revealed evidence indicating that at least one identifiable prison officer was trafficking narcotics and contraband for the promise of payment.

Following an extended and intensive surveillance operation, Police Service detectives arrested the prison officer as he entered Hakea Prison. He was found to be in possession of, amongst other items, a mobile phone, cannabis, methadone, serepax and amphetamine tablets.

The prison officer has been charged with offences under the *Misuse of Drugs Act 1981*, the *Prisons Act 1981* and the *Firearms Act 1973*. Four other persons, including a serving prisoner, have also been charged with related offences.

The task force, in addition to successfully obtaining evidence substantiating the allegations, demonstrated that the combined resources, knowledge and skills of staff of the ACC, the Police Service and DoJ could be quickly and successfully coordinated to produce a timely and effective outcome.

A number of problems relating to Western Australian prisons were identified during and following the operation, including that:

- drug and contraband trafficking within the prison system, involving prison officers, may be a far greater problem than previously thought
- policies and procedures were required in respect of the access that prisoners had to computers that are capable of being used as communications devices
- the DoJ needed to consolidate and improve its reporting procedures.

The DoJ and the ACC have now established reporting protocols that, it is believed, will help identify similar problems at an earlier stage.

WORKING WITH PUBLIC AUTHORITIES

Supporting public administration

The ACC is not, and cannot be, solely responsible for combating serious misconduct in Western Australian public administration. It is important that all public authorities accept that the primary responsibility for preventing corruption lies within each organisation.

Public administration corporate governance obligations

Every Western Australian public authority is obliged (under corporate governance requirements) to have measures in place to deter, detect and deal with corruption and other forms of serious misconduct. Furthermore, every person engaged in public administration is expected to speak up if they become aware of conduct that is improper - a responsibility generally enunciated in the *Code of Conduct* of agencies.

A corollary of this requirement is that allegations must be properly dealt with having regard for the interests of all persons involved. This includes ensuring that persons who make allegations are not victimised.

The ACC seeks to build relationships with organisations aimed at encouraging the implementation of organisational strategies for recognising, preventing and deterring corruption. To this end the ACC provides information and advice on:

ACC advisory role

- what constitutes serious misconduct;
- how to identify the potential for serious misconduct and to establish means of countering it; and
- how to respond and report when incidents of serious misconduct are suspected or identified.

There is increasing awareness that the ACC can provide information to assist public authorities minimise serious misconduct, thereby limiting the adverse effects of such behaviour on social and economic services, community confidence and the trust that is critical to effective public administration.

The following case study is illustrative of how public office and trust in that office can be abused in ways that may result in the community losing confidence in public institutions because of the actions of unprincipled public officers.

PUBLIC OFFICER CONVICTED OVER BOGUS REWARD PAYMENTS case study

Crime Stoppers provides the public of Western Australia with a mechanism whereby information about suspected criminal activities can be passed anonymously to the police. Operating since 1994, Crime Stoppers has been highly successful in assisting the WA Police Service (WAPS) with its investigations and has received numerous accolades for its methods, profile and community acceptance.

In addition to relying on public goodwill, Crime Stoppers also offers a system of monetary rewards (funded totally through private sponsorship) to encourage people to come forward with information. The amount of a reward payment is determined according to the outcome of the investigation and the relevance of the information provided. All such payments are ratified by the Crime Stoppers' Board.

In June 1998, the WAPS Internal Affairs Unit (IAU) received allegations that a senior police officer working at Crime Stoppers had submitted bogus Information Reports that had resulted in rewards being paid to an associate of the officer. The IAU commenced inquiries and, in early 1999, advised the ACC of the allegations and requested its assistance with further inquiries.

Following the preliminary findings of the IAU, Crime Stoppers immediately implemented changes to its accounting and reward payment processing methods.

The evidence subsequently assembled by the IAU and the ACC revealed that Information Reports, Reward Report Sheets and Reward Payout Cash Receipts had been falsely created - and that two rewards of \$900 each had been paid in respect of information allegedly provided concerning drug dealing.

At the relevant time the senior officer in question was the Officer in Charge of Crime Stoppers and had, at various times between 1994 and 1999, been either the Second In Charge of the unit or the Officer in Charge. The name used by the officer in creating the bogus documents was that of his brother-in-law; however, his brother-in-law had not passed on any information to Crime Stoppers, knew nothing of the officer's activities, and had never received any reward money.

In January 2002 the police officer pleaded guilty in the District Court to one count of corruption and six counts of fraud. He was sentenced to two years suspended imprisonment and was ordered to repay \$1800 to Crime Stoppers. One other Crime Stoppers' officer who had been involved in the processing of the reports and reward payments was found not guilty of fraud but was the subject of disciplinary action by the Commissioner of Police.

The presence of the ACC ensures, among other things, that all reported allegations of serious misconduct are properly assessed and investigated and that appropriate action is taken. If an allegation is substantiated it may lead to serious consequences (including dismissal or criminal prosecution) for any public officers involved, and/or a review of work practices and procedures.

Encouraging
policy and
procedure
change

Inquiries, whether carried out by the ACC or other authorities, can provide insights into policy, procedure or work practice deficiencies that might allow serious misconduct to flourish. Where such circumstances are identified by the ACC, investigation and review reports relating to the matter include recommendations for change.

The following case study illustrates how public officers may choose to ignore policies and guidelines that have been put in place to ensure accountability.

TAKING ADVANTAGE OF POLICY AND GUIDELINE SHORTCOMINGS case study

The Health Department advised the ACC that an independent audit of a major Health Service (HS) operation had indicated that some HS employees, including an executive manager, might have committed breaches of Government policies and standards. The alleged breaches included unauthorised use of HS credit cards, improper conversion of long service leave and 'time off in lieu' entitlements to cash, and misuse of cab charge facilities. The audit had concluded that inappropriate expenditure and/or circumvention of approved policies and procedures appeared to have occurred.

The ACC referred the matter to the Police Service for investigation. The Police Service concluded that there were grounds for criminal prosecution and initiated proceedings against the senior executive. The ACC subsequently conducted a review of the Police Service investigation and determined that further inquiries, by the ACC, were merited.

Health Department and HS staff, as well as the auditors and merchants who had provided goods and services paid for using a HS corporate credit card, were interviewed, and searches of premises were conducted by the ACC. Evidence was assessed by the ACC in light of the policies and guidelines of the Health Department and the WA public service.

It transpired that the senior executive had not told the HS Board of the existence of one credit card. That card had been used between 1995 and 1998 to pay for (amongst other things) hotel accommodation, travel expenses, clothing, photographic equipment and services, hardware and CDs, all for private rather than official use. The outcomes of the investigation were reported to the DPP by the ACC, with the result that criminal charges were laid.

In February 2002, the senior executive was found guilty in the District Court on 24 charges relating to corruption, falsification of public records and stealing. A global penalty of \$5,000 was imposed on the public officer, along with an order to make repayments to a District Hospital Board and the HS. Potential charges against other public officers of the HS were considered by the DPP but did not proceed due to the lack of sufficient evidence to ensure a reasonable prospect of successful prosecution.

The course of the investigations and prosecution was lengthy, with the court decision being handed down three years after the allegations first came to the attention of the Health Department.

The senior executive's defence had relied, in part, on an assertion that he had been confused as to his obligations under the HS and public service guidelines, an explanation not accepted by the court. The fact that a senior public servant had been allowed to exploit his position without the HS Board becoming aware of the improper conduct led to a re-drafting of relevant policies and guidelines for the entire public service.

PROFILE OF SERIOUS MISCONDUCT IN WA PUBLIC ADMINISTRATION

The following profile of reported serious misconduct information and outcomes of action taken by the ACC provides a context in which specific and overall ACC performance, as conveyed in the following section, 'ACC Performance', can be assessed.

EXPLANATORY NOTES	
ACTIVE MATTERS/CASES	are matters subject to 'further action' by the ACC or another appropriate authority (such further action may include inquiry or investigation, consideration by the DPP, or court action on the part of the DPP) but which have not been 'finalised' by the Commission. The terms 'matters' and 'cases' are interchangeable.
PUBLIC OFFICE	refers to the public office for which a person who is the subject of allegation(s) works
PUBLIC ADMINISTRATION	is a collective term for the Public Sector, Parliament, Statutory Authorities, and Local Government of Western Australia
POLICE OFFICERS	refers to 'sworn officers' of the Western Australia Police Service (other public sector officers employed in the Police Service are included in 'government departments')
Section 14	refers to mandatory reports submitted by principal officers of WA public authorities under section 14 of the ACC Act
Section 16	refers to voluntary reports by members of the general public or WA public authority employees under section 16 of the ACC Act
Section 13	refers to own motion reports initiated by ACC staff or the Commission under section 13 of the ACC Act

OPERATIONS - AT A GLANCE

NEW MATTERS OF ALLEGED SERIOUS MISCONDUCT REPORTED: 1 July 2001 - 30 June 2002... 499

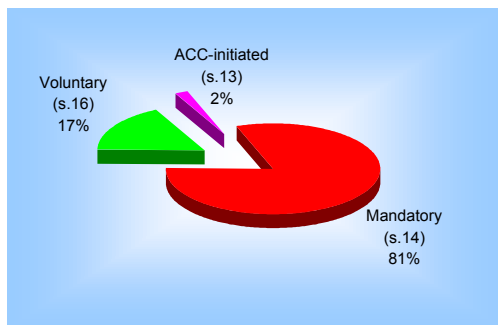


Chart 1: New Matters x Source of Reports

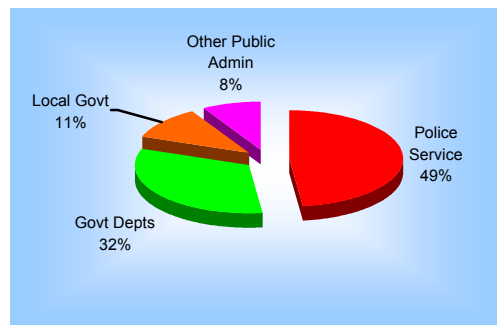


Chart 2: New Matters x Public Office

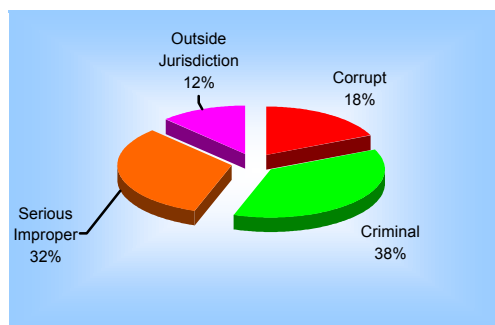


Chart 3: New Matters x Type of Alleged Serious Misconduct

OPERATIONS	NUMBER OF:
	Cases
ACTIVE MATTERS as at 30 June 2001	385
NEW MATTERS (reported 1 July 2001 - 30 June 2002)	499
Source of Reports	
Mandatory (s.14)	403
Voluntary (s.16)	86
ACC-initiated (s.13)	10
Public Office	
Police Service	240
Government Department	162
Local Government	55
Other Public Administration	42
Serious Misconduct	
Corrupt conduct	92
Criminal conduct	184
Serious improper conduct	162
Outside jurisdiction	61
TOTAL MATTERS ADDRESSED IN 2001 - 02	884
Matters referred to other authorities for investigation	215
Reviews (by ACC) of 'other authority' investigation reports*	322
Audits (by ACC) of 'other authority' investigation reports	11
PRELIMINARY INQUIRIES	
Preliminary Inquiries (Part III) carried out by ACC	75
Preliminary Inquiries concluded	45
INVESTIGATIONS	
Investigations (Part IV) carried out by ACC	17
Investigations finalised	6

* Includes some matters where reports were reviewed by the ACC but in which investigation did not form part of the further action undertaken by the 'other authority'.

OPERATIONS (Cont)	NUMBER OF:	
TELECOMMUNICATIONS INTERCEPTIONS		
Warrants issued to the ACC		12
In relation to alleged misconduct by police officers	10	
In relation to alleged misconduct by 'other public officers'	2	
SURVEILLANCE DEVICES		
Warrants issued to the ACC		2
Uses of Surveillance Devices where warrant not required		4
PHYSICAL SURVEILLANCE		
	Assign-ments	Cases
Physical Surveillance Assignments	59	18
Public Office		
Police Service (ACC investigations)	30	7
Police Service (assisting Royal Commission investigations)	8	3
Other Public Administration	19	6
Pro-active operations development	2	2
DIRECTOR OF PUBLIC PROSECUTIONS		
		Cases
Matters with the DPP		13
Public Office		
Police Service	7	
Other Public Administration	6	
Matters finalised by the DPP		6
Matters progressed to court		5
MATTERS FINALISED BY THE COMMISSION		574
OUTCOMES OF FINALISED MATTERS		
Unsubstantiated Allegations		201
All Other Outcomes		373
Administrative action taken	20	
Disciplinary action taken	72	
Criminal charges laid	47	
Investigations Inconclusive.....	21	
Allegation(s)subject of prior investigation	18	
Prima Facie case exists - not able to proceed	22	
Insufficient evidence	38	
Other Outcome	67	
Matter outside Commission jurisdiction	68	

NEW MATTERS OF ALLEGED SERIOUS MISCONDUCT REPORTED: 2001-02.....499

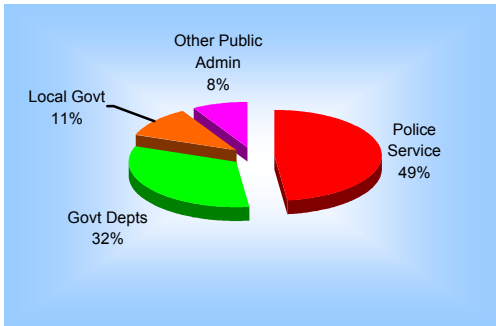


Chart 4: New Matters x Public Office

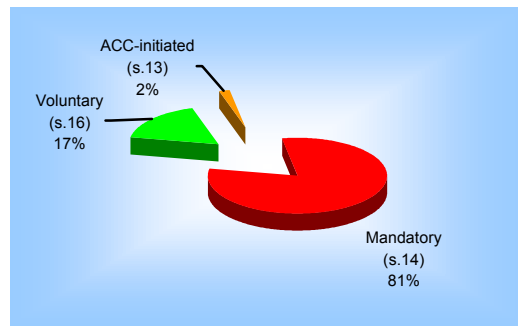


Chart 5: New Matters x Source of Reports

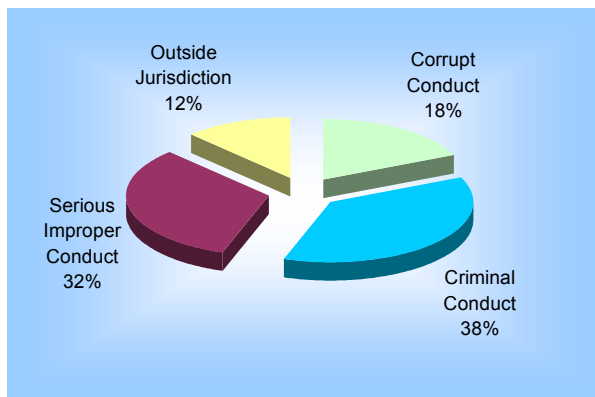


Chart 6: New Matters x Type of Alleged Serious Misconduct

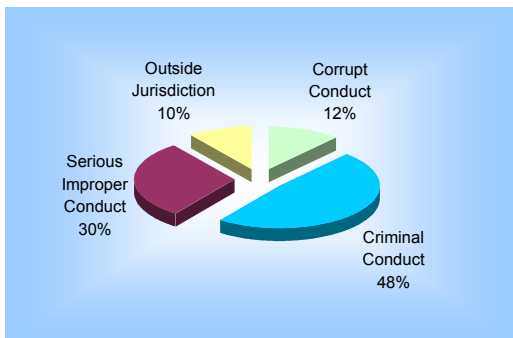


Chart 7: New Matters: Police Service x Alleged Serious Misconduct

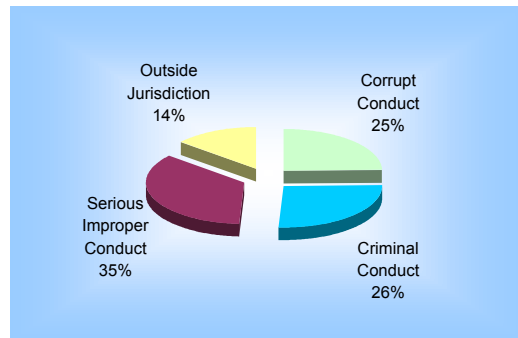


Chart 8: New Matters: Other Public Officers x Alleged Serious Misconduct

[Charts 4 to 8 - refer to table 1, overleaf]

ACTIVE CASES OF ALLEGED SERIOUS MISCONDUCT
BEING ADDRESSED BY THE ACC: AS AT 30 JUNE 2001.....385

NEW CASES OF ALLEGED SERIOUS MISCONDUCT
REPORTED TO THE COMMISSION: 2001 - 02.....499

TABLE 1
NEW CASES REPORTED: 2001 - 02
PUBLIC OFFICE x TYPE OF SERIOUS MISCONDUCT x REPORTING CATEGORY

Public Office and Type of alleged Serious Misconduct	Reporting Category – New Cases			
	s.14	s.16	s.13	Total
Police Service	200	34	6	240
Corrupt Conduct	16	9	3	28
Criminal Conduct	106	10	0	116
Serious Improper Conduct	65	3	3	71
Outside jurisdiction	13	12	0	25
Government Departments	127	31	4	162
Corrupt Conduct	26	9	3	38
Criminal Conduct	34	6	0	40
Serious Improper Conduct	58	5	1	64
Outside jurisdiction	9	11	0	20
Local Government	44	11	0	55
Corrupt Conduct	15	4	0	19
Criminal Conduct	10	2	0	12
Serious Improper Conduct	12	1	0	13
Outside jurisdiction	7	4	0	11
Other Public Administration	32	10	0	42
Corrupt Conduct	4	3	0	7
Criminal Conduct	14	2	0	16
Serious Improper Conduct	12	2	0	14
Outside jurisdiction	2	3	0	5
Total, WA Public Administration	403	86	10	499
Corrupt Conduct	61	25	6	92
Criminal Conduct	164	20	0	184
Serious Improper Conduct	147	11	4	162
Outside jurisdiction	31	30	0	61

[Charts 4 to 8 relate to table 1]

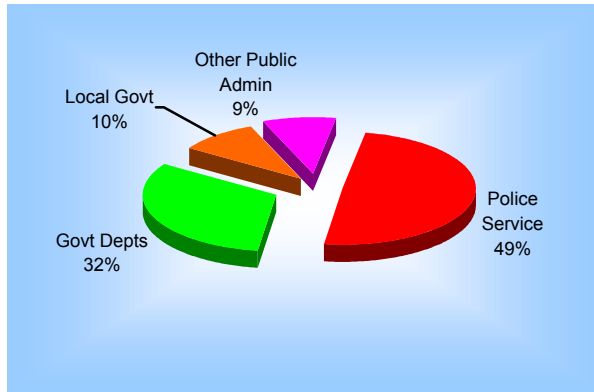


Chart 9: Total Matters x Public Office: 2001 - 02

[Chart 9 - refer to table 2]

TOTAL CASES OF ALLEGED SERIOUS MISCONDUCT
 ADDRESSED BY THE ACC: 2001 - 02.....(385 Active + 499 New) 884

TABLE 2
TOTAL CASES ADDRESSED: 2001 - 02
PUBLIC OFFICE x TYPE OF MISCONDUCT x REPORTING CATEGORY

Public Office and Type of alleged Serious Misconduct	Reporting Category – Total Cases			
	s.14	s.16	s.13	Total
Police Service	357	68	12	437
Corrupt Conduct	36	15	6	57
Criminal Conduct	189	30	2	221
Serious Improper Conduct	114	9	4	127
Outside Jurisdiction	18	14	0	32
Government Departments	220	52	10	282
Corrupt Conduct	40	18	4	62
Criminal Conduct	78	12	2	92
Serious Improper Conduct	91	9	4	104
Outside Jurisdiction	11	13	0	24
Local Government	70	16	1	87
Corrupt Conduct	22	5	1	28
Criminal Conduct	19	5	0	24
Serious Improper Conduct	21	2	0	23
Outside Jurisdiction	8	4	0	12
Other Public Administration	52	25	1	78
Corrupt Conduct	7	7	0	14
Criminal Conduct	26	7	1	34
Serious Improper Conduct	16	5	0	21
Outside Jurisdiction	3	6	0	9
Total, WA Public Administration	699	161	24	884
Corrupt Conduct	105	45	11	161
Criminal Conduct	312	54	5	371
Serious Improper Conduct	242	25	8	275
Outside Jurisdiction	40	37	0	77

TOTAL CASES REFERRED TO 'OTHER AUTHORITIES' FOR INVESTIGATION: 2001 - 02215

ACC REVIEW OF REPORTS OF INVESTIGATIONS CONDUCTED BY 'OTHER AUTHORITIES': 2001 - 02.....322

TABLE 3
PROFILE OF REVIEWS CONDUCTED BY THE ACC: 1 JANUARY - 30 JUNE 2002

Allegations relating to:	Reviews (cases)
Police Service	77
Government Departments	53
Local Government	5
Other Public Administration	3
Total, WA Public Administration	138

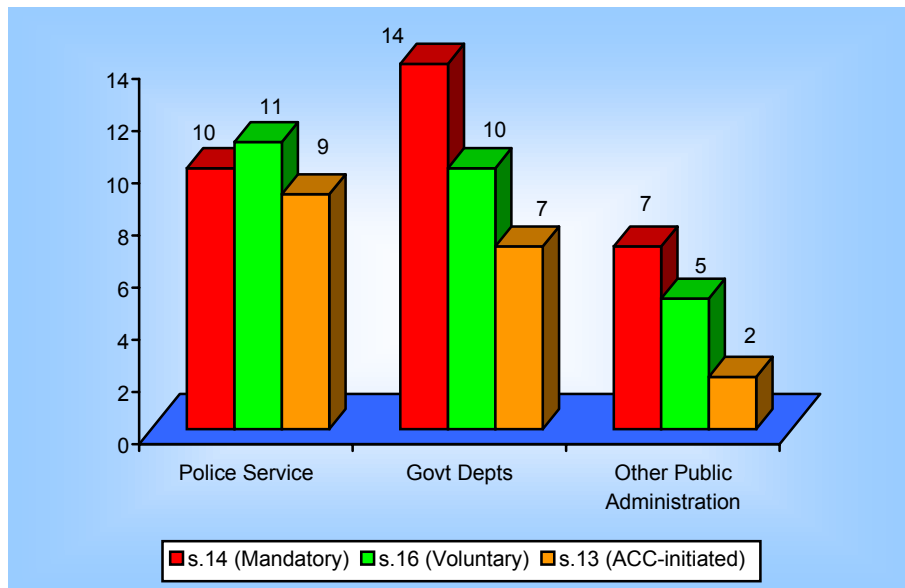


Chart 10: ACC Preliminary Inquiries Carried Out x Public Office and Source of Reports 2001-02

[Chart 10 - refer to table 4, overleaf]

PRELIMINARY INQUIRIES (PART III) CARRIED OUT BY THE ACC :2001 – 02.....75

TABLE 4
PRELIMINARY INQUIRIES (PART III) CARRIED OUT BY THE ACC: 2001 - 02

Public Office And Type of alleged Serious Misconduct	Reporting Category - Cases			
	s.14	s.16	s.13	Total
Police Service	10	11	9	30
Corrupt Conduct	4	5	4	13
Criminal Conduct	5	6	2	13
Serious Improper Conduct	1	-	3	4
Government Departments	14	10	7	31
Corrupt Conduct	8	7	2	17
Criminal Conduct	1	3	1	5
Serious Improper Conduct	5	-	4	9
Other Public Administration ##	# 7	5	2	# 14
Corrupt Conduct	# 5	3	-	# 8
Criminal Conduct	1	2	2	5
Serious Improper Conduct	1	-	-	1
Total, WA Public Administration	** 31	26	18	** 75
Corrupt Conduct	17	15	6	38
Criminal Conduct	7	11	5	23
Serious Improper Conduct	7	-	7	14

* Preliminary Inquiry revealed one (1) matter to be 'outside jurisdiction'.
 # Including one (1) matter 'outside jurisdiction'. ** Including two (2) matters 'outside jurisdiction'.
 ## Includes figures for Local Government Bodies.

[Chart 10 relates to table 4]

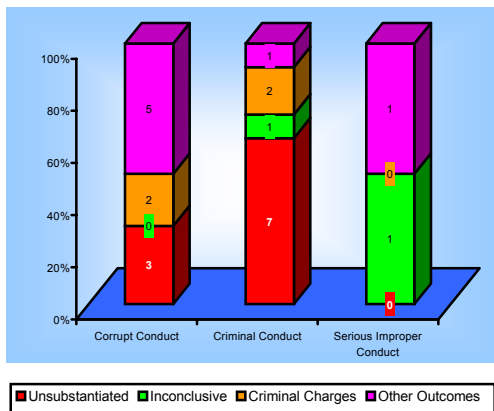


Chart 11: Outcome of Preliminary Inquiries x Police Service: 2001-02

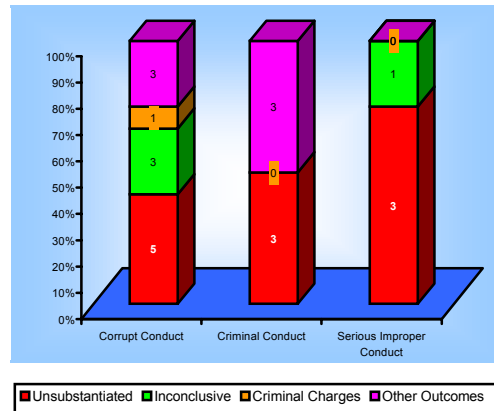


Chart 12: Outcome of Preliminary Inquiries x Other Pub. Admin: 2001-02

[Charts 11 and 12 - refer to Table 5, overleaf]

**PRELIMINARY INQUIRIES (PART III) CONCLUDED
BY THE ACC: 2001 - 02 45**

**TABLE 5
PRELIMINARY INQUIRIES (PART III) CONCLUDED BY THE ACC, 2001 - 02**

Outcome of Preliminary Inquiry and Public Office of Person(s) named in Allegation(s)	Serious Misconduct – Cases Finalised			
	Corrupt Conduct	Criminal conduct	Serious Improper Conduct	Total
Unsubstantiated	8	10	3	21
Police Service	3	7	-	10
Other Public Administration #	5	3	3	11
Inconclusive	3	1	2	6
Police Service	-	1	1	2
Other Public Administration #	3	-	1	4
Criminal Charges Laid	3	2	-	5
Police Service	2	2	-	4
Other Public Administration #	1	-	-	1
Other Outcomes	8	4	1	* 13
Police Service	5	1	1	7
Other Public Administration #	3	3	-	6
Total Outcomes ^(a)	22	17	6	* 45
Police Service	10	11	2	23
Other Public Administration #	12	6	4	22

Includes Government Departments, Local Government and all other WA Public Administration.

* Some cases commenced as Part III Preliminary Inquiries and progressed to Part IV Investigations. The total of 45 includes two (2) cases revealed to be 'out of jurisdiction'.

^(a) Thirteen (13) cases involved public officers in the Department of Justice, and six (6) related to the conduct of Health Department officers.

[Charts 11 and 12 relate to table 5]

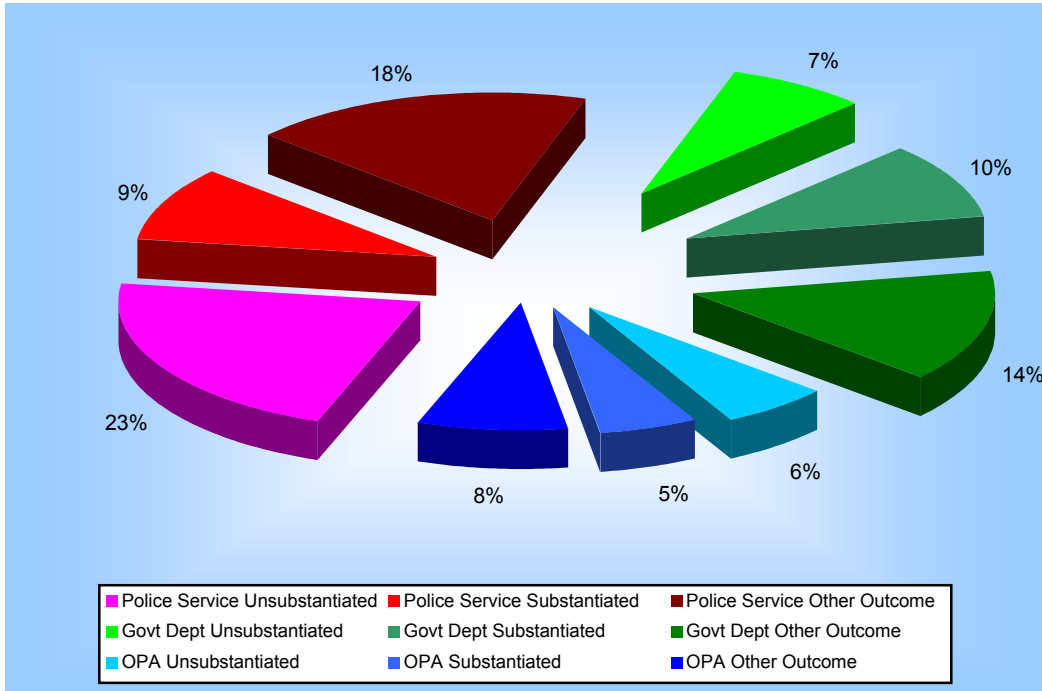


Chart 13: Nature of Outcome of Finalised Cases x Public Office:2001-02
 ('OPA' = Other Public Administration)

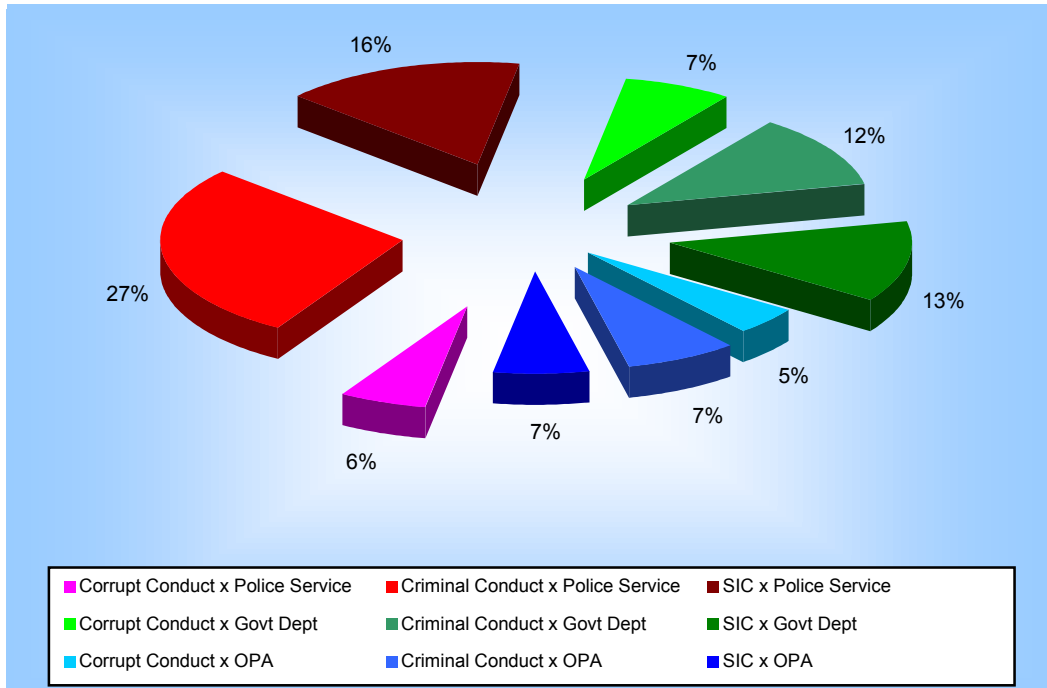


Chart 14: Finalised Cases x Public Office and Type of Alleged Misconduct:2001-02
 ('OPA' = Other Public Administration, 'SIC' = Serious Improper Conduct)

[Charts 13 and 14 - refer to Table 6, overleaf]

TABLE 6
TOTAL CASES FINALISED BY THE COMMISSION: 2001 - 02

Public Office and Outcome	Serious Misconduct – Cases Finalised			
	Corrupt Conduct	Criminal Conduct	Serious Improper Conduct	Total
Police Service	30	142	81	* 284
Administrative action taken	-	3	2	5
Criminal charges laid	3	7	3	13
Disciplinary action taken	1	22	13	36
Insufficient evidence	2	9	4	15
Allegation subject of prior investigation	-	7	3	10
Inconclusive	1	6	2	9
Other outcomes	4	22	15	41
Matter outside jurisdiction	-	-	-	31
Unsubstantiated	19	66	39	124
Government Departments	36	60	64	* 180
Administrative action taken	2	3	3	8
Criminal charges laid	3	16	7	26
Disciplinary action taken	3	6	12	21
Insufficient evidence	3	5	7	15
Allegation subject of prior investigation	-	2	3	5
Inconclusive	1	3	4	8
Other outcomes	7	12	15	34
Matter outside jurisdiction	-	-	-	20
Unsubstantiated	17	13	13	43
Other Public Administration	23	37	33	* 110
Administrative action taken	3	3	1	7
Criminal charges laid	4	2	2	8
Disciplinary action taken	1	10	4	15
Insufficient evidence	2	5	1	8
Allegation subject of prior investigation	1	1	1	3
Inconclusive	1	2	1	4
Other outcomes	3	3	8	14
Matter outside jurisdiction	-	-	-	17
Unsubstantiated	8	11	15	34
Total, WA Public Administration	89	239	178	* 574
Total, Unsubstantiated	44	90	67	201
Total, All other Outcomes				373
Administrative action taken	5	9	6	20
Criminal charges laid	10	25	12	47
Disciplinary action taken	5	38	29	72
Insufficient evidence	7	19	12	38
Allegation subject of prior investigation	1	10	7	18
Inconclusive	3	11	7	21
Other outcomes	14	37	38	89
Matter outside jurisdiction	-	-	-	68

* There were 68 'outside jurisdiction' cases.
The total number of 'corrupt', 'criminal' and 'serious improper conduct' cases is 506 (ie. 574 – 68).

[Charts 13 and 14 relate to table 6]

ALLEGED SERIOUS MISCONDUCT
PUBLIC OFFICE x YEAR: 1999 - 00 to 2001 - 02
 [Charts 15 to 18 - refer to tables 7 and 8]

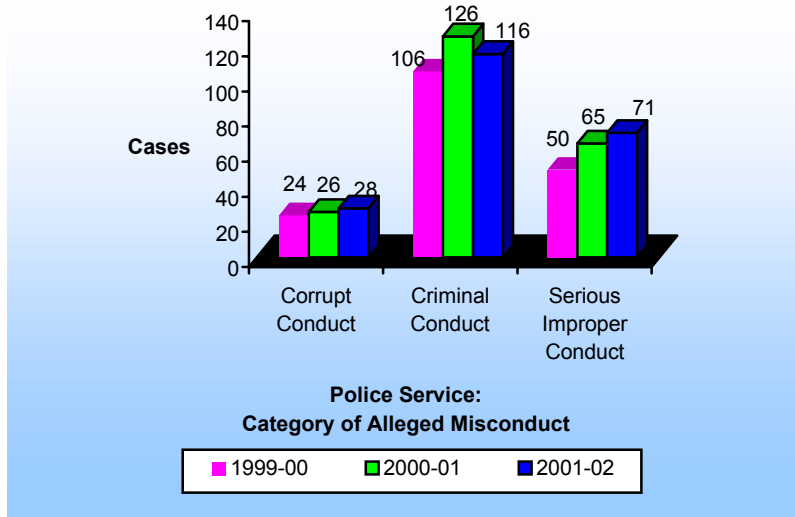


Chart 15: Police Service

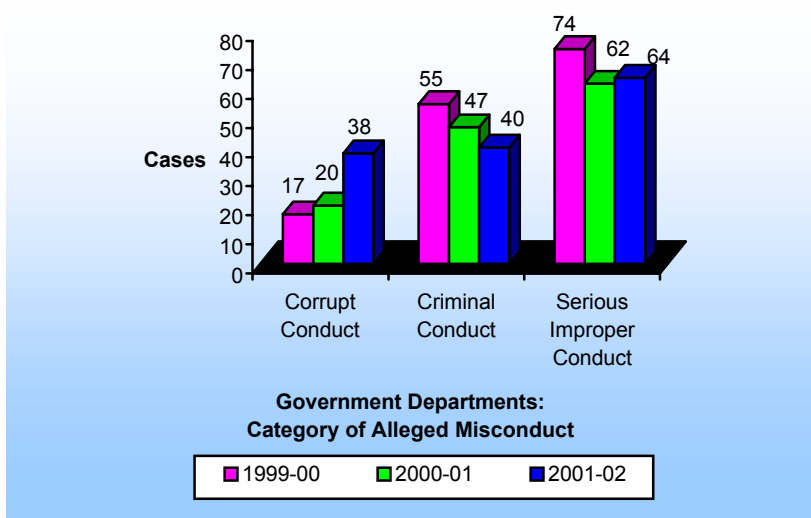


Chart 16: Government Departments

ALLEGED SERIOUS MISCONDUCT
PUBLIC OFFICE x YEAR: 1999 - 00 to 2001 - 02 (cont'd)
 [Charts 15 to 18 – refer to Tables 7 and 8]

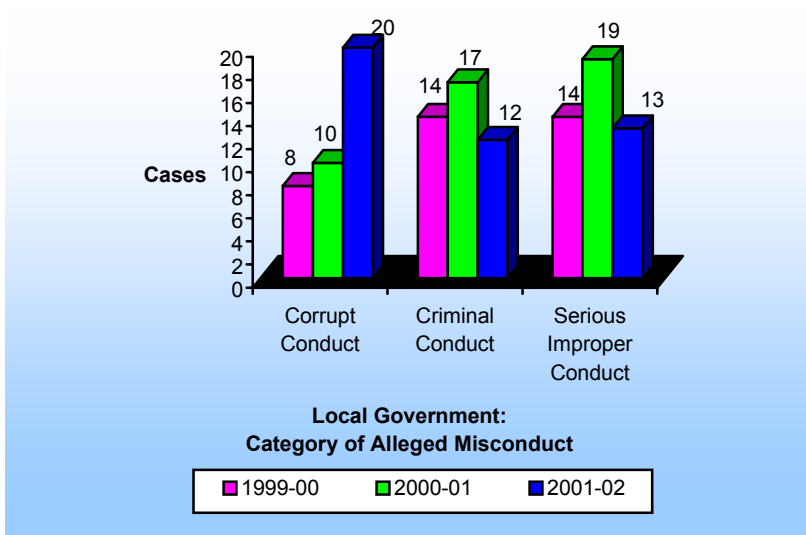


Chart 17: Local Government

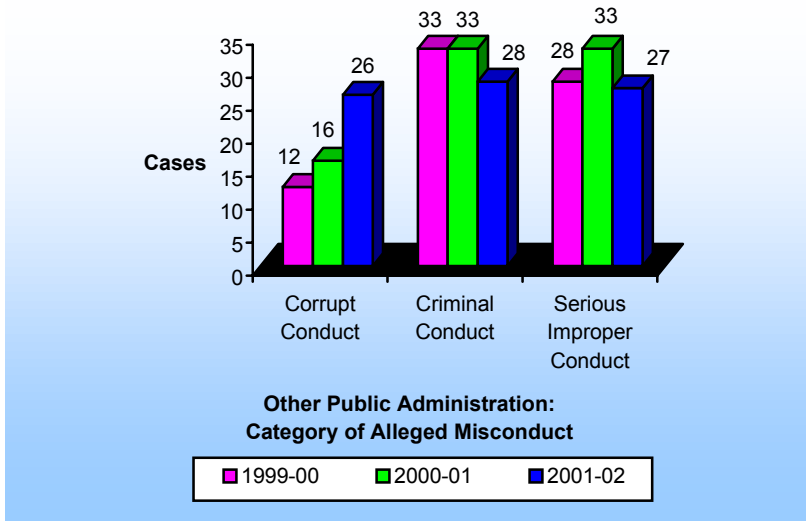


Chart 18: Other Public Administration

TABLE 7
NEW CASES OF ALLEGED SERIOUS MISCONDUCT REPORTED TO THE ACC:
1999 - 2000 to 2001 -2002

Public Office and Type of Serious Misconduct	Reporting Category and Year –Total Cases								
	s.14			s.16			s.13		
	99-00	00-01	01-02	99-00	00-01	01-02	99-00	00-01	01-02
Police Service	* 138	197	200	39	32	34	8	5	6
Corrupt Conduct	12	22	16	8	3	9	4	1	3
Criminal Conduct	83	106	106	22	17	10	1	3	0
Serious Improper Cond.	40	61	65	7	3	3	3	1	3
Outside Jurisdiction	2	8	13	2	9	12	0	0	0
Government Departments	134	114	127	17	20	31	4	5	4
Corrupt Conduct	11	13	26	4	6	9	2	1	3
Criminal Conduct	49	40	34	5	5	6	1	2	0
Serious Improper Cond.	68	57	58	5	3	5	1	2	1
Outside Jurisdiction	6	4	9	3	6	11	0	0	0
Local Government	34	45	44	9	16	11	0	1	0
Corrupt Conduct	7	8	15	1	1	4	0	1	0
Criminal Conduct	9	12	10	5	5	2	0	0	0
Serious Improper Cond.	13	17	12	1	2	1	0	0	0
Outside Jurisdiction	5	8	7	2	8	4	0	0	0
Other Public Administration	27	29	32	11	11	10	1	2	0
Corrupt Conduct	1	2	4	3	3	3	0	1	0
Criminal Conduct	16	12	14	2	4	2	1	0	0
Serious Improper Cond.	10	11	12	4	2	2	0	1	0
Outside Jurisdiction	0	4	2	2	2	3	0	0	0
Total, WA Public Administration	* 333	385	403	76	79	86	13	13	10
Corrupt Conduct	31	45	61	16	13	25	6	4	6
Criminal Conduct	157	170	164	34	31	20	3	5	0
Serious Improper Cond.	131	146	147	17	10	11	4	4	4
Outside Jurisdiction	13	24	31	9	25	30	0	0	0

* One (1) case involving an allegation against a Police Officer was determined not to contain any specific (ie. definable) category of serious misconduct.

TABLE 8
NEW CASES OF ALLEGED SERIOUS MISCONDUCT REPORTED TO THE ACC:
1999 – 2000 to 2001-2002

Public Office and Type of Serious Misconduct	Year and Reporting Category – Cases #								
	1999-2000			2000 - 2001			2001 - 2002		
	s.14	s.16	Total	s.14	s.16	Total	s.14	s.16	Total
Police Service	* 138	39	* 185	197	32	234	200	34	240
Corrupt Conduct	12	8	24	22	3	26	16	9	28
Criminal Conduct	83	22	106	106	17	126	106	10	116
Serious Improper Conduct	40	7	50	61	3	65	65	3	71
Outside Jurisdiction	2	2	4	8	9	17	13	12	25
Government Departments	134	17	155	114	20	139	127	31	162
Corrupt Conduct	11	4	17	13	6	20	26	9	38
Criminal Conduct	49	5	55	40	5	47	34	6	40
Serious Improper Conduct	68	5	74	57	3	62	58	5	64
Outside Jurisdiction	6	3	9	4	6	10	9	11	20
Other Public Administration	61	20	82	74	27	104	76	21	97
Corrupt Conduct	8	4	12	10	4	16	19	7	26
Criminal Conduct	25	7	33	24	9	33	24	4	28
Serious Improper Conduct	23	5	28	28	4	33	24	3	27
Outside Jurisdiction	5	4	9	12	10	22	9	7	16
Total, WA Public Administration	* 333	76	* 422	385	79	477	403	86	499
Corrupt Conduct	31	16	53	45	13	62	61	25	92
Criminal Conduct	157	34	194	170	31	206	164	20	184
Serious Improper Conduct	131	17	152	146	10	160	147	11	162
Outside Jurisdiction	13	9	22	24	25	49	31	30	61

Only a small number of s.13 matters were generated in the relevant periods.
The 'Total' columns include s.14 (mandatory), s.16 (voluntary) and s.13 reports.

* Includes one case of 'no specific allegation'.

[Charts 15 to 18 relate to tables 7 and 8]

ACC PERFORMANCE

VISION

The Anti-Corruption Commission's vision to 'Lead the way in fighting corruption in the Public Sector' highlights its key role (working on a number of fronts) in helping to combat serious misconduct in Western Australian public administration.

To fulfil that role the ACC focuses on achieving results in five strategic outcome areas, as expressed in its Corporate Objectives. Broadly, it seeks to:

ACC strategic
operations
focus

- ensure it is appropriately advised of allegations;
- be pro-active in identifying and investigating alleged serious misconduct;
- be effective in dealing with matters brought to its attention;
- ensure that other agencies deal effectively and in a timely way with allegations; and
- promote ways of minimising serious misconduct.

Its performance is reported in terms of the extent to which it has achieved the outcomes sought in its corporate objectives, over the past year, and major directions to be pursued (for that purpose) in the forthcoming year.

ACHIEVEMENTS, OUTCOMES AND DIRECTIONS

OPERATIONS

Major ACC achievements during the year ended 30 June 2002 and significant directions to be pursued in the following year, related to agency's corporate objectives and strategies, are outlined below.

OBJECTIVE:

Public authorities and officers, and the community, appropriately reporting perceived serious misconduct in public administration

Corporate Strategies:

- Ensuring public authorities and officers are aware of their obligations under the *ACC Act* and assisting them to fulfil those obligations
- Communicating to public authorities, officers and the community the nature of serious misconduct in public administration
- Informing and educating public officers and the community about the role of the ACC

Achievements and Directions :

- Enhanced guidelines and standard forms for reporting suspected serious misconduct as it arises and for providing annual summary information of reports made, were provided to principal officers of 348 WA public authorities in May 2002, to facilitate the reporting of serious misconduct under the requirements of the *Act*.

- Special relationships with the Department of Justice, the WA Police Service, Department of Local Government and the Education Department (Complaints Management unit) were fostered by Operations staff, aimed at encouraging and facilitating the reporting of information about possible serious misconduct in areas that are particularly prone to opportunities for such conduct to occur.
- Development of the ACC Internet web site progressed during the year and will, when introduced in late 2002, significantly enhance community and public officer access to relevant information about serious misconduct, and the role and functions of the ACC. Notably, it will ultimately enable electronic lodgement of allegations by the general public and public authorities, as well as mandatory reports by public authorities.
- Senior Operations staff met fortnightly, or more frequently if required, with the Internal Affairs, Public Sector Investigation and the Internal Investigation units of the WA Police Service to address matters of common interest and to exchange intelligence. This practice will continue.
- ACC staff made presentations to all WA Police Service recruitment courses conducted during the year, providing enlisting police officers with comprehensive information about serious misconduct in Western Australian public administration, including reporting obligations and the role and functions of the ACC. ACC staff were also involved in panel discussions. The Commission is keen for this practice to continue.
- Senior ACC staff met monthly, or more frequently if necessary, with senior staff from the Ombudsman's Office to address matters of mutual interest and to exchange intelligence. This practice will continue. A memorandum of understanding, dealing with the working relationships between the two organisations in connection with serious misconduct and associated matters was also entered into.
- Revision of general information about the role and functions of the ACC, reporting arrangements and complaint handling procedures, has commenced and will be concluded in the latter half of 2002. The enhanced information will feature prominently on the ACC Internet web site that is currently under development and will be otherwise publicised, as appropriate.

OBJECTIVE:

A pro-active approach to identifying and investigating corrupt, criminal and serious improper conduct by holders of public office

Corporate Strategies:

- Ensuring the efforts of the ACC are appropriately directed and supported through the use of timely, relevant and accurate strategic intelligence
- Engaging in pro-active target development and investigations aimed at exposing and dealing with otherwise unreported or undetected serious misconduct
- Encouraging and assisting other agencies to take a pro-active approach in the prevention, detection and investigation of serious misconduct by their officers

Achievements and Directions:

- Target development procedures that facilitate a more pro-active, intelligence-based approach to identifying and pursuing serious misconduct were implemented in September 2001. Since adoption of the model, 83 matters (scenario's or individuals) have been subject to scrutiny by the Intelligence

unit. To date, 6 preliminary inquiries/investigations have resulted from the target development or related intelligence analysis processes.

- In August 2001 development commenced on a strategic intelligence initiative which involves the analysis of information gathered by the ACC (about individuals and/or situations) to establish whether patterns or models of actual or potential serious misconduct are revealed. This initiative is aimed at providing options for pro-active activity and to enable more informed decisions on priorities and resource deployment. This undertaking will continue.

Specifically, this initiative is identifying - prevalent types of serious misconduct; causes of, and how serious misconduct arises and is able to prevail; trends and common features evident in the activities of the ACC and agencies with some similar roles (eg Ombudsman's Office, Police Internal Affairs and Internal Investigations units).

- Confidential intelligence gathering for pro-active analysis was further strengthened during the year as a result of successful negotiations to enable the ACC to have direct, independent access to relevant public sector databases.
- Over the past 12 months an increasing number of allegations from a variety of different sources, relating to the distribution of drugs and other improper activities in prisons (involving prison officers and other public officers), became a matter of serious concern to the Commission.

Following analysis of the intelligence and the conduct of focussed investigations, the ACC collaborated with the Police Service and the Department of Justice in two major joint operations, both of which resulted in the arrest and charging of prison officers.

Each matter led to successful convictions in the court, with one prison officer being sentenced (in February 2002) to 6 years imprisonment, and the other (in May 2002) to 1 years imprisonment.

- Extensive negotiations with the Commonwealth Government concluded successfully in December 2001 when the ACC was granted on-line access to AUSTRAC (Australian Transaction Reports and Analysis Centre). Strict conditions had to be met prior to gaining approval for access to, and use of, highly sensitive Financial Transaction Report (FTR) information.

Financial intelligence is a vital component of many ACC investigation activities and is becoming even more so as emerging "E'commerce" developments generate new and sophisticated avenues for corrupt or criminal conduct.

OBJECTIVE:**Effectively addressing allegations of serious misconduct in public administration**

Corporate Strategies:

- Conducting timely initial assessments of all allegations received
- Providing comprehensive, relevant and timely advice on whether allegations warrant further action, including how and by whom and what further action might be taken
- Conducting professional, timely and thorough investigations into allegations and providing objective and comprehensive reports, and where appropriate briefs of evidence, in respect to those allegations
- Reporting to Parliament, Government Ministers and to the community on the outcome of investigations conducted and in relation to the performance and functions of the ACC where it is in the public interest to do so

Achievements and Directions:

- In excess of 90% of Initial Assessments (of all s.16, 'voluntary' reports) were completed within the Commission standard of 14 calendar days. More than 65% were concluded within 7 calendar days.
- Initial assessments of matters reported, reviews and detailed audits of actions taken by appropriate authorities (to whom matters were referred, by the Commission, for further action) were enhanced in respect of accuracy, completeness and timeliness, as a result of work practice and guideline improvements and the introduction of targeted training.
- "Real time" evidence gathering capabilities were significantly enhanced, in early 2002, with the commissioning of telecommunications interception (TI) equipment. This completed the implementation of a comprehensive electronic surveillance infrastructure.
- Approval to seek warrants and conduct TI activities (pursuant to s.34 of the *Telecommunications (Interceptions) Act 1979* (Cth) was granted by the Commonwealth Attorney General in September 2001. This successfully concluded more than four years of legal and administrative negotiations between the State and Commonwealth Governments.
- Apart from making effective use of its TI facilities to support its own investigation activity, the ACC has executed warrants obtained by other authorities, thereby assisting their operations and enhancing the cost effectiveness to Government of the TI infrastructure.
- Criminal charges were laid in respect of 47 of the 139 substantiated matters finalised by the Commission during the year, following investigation by the ACC itself or other authorities to which the Commission referred matters for further action.
- Over the year 6 matters were finalised by the DPP. In 3 of the matters court action resulted, leading to considerable demand on ACC investigation resources in respect of 'brief' preparation and attendance in court. There are 7 matters still awaiting decision by the DPP.
- Significant delays have been experienced in getting ACC briefs of evidence dealt with by the DPP. This continues to be of concern to the Commission. In an effort to mutually address these problems the ACC and the DPP developed a protocol aimed at setting timeframes for ACC briefs to be handled within the office of the DPP. Regrettably this arrangement has not resulted in a marked

change. Some matters have been in the DPP's office for more than two years without a final response being received.

The Commission's concern in relation to this problem is not only the impact on staff morale and operational effectiveness, but also the affect the uncertainty has on people directly involved in the allegations, the affect the delays might have on potential witnesses, and the relevance of all this to perceptions about the performance of the ACC.

- Comprehensive policies, procedures, standards and audit controls related to electronic surveillance activities, have been implemented over the past few months to ensure strict compliance with Commonwealth and State legislation and regulations related to confidentiality, information integrity and privacy protection, throughout the course of investigations. These will be enhanced over the next 12 months.
- Operations policies, standards and procedures were subject to review and revision over the past twelve months to ensure contemporary 'best practice' in the conduct of investigation/inquiry activities. Where relevant, practices were benchmarked against those in other 'like' agencies. The updating of guidelines and directions is a substantial undertaking which will continue through 2002/03.
- The project management approach to planning, executing and reporting on ACC operations, with a particular focus on progress reporting to the Commission, was enhanced to ensure consistency and effectiveness in application.
- A restructure of the Operations Division was approved to:
 - create an investigation team (Complaints, Review and Audit) dedicated to the initial assessment of all s.16 'voluntary' complaints made by members of the general public or public officers, and to review and audit (as appropriate) all investigation reports provided as a result of action taken by other agencies; and
 - provide closer, ongoing alignment of intelligence functions with investigations, through the assignment of Intelligence personnel to Investigation teams, to enhance the pro-active approach to operations.
- Structural changes, work practice developments and policy/procedure enhancements have led to an improved capacity to react to significant new allegations, as evidenced by the swift and decisive response to allegations of drug trafficking by prison officers in corrective institutions.
- Over the last 6 months the Operations Division piloted, acquired and commenced implementation of an electronic 'Litigation Support System'. The system is demonstrating the capacity to enhance the preparation of briefs of evidence and the management of all associated material (reports, evidence, statutory notices etc). It is to be used in supporting the Police Royal Commission and will also be assessed for other purposes during the forthcoming year.
- The availability of electronic surveillance is proving to be a significant investigation tool that (based on experience to date) will be of considerable assistance in the future in 'proving' and 'disproving' allegations of serious misconduct.

- The processing of telecommunications data captured in the course of investigations has been significantly enhanced since the introduction, in May 2002, of specialist intelligence software that has reduced the detailed analysis of large volumes of diverse data from 'hours' to 'seconds' and enables the ready presentation of easily interpreted reports.

Detailed and accurate analysis of telecommunications data is an integral and substantial component of many investigations, and application of this technology has yielded significant efficiency and effectiveness gains for Operations.

OBJECTIVE:

Ensuring that allegations of serious misconduct in public administration, investigated by other agencies, are dealt with in a timely and appropriate manner

Corporate Strategies:

- Consulting, co-operating and exchanging information with independent agencies, appropriate authorities and other relevant bodies
- Monitoring the investigations into allegations conducted by other agencies and providing assistance and guidance to those agencies in relation to those investigations
- Conducting audits and reviews of investigations conducted by other agencies and providing those agencies with timely and appropriate advice and feedback in relation to those investigations and matters arising from them

Achievements and Directions:

- Throughout the year, Investigations unit staff engaged in extensive liaison with public authorities to enhance awareness of, and to advise on the nature of serious misconduct and the procedures to be followed in response to allegations, including actions to be taken when matters are referred to them by the ACC.
- In the course of initial assessments of reported matters and in reviewing investigation reports submitted by authorities to whom the Commission referred allegations for further inquiry, the Complaints, Review and Audit (CRA) team has maintained regular contact with relevant authorities.
- More than 90% of Reviews of investigation reports provided by authorities to whom matters were referred by the Commission for further action were completed by ACC staff within the Commission prescribed time line of 30 calendar days. Most of them, within 18 calendar days.
- In excess of 80% of Audits (detailed examination of the more complex matters investigated by other authorities) were completed within the Commission prescribed time line of 60 calendar days.
- Appropriate advice was provided to authorities and individuals promptly, following Commission decisions.

OBJECTIVE:
Promoting public administration policies, practices and standards aimed at minimising opportunities for, and discouraging, serious misconduct by holders of public office

Corporate Strategies:

- Bringing to the attention of public authorities deficiencies in their policies, procedures or practices which have allowed, or have the potential to allow, public officers to engage in serious misconduct
- Liaising and collaborating with agencies which have public sector wide responsibilities in developing and promoting prescribed policies, practice and standards aimed at minimising serious misconduct, and monitoring adherence to them
- Reporting to Parliament, Government Ministers and to the community on the deficiencies identified in public sector policies, procedures or practices, which have allowed, or have the potential to allow public officers to engage in serious misconduct

Achievements and Directions:

- The Commission and the CEO of the ACC appeared before Parliamentary committees on a number of occasions to respond to enquiries about and to advise on the role and functions of the ACC.
- The Commission advocated successfully for changes to the *Criminal Code* to increase the maximum penalty for corruption (s.83 of the *Code*) and other offences committed by public officers, from 3 to 7 years imprisonment. The amendments, which came into effect on 28 June 2002, significantly broaden the scope of conduct into which the ACC can undertake “real time” investigations, through the use of TI capabilities. Changes made to the *Criminal Code* are as follows:

<i>Criminal Code</i>		
Section	Description of Offence	Amendment
83	corruption by public officer	increase from 3 to 7 years imprisonment
85	falsification of records by public officer	increase from 3 to 7 years imprisonment
88	bargaining for public office	increase from 3 to 7 years imprisonment
132	destroying evidence that may be used in judicial proceedings	now a crime with up to 7 years imprisonment.
136	agreeing to compound or conceal a crime	now a crime with up to 7 years imprisonment. Reference to 3 year imprisonment in some cases removed.

- Over the next 12 months the ACC will continue to review relevant sections of the *Criminal Code* in terms of its impact on the ability of the ACC to deal effectively with current and emerging forms of serious misconduct in Western Australian public administration. The Commission will advocate further revisions, where appropriate.
- Wherever investigations reveal deficiencies in policies, procedures or systems employed by public authorities that provide the opportunity for serious misconduct to occur, the Commission draws them to the attention of the agency concerned, recommending changes.

- The ACC has prepared 7 detailed reports on investigations it has carried out, which the Commission believes should be publicly available through the Parliament. Advice from independent legal counsel, however, is that the ACC is effectively precluded, by the wording of the *Act*, from reporting on operational matters in any meaningful way. This is a matter of concern to the Commission that it will continue to address with Government, along with other significant problems with the *Act* that have been raised over the past few years.

EXECUTIVE SUPPORT AND BUSINESS SERVICES

The primary focus of executive support and business services functions continues to be directed at assisting the Commission to meet its corporate objectives as effectively and efficiently as possible, whilst also ensuring compliance with relevant Government and Public Sector policies, standards and practices.

In response to the significant budgetary issues and policy priorities pursued by the Government over the past 12 months, the Commission has directed considerable attention to further enhancing its financial and other resource management regimes.

The Commission has also maintained a strong commitment to advancing agency wide administrative and technology initiatives to promote:

- day to day management improvements and enhanced support to Operations;
- enhanced capacity for the continued delivery of quality services in an environment of increased resource constraints; and
- the capacity to respond effectively and promptly to changing operational demands and priorities.

EXECUTIVE SUPPORT

Achievements and Directions:

- Development of a comprehensive Management Information System commenced in February 2002 to provide detailed, holistic information about the performance of the ACC in the achievement of its corporate goals and also the extent, significance of and trends in, reported serious misconduct. Capture of the new information will commence from 1 July 2002 and the database will be progressively extended over the forthcoming year as resources and capabilities permit.

Management
Information

The system builds on the existing "Allegations" database, which currently provides a comprehensive chronology related to individual cases. The enhancements will position the ACC to better address strategic management issues, and will enable the provision of more meaningful responses to external requests for information. Performance reporting (to the Joint Standing Committee on the ACC, Government, public authorities, the community and the media) will be extended and more readily available.

The enhanced information environment will have a positive impact on the development of immediate and long-term policy developments related to combating serious misconduct throughout WA public administration.

Project
Management

- A computer based corporate Project Management System designed to facilitate the initiation, approval and administration of significant projects (as distinct from 'operations' case management) is currently under development and due to be implemented in September 2002. The system will be an integral part of the ACC's broader management approach that is being progressively put in place.

Complaints
Management

- In response to recent reports by the Ombudsman and the Auditor-General about complaints handling by public sector agencies, the ACC has reviewed its procedures and is in the process of implementing an enhanced Complaints Management System based on Australian Standard 4269/95 and relevant recommendations from the above-mentioned reports. The new system should be in place by September 2002.

FINANCIAL MANAGEMENT AND ACCOUNTABILITY**Achievements and Directions:**Budget
management
enhancements

- A 4-year budget development and management plan was introduced in August 2001 to enhance ACC financial administration and negotiations with Government and Treasury on budget directions and priorities.
- The ACC's "chart of accounts" was comprehensively revised to better reflect expenditure profiles. Enhanced cost centre processes were implemented to improve internal financial management and responses to Government and public sector reporting requirements.

Procurement
improvements

- Enhancement of agency procurement policies and procedures commenced early in 2002, following an ACC initiated audit by the Department of Industry and Technology. Moves towards implementation of electronic purchasing practices are advancing, and an increase in the purchasing "exemption" level (from \$20,000 to \$50,000) is being pursued, to improve the efficiency and economy of procurement. These policy and procedural initiatives are scheduled to be in place by December 2002.
- Budget outcome uncertainty delayed the filling of vacancies and resulted in less than the estimated expenditure on salaries and related operational items in 2001 - 02.

Expenditure
cuts and outlay

- Approximately \$950,000 (capital and recurrent expenditure) for surveillance equipment and IT infrastructure (predominantly addressing information security requirements) was committed in early June 2002 for delivery of hardware and services in the first quarter of 2002 - 03.
- Over the year the ACC reduced its vehicle fleet and also adhered to government policy on replacement by acquiring used vehicles from the government garage.
- The ACC sustained an ongoing annual reduction of \$1.25 million in its budget for recurrent expenditure, effective from 2002 - 03 onwards. Savings of \$927,000 to meet this reduction are available as a consequence of the Government's decision to delay legislative changes for public hearings, pending the outcomes of the Police Royal Commission. Strategies are being put in place to minimise the impact of the other \$300,000 funding reduction.

HUMAN RESOURCES MANAGEMENT

Achievement and Directions:

Employment conditions

- A comprehensive review of ACC terms and conditions of employment was commenced in February 2002, in response to the release of the Government's policy on parity in wages and conditions and in acknowledgment of an increasingly competitive labour market for skilled investigative staff.

Recruitment

- Position descriptions and selection criteria are being revised to better reflect the operations profile of the ACC and a move to a more pro-active focussed operational environment.
- During the year 16 new staff were recruited and 17 staff left the ACC. Because of the continuing need to attract people from outside the State to fill investigative positions and the strict standards of security and probity that must be met by all successful applicants, recruitment remains a protracted, time consuming and challenging task.

Performance Management

- Development of a performance management system, linking competencies and functions for different positions to work unit objectives and corporate goals, commenced in the latter part of 2001 but was difficult to progress due to other competing personnel management issues. This important initiative will, however, be advanced over the next 6 months, with the first stage planned to be in place by December 2002.

EEO and Diversity management

- A 3 year Equal Employment Opportunity (EEO) and Diversity Management Plan (complying with the *Equal Employment Opportunity Act 1984*) was prepared and implemented in late 2001. Recruitment strategies have been set in place to address, in particular, increased representation of women in senior positions and increased employment of younger people.
- In the latter part of 2001 all staff participated in team building workshops and training sessions on EEO and grievance policy and practices.

Occupational Safety and Health

- An Occupational Safety and Health Plan for the agency was prepared in late 2001. Practical application of the Plan began in March 2002 with establishment of a Health and Safety Committee and the election of work place representatives.

Workplace practices and conditions

- Subsequent to some work place matters being raised recently with the Office of the Public Sector Standards Commissioner and the Worksafe Commissioner, by a number of former and current staff, the views of all staff were canvassed about enhancements to work practices and conditions. Some 22 workplace improvement projects were identified.

A few of the suggested initiatives were, in fact, already being undertaken and have now been completed. Implementation on the others is underway, and will continue over the next few months.

All the changes and developments are aimed at ensuring a more professional, productive and rewarding work place environment in which the Commission's expectations of a high level of accountability and adherence to its prescribed standards of analysis and reporting (for credible and sustainable investigation outcomes) will be consistently achieved.

INFORMATION MANAGEMENT

Achievements and Directions:

Information
Infrastructure
security

- In response to the findings of a comprehensive independent (external) information security audit, concluded towards the end of the previous year, major information technology hardware, software and process policies and strategies have been pursued to ensure a high level of compliance (within the information technology environment) with AS/NZ standard 4444. This is an important initiative for the ACC and is scheduled for completion by the end of 2002.

Electronic
RDMS

- Introduction of the electronic Records and Document Management System has not progressed as planned, due to some unexpected delays in the tendering process. However, with the pilot concluded in December 2001, the tender awarded in March 2002 and full implementation underway since May 2002, phase 1 completion is scheduled for December 2002. The primary initial focus is on application of the system to administrative records and files.

Based on experience to date, the expected benefits of reduced paper handling, more timely, and increased access to corporate information, and improved information security, will be achieved.

Recent approval by the State Records Office of the ACC Retention and Disposal Schedule (conforming to *State Records Act 2000* standards) completed an important and integral part of this key information management initiative.

ACC Internet
'web site'

- Development of the ACC Internet web site has progressed, in accordance with related Information Technology initiatives, in particular the security audit strategies. The web site, which will include provision for electronic lodgement of s.16 'voluntary' allegations of serious misconduct, is scheduled to be operational by the end of December 2002.

Operations
information
'process
mapping'

- A major review of the management of the allegations information processes throughout the agency, was commenced in April 2002. All processes, from the initial receipt of reports about alleged serious misconduct, through to the finalisation of matters by the Commission, are being examined as part of this business process improvement exercise. Changes, aimed at enhancing effectiveness and efficiency in the administration of information for Commission decision making, ensuring appropriate communication with clients and improving audit trails and general access to information, will be implemented in the next financial year.

SECURITY, RISK AND FACILITIES MANAGEMENT**Achievements and Directions:**

- In May 2002, work commenced on refining the ACC Risk Management Plan, based around AS/NZ standard 4360. This work will continue, culminating in all staff being trained and familiar with the agency's risk management model by March 2003.
- Attention is also being directed to a review of existing strategies aimed at ensuring business continuity in the event of a disaster. A revised and more comprehensive business continuity and recovery plan will be established by the end of March 2003.
- The Government decision to defer consideration about whether the ACC should be able to conduct public hearings, until after the Police Royal Commission, resulted in planned alterations to existing hearing room facilities being put on hold for the time being.

Risk
Management
and business
continuity

ACC OUTCOME, OUTPUTS AND PERFORMANCE INDICATORS

Government Strategic Objective:

Honest, accountable and inclusive government.

Anti-Corruption Commission Strategic Objectives:

Mission: 'To expose corruption by holders of Western Australian public office in order to provide the community with better public services and administration'

Outcome: 'Allegations of corrupt, criminal and serious improper conduct (serious misconduct) are effectively addressed'.

Output measures	2001 - 02		Reasons for significant variations
	target	actual	
Quantity:			
Number of -	No.	No.	
Assessment reports prepared	70	108	Improved practices And procedures
Review reports prepared	260	322	
Part IV Investigation reports prepared	18	16	
Audit reports prepared	5	11	
Quality:			
% of conclusions drawn that were substantially accepted, in -	%	%	
Assessment reports	90	82	
Review reports	90	89	
Investigation reports	90	* 90	
Audit reports	90	73	
Timeliness:			
% of -			
Allegation assessments completed within Commission agreed time lines	85	100	
Reviews completed within 30 calendar days	85	(a) 92	
Investigations completed within Commission agreed time lines	85	100	
Audits completed within 60 calendar days	80	(a) 83	
Cost (efficiency):			
Average annual cost per allegations assessed	\$ 52,390	\$ 30,776	(b)
Average annual cost per Reviews completed	2,348	4,066	(c)
Average annual cost per matter under investigation	439,601	321,051	(d)
Average annual cost per audits completed	4,080	18,313	(e)

(a) Based on records for the period January to June 2002. **Cost variations due to:** (b) greater number of less complex matters, improved work practices and procedures. (c) More complex matters. (d) No expenditure for public hearings, improved practices and procedures, a number of long standing matters concluded. (e) More complex or substantial matters. * Estimated – system in place in 2002-03 to record actual outcomes.

**AUDITOR GENERAL**

To the Parliament of Western Australia

**ANTI-CORRUPTION COMMISSION
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2002**

Scope

I have audited the key effectiveness and efficiency performance indicators of the Anti-Corruption Commission for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Commission is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Commission's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

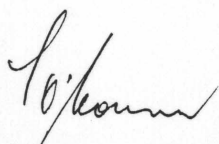
In my opinion, the key effectiveness and efficiency performance indicators of the Anti-Corruption Commission are relevant and appropriate for assisting users to assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2002.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

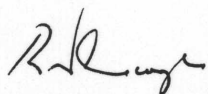
D D R PEARSON
AUDITOR GENERAL
October 10, 2002

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Anti-Corruption Commission's performance, and fairly represent the performance of the Anti-Corruption Commission for the financial year ended 30 June 2002.



T E O'Connor QC *Chairman*



R N George *Member*

30 August 2002



KEY PERFORMANCE INDICATORS

ACC STRATEGIC OUTCOME

'Allegations of serious misconduct are effectively addressed'

Allegations of serious misconduct by WA public officers are reported to the Commission. Based on any information supporting the allegations, or provided by ACC staff who may have carried out an initial assessment of the matter, the Commission makes decisions on whether, and what, further action is warranted. It may refer the allegation to another appropriate authority for investigation, direct ACC staff to carry out the investigation, or direct that no further action be taken.

When allegations are assessed or investigated by the ACC, progressive and/or final reports about the inquiries made are prepared, with recommendations, for Commission consideration. Where other authorities conduct the investigations ACC staff review or audit the actions taken (as outlined in reports submitted by the investigating authorities) and provide reports, with recommendations, to the Commission for its consideration.

The extent to which the Commission accepts the conclusions and recommendations drawn in assessment or investigation reports submitted for its consideration and decision, is indicative of the effectiveness of the investigations carried out (by the ACC or other appropriate authorities) in addressing the allegations.

Key Effectiveness Indicator:

'Conclusions drawn in investigation reports that are substantially accepted by the Commission'.

Investigative Activity	Reports in which Conclusions Drawn were Substantially Accepted by Commission								
	1999 – 2000			2000 – 01			2001- 02		
	reports			reports			reports		
	Total	accepted	% acc.	total	accepted	% acc.	total	accepted	% acc.
Assessment*	58	55	94	77	64	83	108	89	82
Review	283	269	95	268	249	93	322	286	89
Investigation*	na	na	na	na	na	na	13	13	100
Audit	1	1	100	3	3	100	11	8	90

* Investigation reports included with Assessment reports in 1999 – 2000 and 2000 – 01.

na: not available

Key Efficiency Indicator:

'Average cost per hour to assess, review, audit and investigate matters'

Component	2001 – 02	2000 - 01
	\$	\$
Salary costs (1)	4,988,658	4,968,822
Other costs (1)	(2) 5,083,530	3,674,607
Total	10,072,188	8,643,429
Total investigative hours (3)	103,178	108,321
Average cost per investigative hour (4)	97.62	79.79

- (1) All costs calculated on an accrual basis. Salary costs include expenditure for annual leave, long service leave and public holidays.
- (2) Variation from 2000-01 due to introduction of Capital User Charge, increased office accommodation charges (lease arrangements), increased computer communications and maintenance charges.
- (3) 2000-01 figure varies from previous Report. Excludes annual leave, long service leave and public holidays.
- (4) All investigations staff time, plus related administrative overheads.

OBLIGATORY REPORTING

CUSTOMER OUTCOMES

Disability Services Plan

The Commission continued to promote the goals of the ACC Disability Services Plan in respect of access to ACC facilities and information, adaptation of services (as required) to meet the special needs of people with disabilities and opportunities for them to participate (as appropriate) in decision making and consultation.

Language and Cultural Diversity

The ACC continues to be sensitive to people's requirements in respect of language and cultural diversity, and relevant specialists and services are used whenever necessary to ensure people reporting allegations, providing information or other evidence, or receiving feedback about Commission activities, are effectively accommodated. Cultural diversity issues related to people, both within and outside the organisation, are addressed by strategies in the ACC's EEO & Diversity Management Plan.

Youth Outcomes

The ACC does not have activities specifically targeted to youth, but staff are mindful of having to deal appropriately with young people who have dealings with the ACC.

Equal Employment Opportunity and Diversity

The ACC *'Equal Employment Opportunity (EEO) and Diversity Management Plan 2001-2004'* was implemented in late 2001 and all staff participated in familiarisation and training sessions on EEO and grievance policy and practices.

Recruitment strategies aimed at increasing representation of women at a more senior level in Operations yielded immediate results, with appointments to the Commission Solicitor and Chief Investigator positions. These strategies will be pursued further over the next year.

Occupational Safety and Health

The ACC *'Occupational Safety and Health Plan'*, was launched in March 2002 and implementation of key strategies has commenced. This will be an area of considerable activity in 2002-03 with the promotion of policies and practices to staff throughout the organisation and attention to any issues of concern by the recently convened Health and Safety Committee.

Eight workers compensation claims were lodged in the period 1 July 2001 to 30 June 2002, resulting in a total of 72 working days being lost.

OTHER ACCOUNTABILITY ISSUES

Information Statement

The Anti-Corruption Commission is an exempt agency under the *Freedom of Information Act 1992*, but wherever possible it responds, within the boundaries of its legislation, to requests for information about its role, responsibilities, policies and administration.

Sections 52 and 54 of the *Anti-Corruption Commission Act 1988* impose severe restrictions on the divulging of information, by people within and outside the ACC, related to allegations of serious misconduct referred to, and/or being acted upon by, the Commission.

A range of information relating to the role and functions of the ACC, and for reporting allegations to the Commission, is available free of charge to assist public authorities and individuals who are concerned about the alleged occurrence of serious misconduct.

The ACC Retention and Disposal Schedule, conforming to *State Records Act 2000* standards, has been approved by the State Records Office.

Compliance with Public Sector Standards

Throughout the year the Anti-Corruption Commission (ACC) has operated in accordance with the requirements of section 31 of the *Public Sector Management Act 1994*. Compliance with the *Public Sector Standards in Human Resource Management*, the *Public Sector Code of Ethics* and the *ACC Code of Conduct* is an explicit requirement in all contracts of employment entered into under the provisions of the *Anti-Corruption Commission Act 1988*. Senior staff share responsibility for management of compliance.

Standards, ethical codes and policies are included in the induction process delivered to all new employees, they have been circulated to all staff and are accessible through the on-line (computer) policy and procedures database. Procedures are in place to deal with breaches of the Standards and ethical codes.

The Human Resources section monitored compliance with the Standards and ethics throughout 2001-02. No breach of Standards claims were substantiated.

The Commission is exempt from *Part Three* of the *Public Sector Management Act 1994*. It establishes its own conditions of employment, however they are generally consistent with conditions applied to the general public sector.

During the year a number of work place issues were raised with the Office of the Public Sector Standards Commissioner (PSSC) and the Worksafe Commissioner, by some (current and former) staff members. In May 2002 meetings held with all staff resulted in 22 work place improvement projects (suggested by staff) being initiated. Several have already been implemented and the remainder are scheduled to be effectively concluded by December 2002.

Advertising (S. 175ze Electoral Act 1907)

During the year the ACC paid a total of \$32,316 to Marketforce for recruitment related advertising.

Waste Paper Recycling

The ACC has explored options for recycling but, to date, has been advised that the method used for disposing of its records (cross shredding), which is warranted because of the sensitive nature of its information, does not enable recycling. This issue will continue to be explored in an effort to enable the agency to comply with the Government policy in this area.

Declaration of Interests

Members of the Commission and ACC staff are, by the terms of their appointment, obliged to disclose material personal interests. In most cases the types of interest declared relates to persons who are subject of or, involved in investigations being known to a Commission member or to a staff member involved directly or indirectly with a matter under investigation. Disclosures by the Commission and ACC staff are dealt with in accordance with sections 50 and 51 of the *Anti-Corruption Commission Act 1988*.

Subsequent Events

There were no subsequent events at the time of writing that impact on the contents of this Report, the Commission, or the ACC.

Regional Development

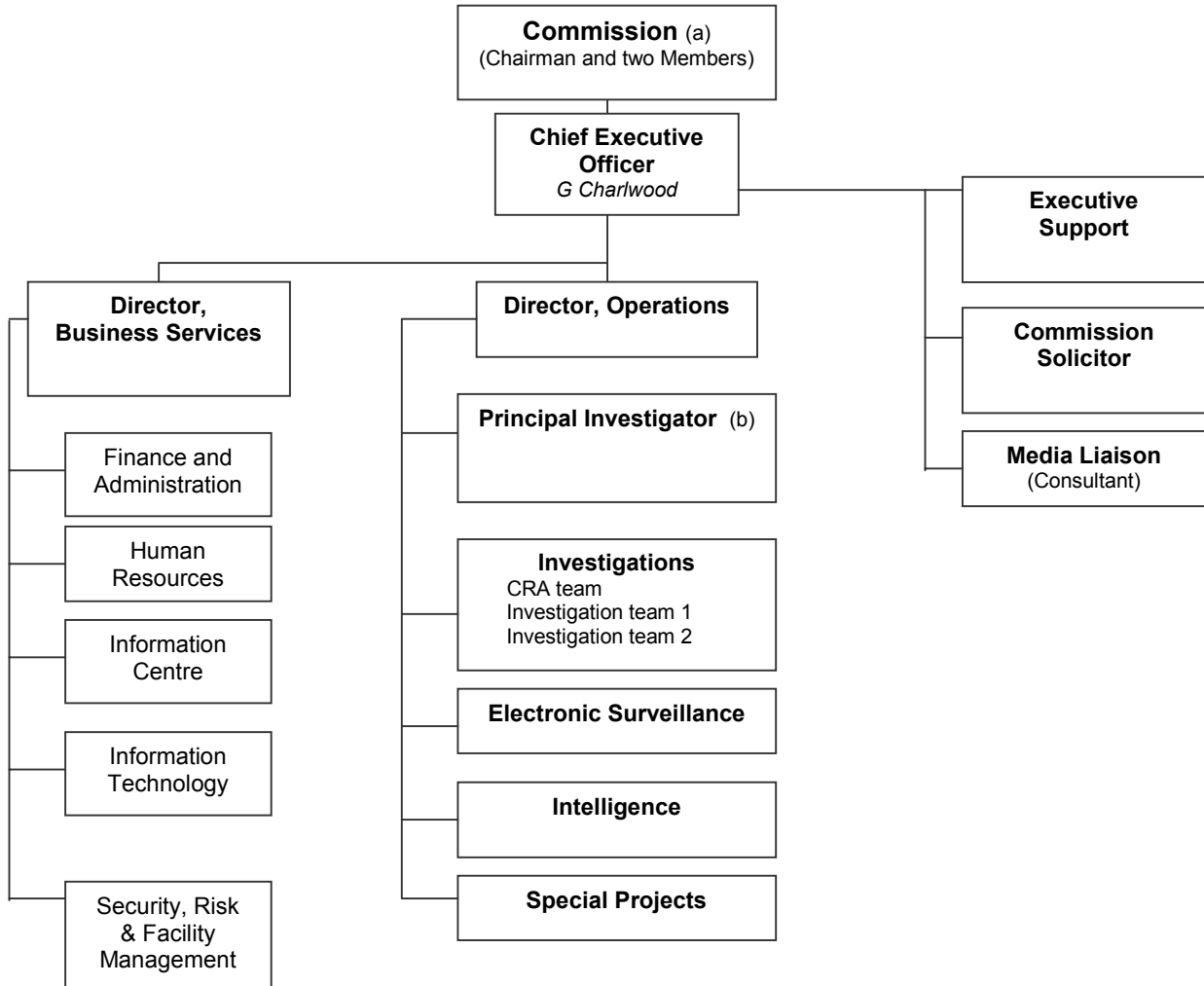
Anti-Corruption Commission responsibilities extend across the State so a toll free number is provided for people seeking to contact the agency from outside the Perth metropolitan area. Where appropriate the Commission and ACC staff comply with regional purchasing and contracting policies and practices.

Extension of time

In accordance with s.70 of the *Financial Administration and Audit Act 1985 (FAAA)* the Chief Executive Officer of the Anti-Corruption Commission sought, and was granted by the Hon Premier, an extension of time to submit the annual report, as required under s.66 of the *FAAA*. The extension (to 6 September 2002) was approved to enable the Commission to conclude its final review of material, while dealing concurrently with extensive media attention related to some significant operational matters underway at the time.

ANTI-CORRUPTION COMMISSION

Organisation as at 30 June 2002



(a) The Anti-Corruption Commission: a body corporate with perpetual succession, established by the **Anti-Corruption Commission Act 1988**; consists of 3 members appointed by the Governor; the Chairman must have held office, or be eligible for appointment, as a Judge or a District Court Judge; the other two members can not be public officers, nor a judicial officer, nor at any time have been a member of the Police Service.

(b) Primary liaison and contact point for the Police Royal Commission.

THE ROYAL COMMISSION INTO POLICE CORRUPTION

In November 2001, the Premier of Western Australia announced the creation of a Royal Commission to:

1. *'inquire into and report on whether since 1st January 1985 there has been –*
 - (a) *corrupt conduct; or*
 - (b) *criminal conduct.**by any Western Australian Police Officer.*

The Royal Commission commenced in March 2002 and is required to report its findings by 31 August 2003.

In addition to considering allegations of corrupt or criminal conduct committed by police officers, the terms of reference for the Royal Commission include a requirement to inquire into and report on :

'...the effectiveness of existing procedures and statutory provisions in investigating and dealing with the conduct of the kind referred to in clause 1 by police officers'; and

'...whether changes in the laws of the State or in investigative or administrative procedures are necessary or desirable for the purpose of investigating or dealing with, preventing or exposing the conduct of the kind referred to in clause 1 by police officers'.

The Anti-Corruption Commission (ACC) will be making detailed submissions to the Royal Commission in relation to these terms of reference.

All information held by the ACC, pertaining to allegations made against police officers, and all details of new allegations are being provided to the Royal Commission.

Detailed reports on eight significant matters dealt with by the ACC have also been provided to the Royal Commission. At the request of the Royal Commissioner further material has been provided in regard to four of these matters. All four involved serious misconduct that allegedly occurred between 1996 and the present. All have been the subject of major investigations by the ACC but, on advice from the Director of Public Prosecutions, have not been the subject of criminal charges.

It is the expectation of the ACC that some, or all, of these matters will be the subject of Royal Commission hearings.

The ACC and representatives of the Royal Commission have weekly liaison meetings to discuss operational matters that may be of interest to the Royal Commission and enable the regular exchange of relevant information.

The ACC provides Royal Commission staff with suitable office accommodation for examining ACC records and with support in accessing ACC information relevant to the Royal Commission's inquiries. Protocols have been developed to govern the relationship between the Royal Commission and the ACC, covering aspects such as on-line 'read only' access to Police matters held on the ACC Allegations database.

**AUDITOR GENERAL****To the Parliament of Western Australia****ANTI-CORRUPTION COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002****Scope**

I have audited the accounts and financial statements of the Anti-Corruption Commission for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Commission.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Commission to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Commission's financial position, its financial performance and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the Anti-Corruption Commission provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2002 and its financial performance and its cash flows for the year then ended.

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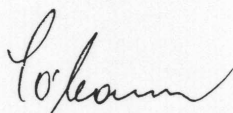
D D R PEARSON
AUDITOR GENERAL
October 10, 2002

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664


ANTI - CORRUPTION COMMISSION
CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

The accompanying financial statements of the Anti - Corruption Commission have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2002 and the financial position as at 30 June 2002.

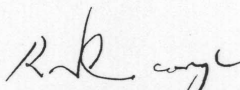
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



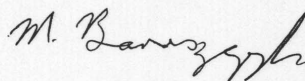
TE O'Connor QC - *Chairman*



DG Doig - *Member*



RN George - *Member*



M Banaszczyk
Principal Accounting Officer

30 August 2002



FINANCIAL STATEMENTS

ANTI-CORRUPTION COMMISSION STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2001/2002 \$	2000/2001 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	3	4,988,658	4,968,822
Depreciation	4	610,386	668,310
Administration expenses	5	2,064,235	1,846,428
Accommodation expenses		880,393	504,726
Superannuation		452,695	410,097
Other staffing costs		236,741	164,222
Travelling expenses		49,985	73,685
Capital user charge	6	789,095	0
Net loss on disposal of non-current assets	7	0	7,139
Total cost of services		10,072,188	8,643,429
Revenues from ordinary activities			
User charges and fees	8	49,716	30,257
Subsidies from Commonwealth	8	0	45,140
Interest revenue		322,867	274,832
Total revenues from ordinary services		372,583	350,229
NET COST OF SERVICES		9,699,605	8,293,200
REVENUES FROM GOVERNMENT			
Output appropriation ⁽ⁱ⁾	9	11,242,000	9,947,367
Resources received free of charge	10	205,508	169,878
Liabilities assumed by the Treasurer		62,896	410,097
Total revenues from Government		11,510,404	10,527,342
CHANGE IN NET ASSETS		1,810,799	2,234,142

⁽ⁱ⁾ Appropriation included capital in 2000/2001

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

ANTI-CORRUPTION COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2002

	Notes	2001/2002 \$	2000/2001 \$
CURRENT ASSETS			
Cash assets	11	6,726,899	5,864,599
Restricted cash assets	12	411,490	295,843
Other assets	13	5,616	30,691
Receivables	14	96,060	113,254
Amounts receivable for outputs	15	70,000	0
Total Current Assets		7,310,065	6,304,387
NON-CURRENT ASSETS			
Office equipment	16	134,184	201,026
General equipment	16	424,165	448,765
Computer equipment	16	321,408	299,754
Property, plant & equipment	16	64,383	75,035
Office establishment	16	2,260,850	1,837,034
Amounts receivable for outputs	15	959,000	0
Total Non-Current Assets		4,163,990	2,861,614
TOTAL ASSETS		11,474,055	9,166,001
CURRENT LIABILITIES			
Payables	17	179,452	202,610
Other liabilities	18	103,438	101,933
Provisions	19	458,703	475,760
Total Current Liabilities		741,593	780,303
NON-CURRENT LIABILITIES			
Provisions	19	393,580	279,615
Total Non-Current Liabilities		393,580	279,615
TOTAL LIABILITIES		1,135,173	1,059,918
NET ASSETS		10,338,882	8,106,083
EQUITY			
Contributed equity	20	422,000	0
Accumulated surplus		9,916,882	8,106,083
TOTAL EQUITY		10,338,882	8,106,083

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

ANTI-CORRUPTION COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2001/2002 \$	2000/2001 \$
CASH FLOWS FROM GOVERNMENT			
Output appropriations		10,213,000	9,547,367
Capital contributions (2000/2001 appropriation)		422,000	400,000
Net cash provided by Government		<u>10,635,000</u>	<u>9,947,367</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(4,970,432)	(4,832,187)
Other staffing costs		(503,723)	(145,936)
Travelling expenses		(49,985)	(76,099)
Administration expenses		(1,893,525)	(1,703,676)
Accommodation expenses		(881,142)	(561,410)
Capital user charge		(787,627)	0
GST paid on purchases		(334,081)	(338,604)
		<u>(9,420,515)</u>	<u>(7,657,912)</u>
Receipts			
User charges and fees		14,995	20,907
Subsidies from Commonwealth		0	45,140
Interest received		322,867	274,832
GST receipts on sales		9,552	18,471
GST receipts from taxation authority		342,846	224,351
		<u>690,260</u>	<u>583,701</u>
Net cash used in operating activities	21	<u>(8,730,255)</u>	<u>(7,074,211)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of assets		(926,798)	(1,354,422)
Proceeds from sale of non-current assets			6,000
Net cash used in investing activities		<u>(926,798)</u>	<u>(1,348,422)</u>
TOTAL CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		<u>(9,657,053)</u>	<u>(8,422,633)</u>
Net increase in cash held		977,947	1,524,734
Cash assets at the beginning of the financial year		6,160,442	4,635,708
CASH ASSETS AT THE END OF THE FINANCIAL YEAR		<u>7,138,389</u>	<u>6,160,442</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. Commission outcomes and funding

The Anti-Corruption Commission's role is to ensure that all allegations of official corruption or serious improper conduct against public officers including police officers and Members of Parliament are properly assessed to determine whether further action is warranted in accordance with the *Anti-Corruption Commission Act 1988*. The further action may include investigation by the Anti-Corruption Commission itself.

The Commission is funded from a parliamentary appropriation.

2. Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the preceding year.

(a) General statement

(i) Subject to the exceptions noted in these accounting policies, the financial statements have been drawn up on the basis of historical cost principles.

(ii) The accrual basis of accounting is being applied.

(iii) The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and UIG Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by Treasurer's Instructions to vary the application, disclosure, format and wording. The *Financial Administration and Audit Act* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements. If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable the resulting financial effect are disclosed in the individual notes to these financial statements.

(b) Output appropriations

Output appropriations are recognised as revenues in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited into the Commission's bank account or credited to the *FAAA* sec 27(1) holding account held at the Department of Treasury and Finance.

(c) Contributed equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriation) have been designated as

contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position. All other transfers have been recognised in the Statement of Financial Performance. Prior to the current reporting period, capital appropriations were recognised as revenue in the Statement of Financial Performance. Capital appropriations which are repayable to the Treasurer are recognised as liabilities.

(d) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(e) Net appropriation determination

Pursuant to section 23A of the *Financial Administration and Audit Act*, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Commission:

Proceeds from fees and charges.

Retained revenues may only be applied to the outputs specified in the 2001/2002 Budget Statements.

(f) Employee entitlements

Annual leave

This entitlement is recognised at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees service up to that date.

Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit and lump sum scheme now also closed to new members. Staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The superannuation expense comprises the following elements:

(i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and

(ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Commission in the current year.

A revenue "Liabilities assumed by the Treasurer" equivalent to (i) is recognised under Revenues from Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

From 1 July 2001 employer contributions were paid to the GESB in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. Prior to 1 July 2001, the unfunded liability in respect of these Schemes was assumed by the Treasurer. An amount equivalent to the employer contributions which would have been paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme if the Commission had made concurrent employer contributions to those Schemes, was included in superannuation expense. This amount was also included in the revenue item "Liabilities assumed by the Treasurer".

(g) Non-current assets and depreciation

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits. Depreciation has been charged on a straight line basis, using rates which are reviewed annually. Useful lives for each class of assets:

Property, Plant & Equipment	5 –10 years
Computer Equipment	3 years
Office Equipment	5 years
General Equipment	2 – 5 years
Office Establishment	5 –10 years

(h) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets.

(i) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

(j) Leases

The office accommodation occupied by the Commission is under a head lease between the lessor and the Commercial Property Branch of the Department of Housing and Works. The Authority has entered into operating lease arrangements for buildings and motor vehicles where the lessors effectively retain all the risks and benefits incident to ownership of the items held under the operating leases. Equal

instalments of the lease payments are charged to the operating statement over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

(k) Accrued salaries

Accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26 pays. No interest is received on this account.

Accrued salaries represents the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year.

(l) Payables

Payables, including accruals not yet billed, are recognised when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(m) Resources received free of charge

Resources received free of charge which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(n) Comparative figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(o) Rounding

Amounts in the financial statements have been rounded to the nearest dollar.

	2001/2002 \$	2000/2001 \$
3 Employee expenses		
Salaries and sitting fees	4,970,470	4,861,911
Annual and long service leave expense	18,188	106,911
	<u>4,988,658</u>	<u>4,968,822</u>
4 Depreciation		
Office equipment	88,113	82,359
Computer equipment	169,962	200,755
General equipment	138,915	183,864
Property, plant and equipment	12,147	12,031
Office establishment	201,249	189,301
	<u>610,386</u>	<u>668,310</u>
5 Administrative expenses		
Communication	267,160	178,035
Services and contracts	1,336,284	1,307,573
Consumables	460,791	360,820
	<u>2,064,235</u>	<u>1,846,428</u>
6 Capital user charge		
	789,095	0
<p>A capital user charge rate of 8% has been set by the Government for 2001/2002 and represents the opportunity cost of capital invested in the net assets of the Commission used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.</p>		
7 Disposal of non current assets		
Loss on disposal of non-current assets		
General equipment	0	3,398
Computer equipment	0	59
Property, plant and equipment	0	3,682
	<u>0</u>	<u>7,139</u>
Gross proceeds on disposal of assets		
General equipment	0	6,000
8 Revenue from ordinary activities		
Contributions by senior officers to the Executive Vehicle Scheme	9,830	6,651
Revenue from other services	39,886	23,606
	<u>49,716</u>	<u>30,257</u>
Subsidies from Commonwealth (Recoup of funds for radio frequency migration)	0	45,140

	2001/2002 \$	2000/2001 \$
9 Revenues from Government		
Appropriation revenue received during the year		
Output appropriations (i)	11,242,000	9,547,367
Capital appropriations (ii)	0	400,000
	<u>11,242,000</u>	<u>9,947,367</u>

(i) Output appropriations are accrual amounts as from 01 July 2001, reflecting the full price paid for outputs purchased by the Government. The appropriation revenue comprises a cash component and a receivable (asset). The receivable comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(ii) Capital appropriations were revenue in 2000/2001 (year ended 30 June 2001). From 01 July 2001 capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.

10 Resources received free of charge

Resources received free of charge have been determined on the basis of the following estimates provided by agencies.

Office of the Auditor General		
Audit services	12,500	11,000
Department of Housing and Works		
Property management	1,034	916
Department of Justice - Crown Solicitors' Office		
Legal services	55,749	54,040
Department of the Premier and Cabinet		
Financial management services	47,119	57,058
Protocol, transport and securities services	0	5,158
Personnel, payroll services, HR advisory services and recruitment	86,782	40,200
Department of Land Administration	2,324	1,506
	<u>205,508</u>	<u>169,878</u>
11 Cash assets		
Operating bank account at Treasury	6,726,899	5,864,599
12 Restricted cash assets		
Accrued salaries suspense account	195,000	195,000
Bank account - capital	216,490	100,843
	<u>411,490</u>	<u>295,843</u>
13 Other assets		
Amounts prepaid in respect of goods and services as at		
30 June 2001	0	30,691
30 June 2002	5,616	0

		2001/2002	2000/2001
		\$	\$
14 Receivables			
Represents net GST receivable			
	GST receivable	97,416	115,937
	GST Payable	(1,356)	(2,683)
		96,060	113,254
15 Amounts receivable for outputs			
Current			
		70,000	0
Non-current			
		959,000	0
		1,029,000	0
<p>This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.</p>			
16 Property, plant and equipment			
Office equipment			
	At cost	473,243	451,972
	Accumulated depreciation	(339,059)	(250,946)
		134,184	201,026
General equipment			
	At cost	1,348,747	1,234,432
	Accumulated depreciation	(924,582)	(785,667)
		424,165	448,765
Computer equipment			
	At cost	1,025,427	850,919
	Accumulated depreciation	(704,019)	(551,165)
		321,408	299,754
Property, plant and equipment			
	At cost	109,199	107,704
	Accumulated depreciation	(44,816)	(32,669)
		64,383	75,035
Office establishment			
	At cost	2,984,865	2,359,797
	Accumulated depreciation	(724,015)	(522,763)
		2,260,850	1,837,034
Total			
	At cost	5,941,481	5,004,824
	Accumulated depreciation	(2,736,491)	(2,143,210)
		3,204,990	2,861,614

Non-current assets reconciliation for 2001/2002

	Office equipment	General equipment	Computer equipment	Property, plant & equipment	Office establishment	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at start of the year	201,026	448,765	299,754	75,035	1,837,034	2,861,614
Additions	21,271	114,315	191,616	1,495	625,065	953,762
Disposals						
cost of assets	0	0	(17,109)	0	0	(17,109)
accumulated depreciation	0	0	17,109	0	0	17,109
Revaluation increments	0	0	0	0	0	0
Depreciation	(88,113)	(138,915)	(169,962)	(12,147)	(201,249)	(610,386)
Write-offs						
cost of assets	0	0	0	0	0	0
accumulated depreciation	0	0	0	0	0	0
Carrying amount at end of the year	134,184	424,165	321,408	64,383	2,260,850	3,204,990

Non-current assets reconciliation for 2000/2001

	Office equipment	General equipment	Computer equipment	Property, plant & equipment	Office establishment	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at start of the year	234,830	292,608	223,635	80,139	1,353,156	2,184,368
Additions	48,555	349,419	276,933	10,609	673,179	1,358,695
Disposals						
cost of assets	0	(38,447)	(117,800)	(5,200)	0	(161,447)
accumulated depreciation	0	29,049	117,800	1,518	0	148,367
Revaluation increments	0	0	0	0	0	0
Depreciation	(82,359)	(183,864)	(200,755)	(12,031)	(189,301)	(668,310)
Write-offs						
cost of assets	0	0	(30,722)	0	0	(30,722)
accumulated depreciation	0	0	30,663	0	0	30,663
Carrying amount at end of the year	201,026	448,765	299,754	75,035	1,837,034	2,861,614

17 Payables

	2001/2002 \$	2000/2001 \$
Amounts payable for goods and services received as at		
30 June 2001	0	202,610
30 June 2002	179,452	0

	2001/2002 \$	2000/2001 \$
18 Other liabilities		
Capital user charge	1,468	0
Accrued salaries owing for 6 days		
30 June 2001	0	101,933
30 June 2002	101,970	0
	<u>103,438</u>	<u>101,933</u>
19 Provisions		
Current liabilities		
Annual leave	287,370	271,583
Long service leave	128,642	204,177
Other (i)	42,691	0
	<u>458,703</u>	<u>475,760</u>
Non-current liabilities		
Long service leave	357,548	279,615
Other (i)	36,032	0
	<u>393,580</u>	<u>279,615</u>

- (i) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and RiskCover premiums. The liability for such on-costs is included here.

Employee entitlements

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

Provision for employee entitlements:

Current	458,703	475,760
Non-current	393,580	279,615
	<u>852,283</u>	<u>755,375</u>

20 Equity

Contributed equity		
Opening balance	0	0
Capital contributions (i)	422,000	0
Closing balance	<u>422,000</u>	<u>0</u>

- (i) From 01 July 2001 capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited straight to equity in the Statement of Financial Position.

Accumulated surplus		
Opening balance	8,106,083	5,871,941
Change in net assets	1,810,799	2,234,142
Closing balance	<u>9,916,882</u>	<u>8,106,083</u>

21 Notes to the Statement of Cash Flows**a Reconciliation of cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets	6,726,899
Restricted cash assets	411,490
	<u>7,138,389</u>

b Reconciliation of net cash used in operating activities to net cost of services for the year 30 June 2002

For the purpose of the Statement of Cash Flows, 'Cash' has been deemed to include cash on hand and amounts in suspense.

	2001/2002 \$	2000/2001 \$
Net cost of services	(9,699,605)	(8,293,200)
Non cash items		
Depreciation expenses	610,386	668,310
Superannuation expenses	62,896	410,097
Resources received free of charge	205,508	169,878
(Profit) / Loss on sale of non-current assets	0	7,139
(Increase) / Decrease in assets		
Other assets	25,075	(28,556)
Increase / (Decrease) in liabilities		
Payables	(50,122)	(41,841)
Other Liabilities	1,505	11,413
Provisions	96,908	125,222
Change in GST in receivables / payables	17,194	(102,673)
Net cash used in operating activities	(8,730,255)	(7,074,211)

22 Remuneration of members of the Accountable Authority and Senior Officers**a Remuneration of members of the Accountable Authority**

The number of members of the Accountable Authority whose total of fees, salaries, superannuation and other benefits for the financial year fall within the following bands are:

\$	\$	2001/2002	2000/2001
70,001-	80,000	0	0
80,001-	90,000	1	2
90,001-	160,000	1	0
170,001-	190,000	1	1

The total remuneration of the members of the Accountable Authority is: 360,927 355,928

The superannuation included here represents the superannuation expense incurred by the Commission in respect of members of the Accountable Authority.

Number of members of the Accountable Authority who are members of the Pension Scheme: 0 0

b Remuneration of Senior Officers

The number of Senior Officers other than members of the Accountable Authority whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	\$	2001/2002	2000/2001
10,001-	20,000	0	0
30,001-	40,000	0	0
40,001-	60,000	0	1
60,001-	70,000	1	0
70,001-	80,000	0	1
80,001-	90,000	2	3
90,001-	100,000	0	2
100,001-	110,000	1	0
110,001-	130,000	2	1
130,001-	150,000	0	1
150,001-	170,000	0	0
190,001-	220,000	1	1

2001/2002	2000/2001
\$	\$
799,780	1,015,421

The total remuneration of senior officers is:

The superannuation included here represents the superannuation expense incurred by the Commission in respect of Senior Officers other than senior officers reported as members of the Accountable Authority.

Number of senior officers who are members of the Pension Scheme: 1 1

23 Explanatory Statement

a Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$200,000.

	2001/2002	2000/2001	Variance
	\$	\$	\$
Cost of services			
Administration expenses	2,064,235	1,846,428	217,807
(increased use of Computing Communications - \$ 75,000, temporary staff - \$ 50,000, maintenance costs for computers - \$ 35000. Other minimal increases in professional services and insurance.)			
Accommodation expenses	880,393	504,726	375,667
(2000/2001 included a rent free year as part of the lease agreement. Full rental costs applied in 2001/02)			
Superannuation	452,695	410,097	42,598
Other staffing costs	236,741	164,222	72,519
(2001/02 included Superannuation on costs of \$ 75,549)			

Travelling expenses	49,985	73,685	(23,700)
(Reduction of travelling costs in conformance with governments decision)			
Capital user charge	789,095	0	789,095
(Introduction by Treasury as recognition of the opportunity cost of Capital)			
Revenues from ordinary activities			
User charges and fees	49,716	30,257	19,459
(Salary packing GST credits in 2001/02)			
Interest revenue	322,867	274,832	48,035
(Increase in interest revenue as a result of higher Bank Balance)			

b Significant variations between estimates and actual results for the financial year

Details and reasons for significant variations between are detailed below. Significant variations are considered to be those greater estimates and actual results than 10% or \$200,000

Recurrent expenditure	\$
Budget	12,211,000
Actual	10,072,188
Variation	<u>2,138,812</u>

(Budget forecast included operating on a complement of 85 FTE, however the Actual result ended in 77FTE. This resulted in salary savings of about \$ 500,000. Also, the introduction of Public Hearings was forecast in the Budget figures, but this did not go ahead, resulting in \$ 956,000 being unspent. Other variations were spread depreciation estimates and Superannuation forecasts.)

Revenue

Budget	295,000
Actual	372,583
Variation	<u>(77,583)</u>

(Increase in interest revenue as a result of higher bank balances and Salary packaging GST credits)

Capital expenditure

Budget	1,610,000
Actual	953,766
Variation	<u>656,234</u>

(Timing of Project expenditure was delayed largely as a result of Funding issues. This consequently resulted in Committed Capital Expenditure for the year amounting to about \$ 875,000)

24 Property written off, loss of public money and gifts of public property

	2001/2002	2000/2001
Write-offs	\$	\$
Obsolete Computer Equipment written off	0	30,722

	2001/2002 \$	2000/2001 \$
25 Lease commitments		
These commitments relating to motor vehicles and office accommodation leases are due for payment:		
within 1 year	628,610	690,000
later than 1 year but not later than 5 years	1,097,445	1,652,056
later than 5 years	0	0
	<u>1,726,055</u>	<u>2,342,056</u>

26 Additional financial instruments disclosures

a Interest rate risk exposure

The Commission's exposure to interest rate risk at **30 June 2002** are:

	Weighted Average Effective Rate %	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Assets	4.65			
Cash assets		6,726,899	0	6,726,899
Restricted cash assets		0	411,490	411,490
Receivables		0	96,060	96,060
Amounts receivable for outputs		0	1,029,000	1,029,000
Total financial assets		<u>6,726,899</u>	<u>1,536,550</u>	<u>8,263,449</u>
Liabilities				
Payables			179,452	179,452
Other liabilities			103,438	103,438
Provisions			852,283	852,283
Total financial liabilities			<u>1,135,173</u>	<u>1,135,173</u>
Net financial assets		<u>6,726,899</u>	<u>401,377</u>	<u>7,128,276</u>

The Commission's exposure to interest rate risk at **30 June 2001** were:

	Weighted Average Effective Rate %	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Assets	5.774			
Cash assets		5,864,599	0	5,864,599
Restricted cash assets		0	295,843	295,843
Receivables		0	113,254	113,254
Amounts receivable for outputs		0	0	0
Total financial assets		<u>5,864,599</u>	<u>409,097</u>	<u>6,273,696</u>

Liabilities

Payables	202,610	202,610
Other liabilities	101,933	101,933
Provisions	755,375	755,375
Total financial liabilities	<u>1,059,918</u>	<u>1,059,918</u>
Net financial assets	<u>5,864,599</u>	<u>(650,821) 5,213,778</u>

b Credit risk exposure

All financial assets are unsecured. The carrying amount represents the Commission's maximum exposure to credit risk in relation to those assets.

c Net fair values

The carrying amount of financial assets and liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the Financial Statements.

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The ACC can be contacted anonymously

All information provided to the ACC is treated as confidential

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