



**ANTI-
CORRUPTION
COMMISSION**

THE FINAL REPORT

1 July 2003 to 26 May 2004

WESTERN AUSTRALIA

Hon Dr G I GALLOP BEc MA MPhil DPhil MLA

Premier of Western Australia

In accordance with the provisions of the *Financial Administration and Audit Act 1985* and the *Corruption and Crime Commission Amendment and Repeal Act 2003*, I hereby submit for your information and submission to Parliament the Final Report for the Anti-Corruption Commission for the period 1 July 2003 to 26 May 2004.

A handwritten signature in black ink, appearing to read 'M. Banaszczyk', written in a cursive style.

Mick Banaszczyk

REPORTING OFFICER

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CHAIRMAN'S OVERVIEW

This is the final report of the Anti-Corruption Commission (ACC). As I write the process of handover to the Corruption and Crime Commission (CCC), which has replaced the ACC, is almost complete.

Despite what has been a demanding and often frustrating time for the ACC since it commenced (with just 6 staff) in early 1997, it has achieved significant outcomes. I have no doubt that it has established a sound foundation for combating corruption and serious misconduct in our State public administration.

The Commission started with nothing 7 years ago and, in its time, set up an organisation that enabled it to deal with around 3,900 individual matters involving more than 9,500 separate allegations and over 4,000 individual public officers.

Bodies such as the ACC are invariably set up as a result of serious community concerns about the failure of powerful or influential public officers to act with integrity and honesty. The tasks confronting them are difficult, at times controversial and, often thankless.

Increasing complexity in public administration combined with the growing sophistication of people involved in corrupt behaviour ensures the business of detecting and combating misconduct remains a significant challenge.

At the outset it was evident that the ACC did not have the necessary powers to function as effectively as it might have but, despite those difficulties, the Commission has been successful.

The ACC has been instrumental in having a significant number of public officers dealt with for serious misconduct both through the courts and by internal departmental procedures. This has removed from public administration a considerable number of people whose conduct fell well short of public sector ethical standards and community expectations.

Furthermore, the Commission caused a substantial number of policies, standards, practices and systems in public authorities to be revised, thus minimising opportunities for serious misconduct to occur or go undetected.

The activities of the ACC have heightened the awareness of the need for ethical behaviour throughout the public sector. This has led to an increased focus on the need to detect and disclose suspected serious misconduct.

The bulk of the matters addressed by the Police Royal Commission were matters investigated previously by the ACC and provided to the Royal Commission. Because it had powers not possessed by the ACC, in some cases the Royal Commission was able to add further information to that obtained in previous ACC investigations. Most of the material used in public hearings had been gathered by the ACC. It is pleasing to note that, throughout the entire conduct of the Royal Commission, there was no criticism made of any ACC investigations.

The ACC also provided substantial support to the Royal Commission through joint operations involving both bodies.

In light of these achievements I have been dismayed and concerned by uninformed and unsubstantiated criticisms of the ACC and its people. These criticisms have done little or nothing to advance the business of combating corruption. To the contrary, they had the effect of diminishing the authority of the ACC and serving the interests of individuals and groups subject to investigation for alleged serious criminal or corrupt conduct.

I have previously expressed concerns about deficiencies in the ACC Act, in particular the requirement for confidentiality, which has led to claims of secrecy and a lack of transparency and accountability.

The past 18 months have been particularly difficult for ACC staff because of continued uncertainty about their future employment conditions and unjustified criticism of their performance. Processes adopted to effect the transition of responsibility from the ACC to the CCC have not reflected well on the Government or the central agencies involved. Indeed, the transfer of responsibility has been anything but seamless.

Having said that, I wish the Corruption and Crime Commission well in its future endeavours. I have been particularly pleased that, in creating the new body, the Government has taken up many of the recommendations made by the ACC on the powers appropriate to such a body.

Knowing full well the challenges facing the CCC, I am disappointed that it does not appear inclined to make use of ACC resources and experience. Of particular concern is the potential for loss of extensive corporate knowledge if, as appears likely, only a few ACC staff will be employed by the CCC.

Finally my fellow Commissioners, both current and former, join with me in thanking our staff for their professionalism, dedication and persistence in a role that has been very demanding and difficult, and in the face of (mostly unjustified) abuse and criticism which, unfortunately, is a part of working in the business of combating corruption. It is disappointing when that criticism comes from people who should know better.

Our people have persevered because of their realisation that the work they were doing was for the benefit of the community and their commitment has been commendable.



T E O'Connor QC

Chairman

CHIEF EXECUTIVE OFFICER'S STATEMENT

In this, my final overview of Anti-Corruption Commission (ACC) operations, I echo the sentiments expressed by the Commission Chairman in relation to agency achievements and the dedication and professionalism of staff who, over the last seven years, have remained committed to their task working in an environment that was always demanding and, at times, extremely hostile.

From my perspective there is no doubt the Commission fulfilled its Mission of exposing corruption by holders of Western Australian public office, in order to provide the community with better public services and administration. Its work has resulted in considerable and notable changes to policies, procedures and practices in the Police Service and other public authorities throughout the public sector

For instance, arising out of an ACC Special Investigation into operations of the Police Drug Squad, accountability procedures in relation to drug searches were significantly enhanced with introduction of the need for all searches to be recorded, and secured, on video. In addition, a separate money counting room was established so that cash seized during searches could be properly accounted for and recorded. Crime Operations also developed and articulated a state-wide informant management plan.

ACC investigations into certain Police Armed Robbery Squad (ARS) activities resulted in a number of work practices and controls being changed. Subsequently, the ARS was disbanded and its role taken over by Major Crime. Greater importance was placed on Standard Operating Procedures (SOP's), with written policy and work practice statements being introduced for the Major Crime and Organised Crime areas.

Sustained ACC arguments for a change of attitude throughout the Police Service in relation to unauthorized computer accesses resulted in the issuing of written policy and introduction of a statewide education program to guide and instruct officers on the proper use of the Police Service computer network. ACC recommendations also prompted a change of policy regarding Police Journals and Notebooks, resulting in them being viewed as accountable records and official property of the Police Service, rather than of individual police officer's. When completed, all journals and notebooks are now retained by the Service and archived as official records.

As part of its regular liaison with senior Police staff, the ACC supported the Police Internal Affairs Unit in taking a more robust and pro-active approach to reports of, and investigations into, serious misconduct. As appropriate, the ACC and the Police Service engaged in joint operations investigating alleged serious misconduct by both Police and other public officers. A number of investigations, conducted either independently by the ACC or jointly with the Police, resulted in police officers being dismissed, or resigning from the Police Service.

The ACC worked jointly with a range of other public authorities, in particular those responsible for Justice, Health, Local Government and Education, to address matters of common interest and to effect improvements in the quality of reporting, complaint assessment and investigation of allegations of serious misconduct.

Issues that received particular attention involved the management of tendering and contracts, prison officers taking drugs into prisons - for prisoners, serious misuse of corporate credit cards, misappropriation of official funds, breaches of official licensing regulations and, abuse of official positions for personal gain. Investigations led to substantial enhancements to agency or public sector-wide policies, procedures and

standards and, in a number of instances, to public officers being subject to disciplinary action, dismissed, resigning or being imprisoned.

These outcomes, together with the information, guidance and advice provided to public authorities on detecting, addressing and preventing corruption have contributed to the Western Australian community having a more ethical and accountable public administration.

I thank all the Commission members (both current and former) for their considered direction, guidance and support, and again express my gratitude to all those staff who have worked with such conviction and enthusiasm in the Commission over the past seven years.

A handwritten signature in cursive script, appearing to read 'Graeme Charwood'.

Graeme Charwood

Chief Executive Officer

FINAL REPORT OF THE ANTI-CORRUPTION COMMISSION

This final Report of the Anti-Corruption Commission (ACC) outlines the organisation's performance from 1 July 2003 to 26 May 2004, the date on which it was abolished.

Over the reporting period the ACC continued to work towards effectively meeting its primary role (as defined in the *Anti-Corruption Commission Act 1988 - the 'Act'*) of ensuring that allegations of 'serious misconduct' by Western Australian public officers were properly investigated or otherwise dealt with.

Until 31 December 2003 the ACC was authorised to receive all allegations of serious misconduct from principal executive officers of WA public authorities, individual public officers and members of the general public, and to ensure those matters were properly addressed.

From 1 January 2004 the Corruption and Crime Commission (CCC), which replaces the ACC, assumed responsibility for receiving and subsequently dealing with such allegations.

From 1 January to 26 May 2004 the ACC continued to deal (as appropriate) with allegations that had been reported to it up to 31 December 2003, working towards the smooth, progressive transition of all responsibility to the CCC.

SERIOUS MISCONDUCT

'Serious misconduct' involved unacceptable conduct or behaviour by public officers, and included:

Corrupt Conduct	Dishonestly taking advantage of, or misusing, their position for personal gain.
Criminal Conduct	Actively engaging in, or being involved in, the committing of certain <i>Criminal Code</i> offences while acting in their official capacity.
Serious Improper Conduct	Breaching trust; not being honest or impartial in the performance of official duties; engaging in behaviour that constitutes a breach and which could result in dismissal.

PUBLIC OFFICERS

'Public officer', as defined by the *ACC Act*, included:

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

SERIOUS MISCONDUCT REPORTED TO THE ACC: July To December 2003

Matters received (by Commission): 1 July to 31 December 2003					
Alleged Serious Misconduct x Public Authority					
Alleged Serious Misconduct	Public Authority - matters received				
	Police	Gov. Dept.	Local Gov.	Other Public Auth.	Total
CORRUPT	1	1	3	0	5
Gifts and favours		1			1
Association leading to gifts and favours					0
Other	1		3		4
CRIMINAL	49	19	6	4	78
Corruption - abuse of public office for benefit		1	2	1	4
Disclosure of official secrets	14	1	1		16
Falsification of records by public officer	1	2	1		4
Fraud		2			2
Intent to pervert/defeat course of justice	1		1		2
Perjury	2				2
Stealing	11	9	1		21
Threats with intent to influence	4				4
Unlawful operation of a computer system	10	3		1	14
Other	6	1	1	1	9
SERIOUS IMPROPER	37	69	13	2	121
Assault	4	21	1		26
Conducting secondary employment	2				2
Disclosure of information		1	2		3
Drugs	4	4			8
Failure to disclose personal interest/information			2		2
Improper association					0
Improper conduct	14	17	4	1	36
Improper use of computers	1	5			6
Misuse of corporate credit card/Government funds	1	4	2	1	8
Misuse of leave entitlements	1	1			2
Sexual assault/harassment	1	14	1		16
Threats	1				1
Other	8	2	1		11
Unclassified	1			1	2
Outside Jurisdiction	3	2	1		6
TOTAL	91	91	23	7	212

The above figures illustrate that, although much has been done over the past 7 years, throughout WA public administration, to combat serious misconduct, the detection and prevention of unacceptable behaviour by public officers remains a significant challenge.

ACC OPERATIONAL ACTIVITY: July to December 2003

Enquiries received by the ACC about alleged serious misconduct			119
'Active' Matters (subject to investigation or other action) carried over from 2002-03			305
'New' Matters reported to ACC, in the period:			212
Reported by -	Public authorities	192	91%
	Individuals	17	8%
	ACC initiated	3	1%
Relating to public officers in -	WA Police Service	91	43%
	Government Departments	91	43%
	Local government	23	11%
	Other Public Authorities	7	3%
Alleged misconduct -	Corrupt	5	2%
	Criminal	78	37%
	Serious Improper	121	57%
	Outside ACC's jurisdiction	6	3%
	Unclassified	2	1%
'Total Active' Matters on ACC records, in the period			517
Matters referred to 'other authorities' for action, in the period			60
Review and Audit (by ACC) of 'other authority' Investigation Reports			114
Active Matters under ACC investigation or other action, in the period			68
Matters (under Investigation by the ACC) finalised, in the period			26
Total Matters finalised by the Commission, in the period:			290
	Allegations substantiated	53	18%
	Allegations unsubstantiated	65	23%
	Other outcomes ^(a)	172	59%
Telecommunications Interception Warrants obtained and/or executed by the ACC, in the period:			12
	ACC-specific operations		12
Notices obtained and executed by the ACC, in the period:			
		77	22
	Section 37 Notices	12	5
	Section 38 Notices	36	10
	Section 44 Notices	29	7
Physical Surveillance conducted in support of investigations:			
		28	11
	Relating to -		
	WA Police Service	14	5
	Other Public Authorities	14	6
Matters being considered by the Director of Public Prosecutions:			10
	Relating to public officers in -		
	WA Police Service		7
	Other Public Authorities		3
Matters finalised by the DPP			7
Matters progressed to Court			2

- (a) Includes investigations that are inconclusive, where investigation is not in public interest, where investigation is not justified, where the public officer is deceased or transferred, where a matter is outside ACC jurisdiction, or where there is insufficient evidence.

INVESTIGATING SERIOUS MISCONDUCT

The ACC investigated those allegations concerning the more serious forms of misconduct or those involving senior police and public officers, principal executive officers, and Members of Parliament. Most other allegations were investigated and further dealt with by the authority that employed or was otherwise responsible for the officer(s) involved.

Of the 68 matters investigated by the ACC during the 6 months to 31 December 2003, 26 were finalised, and 42 were still active at the end of the period.

In some instances, after initial assessment of allegations the Commission referred matters to other appropriate authorities (eg the Police Service) for further action, but it continued to oversight whatever action was taken.

OUTCOMES OF INVESTIGATIONS: July to December 2003

Of the 517 'active' matters on ACC records in the 6 months to 31 December 2003, 290 were finalised by the Commission (ACC case files closed).

In 53 (18%) of those 290 matters, investigations revealed the allegations to be substantiated, and in 65 matters (23%) the allegations were determined to be unsubstantiated.

In a further 26 (9%) finalised matters, there was insufficient evidence to determine the substance of the allegations.

In 139 (48%) finalised matters, allegations were either outside the ACC's jurisdiction; the evidence was inconclusive; allegations were found to have been the subject of adequate prior investigation; or the pursuit of further action was deemed to be not justified or not in the public interest.

In respect of the 290 finalised matters, the following table indicates the areas of WA public administration (ie public authorities) to which allegations related.

MATTERS FINALISED BY THE COMMISSION: July to December 2003

Outcome x Serious Misconduct x Public Authority

Public Authority	Outcome of matters finalised: 1 July to 31 December 2003									
	Allegations Substantiated				Allegations Unsubstantiated				Other (a)	Total
	CC	CrC	SIC	Total	CC	CrC	SIC	Total		
Police Service	4	14	5	23	2	23	18	43	72	138
Government Departments	1	8	14	23	0	5	5	10	71	104
Local Government	1	2	1	4	2	2	1	5	22	31
Other	0	2	1	3	1	3	3	7	7	17
Total	6	26	21	53	5	33	27	65	172	290

Note: CC: Corrupt Conduct CrC: Criminal Conduct SIC: Serious Improper Conduct
(a) Includes matters determined to be 'outside ACC jurisdiction' and 'unclassified' matters

MATTERS FINALISED BY THE COMMISSION: July to December 2003

Matters finalised (by Commission): 1 July to 31 December 2003					
Alleged Serious Misconduct x Public Authority					
Alleged Serious Misconduct	Public Authority - matters finalised*				
	Police	Gov. Dept.	Local Gov.	Other Public Auth.	Total
CORRUPT	7	2	3	2	14
Gifts and favours	1	1	1		3
Association leading to gifts and favours					0
Other	6	1	2	2	11
CRIMINAL	71	28	8	7	114
Corruption - abuse of public office for benefit	3	3	1	3	10
Disclosure of official secrets	17		1		18
Falsification of records by public officer	1	1	1		3
Fraud		6	1		7
Intent to pervert/defeat course of justice	7	1			8
Perjury	3		1	1	5
Stealing	18	9	2	2	31
Threats with intent to influence	2				2
Unlawful operation of a computer system	14	5			19
Other	6	3	1		10
SERIOUS IMPROPER	52	71	16	6	145
Assault	1	25		2	28
Conducting secondary employment		1			1
Disclosure of information	2	2	1		5
Drugs	15	3			18
Failure to disclose personal interest/information		1	4		5
Improper association		2			2
Improper conduct	18	16	4	3	41
Improper use of computers	2	3			5
Misuse of corporate credit card/Government funds		3	2		5
Misuse of leave entitlements	1	2			3
Sexual assault/harassment	4	12	3	1	20
Threats	4				4
Other	5	1	2		8
Unclassified	1			1	2
Outside Jurisdiction	7	3	4	1	15
TOTAL	138	104	31	17	290

* Matter finalised – ACC case file closed.

ALLEGATIONS SUBSTANTIATED: July to December 2003

Outcome x Police x Other Public Authorities

Outcome	Matters		
	Total	Police Service	Other public Officers
Disciplinary action	30	14 (47%)	16 (53%)
Criminal Charges laid	19	6 (32%)	13 (68%)
Administrative action	4	3 (75%)	1 (25%)
Total	53	23 (43%)	30 (57%)

Public Authority & Outcome x Serious Misconduct

Public Authority and Outcome	Substantiated Allegations - matters finalised			
	Serious Misconduct *			
	Total	CC	CrC	SIC
Police Service:	23	4	14	5
Administrative Action	3	1	1	1
Disciplinary Action	14	1	10	3
Criminal Charges laid	6	2	3	1
Government Department's:	23	1	8	14
Administrative Action	1		1	
Disciplinary Action	13	1	5	7
Criminal Charges laid	9		2	7
Local Government:	4	1	2	1
Administrative Action				
Disciplinary Action	2		2	
Criminal Charges laid	2	1		1
Other Public Authority:	3		2	1
Administrative Action				
Disciplinary Action	1			1
Criminal Charges laid	2		2	
Total	53	6	26	21

* CC: Corrupt Conduct CrC: Criminal Conduct SIC: Serious Improper Conduct

Action Taken x Serious Misconduct x Public Authority: 1 July to 31 December 2003

Serious Misconduct	ACTION TAKEN
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Administrative Action Taken (4 matters)

Police (3 matters)

Corrupt Conduct	CC	Procedures relating to training changed
- other		
Disclosure of Official Secrets	CrC	Procedures changed in relation to discipline of Aboriginal police aides
Improper Conduct	SIC*	Application to amend licence details form redesigned, streamlining of the process required to add personnel to a security company.

Government Department (1 matter)

Unlawful operation of a computer system	CrC	PO received a verbal reprimand and was denied future access to the mainframe computer system
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Disciplinary Action Taken (30 matters)
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Police (14 matters)

Gifts and favours	CC	PO charged 3 counts corruption (secondary employment whilst rostered on duty) and 5 counts of falsifying official records, PO stood down from duty, subjected to S8 proceedings, ongoing
Disclosure of official secrets	CrC	PO stood down from duty
Intent to pervert or defeat justice	CrC	PO verbally disciplined
Perjury	CrC	PO counselled in relation to delay of reporting
Stealing	CrC	PO dismissed
Stealing	CrC	PO counselled in regards to evidence given at court
Stealing	CrC	PO transferred and under direct supervision – accountability requirements changed
Unlawful operation of a computer system	CrC	2 PO's counselled in respect of their responsibilities to properly record property of persons arrested
Unlawful operation of a computer system	CrC	PO informally counselled in relation to unauthorised access of a computer system
Other – False declarations or statements	CrC	2 PO's given verbal guidance
Other – False declarations or statements	CrC	2 PO's charged with breach of regulations and received unfavourable reports
Conducting secondary employment	SIC	PO informally counselled in relation to security of equipment and secondary employment regulations
Improper conduct	SIC	1 PO given unfavourable report for breaching regulations and received verbal guidance, 2 PO's to write apologies to complainants
Sexual assault	SIC	PO pleaded guilty to conduct unbecoming an officer, fined

Government Departments (13 matters)

Gifts and Favours	CC	PO suspended from duty and later resigned
Corruption	CrC	PO Dismissed
Falsification of records	CrC	PO counselled in relation to breach of procedure
Fraud	CrC	PO formally reprimanded
Stealing	CrC	Officer formally reprimanded and demoted
Other – Forgery and uttering	CrC	PO subjected to internal disciplinary process – awaiting outcome
Drugs	SIC	PO dismissed
Improper Association	SIC	2 PO's subject to disciplinary charges re signing invoices from computer company and general poor management, department reminded of policy regarding tenders
Improper conduct	SIC	PO received a reduction in classification, transfer and reprimand
Improper Conduct	SIC	2 PO's received formal disciplinary letters
Misuse of computers	SIC	PO counselled regarding his behaviour – disciplinary hearing ongoing
	SIC	PO resigned
Misuse of Government Funds	SIC	PO received letter of warning

Local Government (2 matters)

Falsification of records	CrC	PO dismissed
Other - Forgery and Uttering	CrC	PO produced false medical certificates, PO dismissed

Other Public Authority (1 matter)

Assault	SIC	PO dismissed
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Criminal Charges Laid (19 matters)

Police (6 matters)

Other – misuse public monies	CC	PO charged 4 counts corruption, 4 counts fraud, 17 counts forgery – PO resigned, PO overseas – awaiting further action
Other – misuse public monies	CC	PO charged 4 counts corruption, 4 counts fraud, 17 counts forgery – 4 years imprisonment, dismissed
Corruption	CrC	PO charged 6 counts corruption – awaiting further action
Corruption	CrC	PO pleaded guilty and fined \$500
Stealing*	CrC	1 PO, 4 years imprisonment, dismissed, 1 PO awaiting further action
Unclassified	Unc	PO charged with use and possess amphetamines, stood down from duty, resigned

Government Departments (9 matters)

Stealing by clerks and servants	CrC	PO charged with stealing as a servant and possession of prohibited substance. PO suspended on full pay pending court action, continuing.
Unlawful operation of a computer system	CrC	PO charged 1 count downloading and possessing child pornography from the internet. PO sentenced 18 month intensive supervision order, dismissed
Assault	SIC	PO Dismissed, court action ongoing
Assault	SIC	PO charged with assault accessioning bodily harm – awaiting further action
Sexual Harassment	SIC	PO charged using a computer service to transmit restricted material – dismissed
Sexual Assault	SIC	PO charged 2 counts of indecently dealing with a child under his authority – awaiting trial
Sexual Assault	SIC	PO charged 1 count of sexual relationship with a child under 16 yrs – suspended from duty
Sexual Assault	SIC	PO charged 1 count sexual penetration without consent, continuing
Sexual Assault	SIC	PO charged 2 counts of indecent assault and 1 count of aggravated burglary – awaiting further action

Local Government (2 matters)		
Gifts and favours	CC	PO dismissed
Sexual Assault/Harassment	SIC	PO charged 1 count of Official corruption by a public officer – awaiting further action
Other Public Authority (2 matters)		
Fraud	CrC	PO charged 2 counts of Fraud, repaid sum of \$193.07
Stealing	CrC	PO charged with stealing as a servant, pleaded guilty, fined \$500 and 12 month conditional release order
* Investigated by the Anti-Corruption Commission. 'PO' – public officer CC – corrupt conduct CrC – criminal conduct SIC - serious improper conduct		

SIGNIFICANT OUTCOMES RESULTING FROM SUBSTANTIATED ALLEGATIONS

Action Taken	Public Officers		
	Police	Other	Total
Criminal Charges laid against public officers	7	13	20
Disciplinary Charges brought under Public Sector or Police Service regulations	3	2	5
Employment terminated – 12 dismissed, 4 resigned	5	11	16
Imprisonment	2	-	2
Formal reprimand and/or counselling	7	9	16
Employment suspended – in some cases without pay	3	3	6
Fines	2	1	3
Action taken under s.8 of the <i>Police Act</i> - police officers	1	-	1

ACC OPERATIONS – JULY TO DECEMBER 2003

A particularly complex investigation into alleged serious misconduct (involving substantial fraud and corrupt payments, abuse of public office and possible criminal conduct) that commenced in October 2002 continued to be pursued up to the closure of the ACC. It entailed considerable physical surveillance, extensive intelligence analysis and witness interviews, the use of electronic surveillance devices and also telecommunications interception (TI).

Relevant records from financial institutions were obtained to enable the reconstruction of bank accounts as a key part of piecing together the complex financial web, and for possible prosecution purposes.

The Commission's Memoranda of Understanding (with the Queensland Crime and Misconduct Commission, the NSW Independent Commission against Corruption and, the NSW Police Integrity Commission) proved particularly beneficial in this instance by enabling interstate surveillance and other inquiries to be conducted in relation to travel by persons under investigation.

As is often the case in corruption investigations, the matter spawned other avenues warranting inquiry, involving related behaviours and other public officers.

Two other long-term fraud/corruption investigations involved the seizure of records (especially financial) from private premises using search warrants. Computer-based records were also seized to circumvent the potential loss of evidence and WA Police Computer Crime Unit specialists assisted with the subsequent imaging of that material. Both these investigations required the detailed reconstruction of accounts and events.

One of the matters, conducted jointly with the Department of Education and Training, required extensive intrastate travel, to retrieve records and interview witnesses. In addition, a specialist auditor (formerly with the Auditor General's office) was engaged to audit company records.

The ACC continued to work effectively with the WA Police Service, particularly in the Professional Standards portfolio (Internal Affairs and Internal Investigations units).

The Commission responded positively to requests from the Police Internal Affairs Unit for assistance with physical surveillance in support of a number of investigations, and also gave approval for ACC staff to provide specialist instruction to WAPS covert operatives in surveillance and technical operations.

The Commission supported the attendance of 2 police officers, from the WAPS training academy, at a training course for ACC investigators in 'Cognitive Interviewing and Conversation Management', conducted at the Police Academy by Charles Sturt University staff, in August 2003

Over the past 9 months the ACC, on several occasions, provided operational assistance to the Police Service, involving the use of the Commission's telecommunications interception facilities in investigations of police misconduct. Use by Internal Affairs Unit of the Commission's telecommunications interception has ensured security and maintained the integrity of the particular police investigations. One investigation resulted in the arrest of a serving police officer for drug offences.

During the course of the Police Royal Commission, apart from its considerable involvement with joint operations, the ACC limited its investigation into police matters. However, with conclusion of the Royal Commission public hearings agenda the ACC, between July and December 2003, directed appropriate resources back to police matters.

To maintain currency with the complex legal, regulatory and technical issues associated with the application of telecommunications interception, the ACC continued to be represented on the national Law Enforcement Advisory Committee (LEAC), whose membership includes the major communications carriers, the Commonwealth Attorney-General's Department and the Australian Communications Authority.

In August, significant software upgrade of the Commission's telecommunications interception equipment was required to accommodate technological changes implemented by the telecommunications carriers. Subsequent system testing by the ACC revealed technical deficiencies in Telstra specifications which, when addressed, resulted in major efficiencies for all Australian intercepting agencies.

An investigation into unauthorised release of police operational information was concluded in October 2003. Initially an ACC investigation, the matter became the subject of public examination by the Police Royal Commission, before being finalised by the ACC in conjunction with WAPS. A former detective and another person, reputed to be a drug dealer, were charged by summons with conspiracy to pervert the course of justice. The former police officer was also charged with attempting to defeat justice. The primary

evidence related to these offences resulted from the effective use of telephone interception.

Three of 4 serious police related matters that had been under investigation by the ACC since 1999 were subject to close examination by the Police Royal Commission and the other was subject of an extensive internal review by WAPS during the July to December 2003 period.

In late October 2003, a private investigator pleaded guilty to charges laid as a result of a joint operation conducted between the Police Royal Commission and the ACC. Subsequent to public hearings, briefs of evidence were prepared in a collaborative approach involving WA Police, the ACC and the Police Royal Commission, with the police ultimately laying charges of aggravated burglary and breach of bail. Burglary charges stemmed from investigations involving (at that time) a serving police officer, who is yet to be tried, with significant evidence being obtained from the use of telephone interception and surveillance devices.

An ACC investigation completed in September 2003 resulted in the arrest of the former Chief Pharmacist at the Fremantle Hospital, who was charged with multiple counts of stealing, to the value of \$100,000. The investigation involved the seizure and analysis of computer based records; reconstruction of bank accounts; identification of travel; and obtaining witness statements from eastern states pharmaceutical business representatives, health officials, Commonwealth agencies, and sponsors of research at the Fremantle Hospital. Assistance was also obtained from the Australian Federal Police specialist forensic document examiners, based in Sydney.

WAPS Commercial Crime Division staff instigated the prosecution action at the request of the ACC, subsequent to previous discussions held with the DPP and the Police about the most efficient way for the ACC to progress such matters.

In another investigation, charges were laid (in November 2003) by summons on the Chief Executive Officer of the Shire of Broome in relation to the alleged use, and attempted use, of a Council credit card to pay for escort agency services whilst in Perth.

The Office of the DPP had carriage of, or was considering, a number of other briefs referred to it by the Commission, including the matter of a senior WA Trotting Association official charged with corruption in relation to activities of the Association. This matter was remanded for a status conference on 12 December 2003.

A brief of evidence that involves a senior public officer is currently subject of consideration by the DPP, however, recent advice received is that the matter will not be progressed any further until the outcome of associated proceedings before the Court of Criminal Appeal are concluded.

Close liaison with senior staff in the Office of the DPP throughout 2003 resulted in the issue of delays that were being experienced in getting decisions on ACC matters, being resolved.

The Commission wrote to the Premier in July 2003 expressing its concern over the allegations of assault, especially sexual assault and harassment that were being reported within the education system. The ACC suggested adoption of a coordinated approach to ensure all intelligence holdings on offenders, and suspected offenders, be centralized to facilitate more effective screening of persons who seek to work with children, by enabling the identification of those about whom serious questions have been raised.

The ACC had four staff seconded to other agencies during the reporting period, to assist with corruption prevention and investigation. The first placement commenced in July 2003

with a Chief Investigator being seconded to the Department of Education and Training to advise on corruption and fraud prevention, education and risk management.

Another investigator was seconded for several months to the Office of the Public Sector Standards Commissioner, to assist with education and implementation of practical guidelines for agencies in respect of the Public Interest Disclosure Act.

In August 2003 two senior investigators were seconded to the WAPS Royal Commission Investigation Team at the request of the Commissioner of Police. They continue to be part of the team examining and investigating specific instances of alleged criminal, corrupt or serious misconduct, that were subject to public hearings by the Police Royal Commission, and making recommendations for prosecution or disciplinary action. The ACC Intelligence Unit also directly assisted the team with the provision of intelligence.

The ACC continued to be represented at a routine monthly operational review meeting conducted by the Internal Investigations Unit of the Department of Justice.

In August 2003 the Director Operations represented the Commission at the WA Police, Professional Standards Planning Forum. Essentially, the forum considered issues raised during the Police Royal Commission including those from the Round Table Conferences, the complaint reporting and investigation process, a service wide corruption prevention plan, and preliminary thoughts on potential working relationships between WAPS and the Corruption and Crime Commission in respect of organised crime investigations.

On 17 November 2003 the Commission met with the Commissioner, Independent Commission Against Corruption, Mauritius, Mr. Beekarry, who was visiting Australia under the sponsorship of the Department of Foreign Affairs and Trade. Commissioners discussed the formation of the Mauritius ICAC in 2002, its powers and jurisdiction and its reporting relationship with a parliamentary committee. The work of the ACC and establishment of the CCC were also discussed.

THE ANTI-CORRUPTION COMMISSION

THE COMMISSION

The Anti-Corruption Commission was an independent body responsible for ensuring that allegations of serious misconduct against Western Australian public officers were properly investigated or otherwise dealt with.

The Commission consisted of three members appointed by the Governor, under the *Anti-Corruption Commission Act 1988 (WA) (ACC Act)*, one of whom had to be a person who had held, or was eligible for, appointment as a Judge (of the Supreme Court) or District Court judge. The other two members of the Commission were not required to be eligible for judicial appointment, but could not be former or serving police officers or serving public officers, other than by reason of their appointment to the Commission.

Appointments to the Commission were as recommended by a committee consisting of:

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

The Commission was not subject to the direction of the Government. It was, however, accountable to the Parliament of Western Australia through the *Joint Standing Committee on the ACC*.

Commission Members, from 1 July 2003 to 26 May 2004, were:

- Mr T E O'Connor QC (Chairman)
- Mr D G Doig
- Ms M Rayner

Over the period 1 July 2003 to 26 May 2004, the Commission held 14 meetings at which current operational and administrative matters were addressed.

THE OFFICE OF THE ACC

The Office of the ACC was comprised of the personnel appointed by the Commission to carry out its directions. Their responsibilities covered:

Planning, managing, conducting, and reporting on inquiries and investigations conducted by the ACC itself;

Reviewing and auditing investigations carried out by authorities to which matters have been referred;

Intelligence gathering and analysis;

Electronic and physical surveillance;

Legal and technical services, policy and standards development.

SOURCES OF ALLEGATIONS

The Commission considered reports of alleged serious misconduct by Western Australian public officers from three sources:

- Principal executive officers of Western Australian public authorities – ‘mandatory’ reporting under ss.14 and 15 of the *ACC Act*;
- Members of the general public or individual public officers – ‘voluntary’ reporting under s.16 of the *ACC Act*;
- The Commission itself – which may, in light of its own experience or knowledge, initiate allegations – ‘own motion’ reports under s.13 of the *ACC Act*.

LEGISLATION IMPACTING ON OPERATIONS

Because many public authorities and agencies (and their employees) were subject to, or obliged to comply with, legislation and/or regulations particular to their 'business' areas, ACC operations were affected by not only the *Anti-Corruption Commission Act* but also a raft of other legislation.

Some of the more important and commonly encountered statutes include:

- *Criminal Code (WA)*
- *Director of Public Prosecutions Act 1991 (WA)*
- *Evidence Act 1906 (WA)*
- *Evidence Act 1995 (Cth)*
- *Financial Administration and Audit Act 1985 (WA)*
- *Justices Act 1902 (WA)*
- *Local Government Act 1995 (WA)* and associated Regulations
- *Misuse of Drugs Act 1981 (WA)*
- *Police Act 1892 (WA)* and associated Regulations
- *Public Sector Management Act 1994 (WA)*
- *Royal Commissions Act 1968 (WA)*
- *School Education Act 1999 (WA)* and associated Regulations
- *Service and Execution of Process Act 1992 (Cth)*
- *Statutory (Liabilities of Directors) Act 1996 (WA)*
- *Surveillance Devices Act 1998 (WA)*
- *Telecommunications (Interception) Act 1979 (Cth)*
- *Telecommunications (Interception) Western Australia Act 1996 (WA)*

PRIVACY AND CONFIDENTIALITY

The ACC consistently endeavoured to carry out its functions in a confidential manner. The *ACC Act* prohibited disclosure of information, or the publication of documents relating to allegations received, in the course of ACC business.

Where appropriate, the ACC carried out its functions in accordance with the *Public Interest Disclosure Act 2003* (WA), which came into operation on 1 July 2003.

ACTION CONSEQUENTIAL TO INVESTIGATIONS

Despite its investigative powers, the ACC was not a law enforcement agency, nor did it have any authority to make findings in respect of a person's guilt or culpability – even if serious misconduct was apparent.

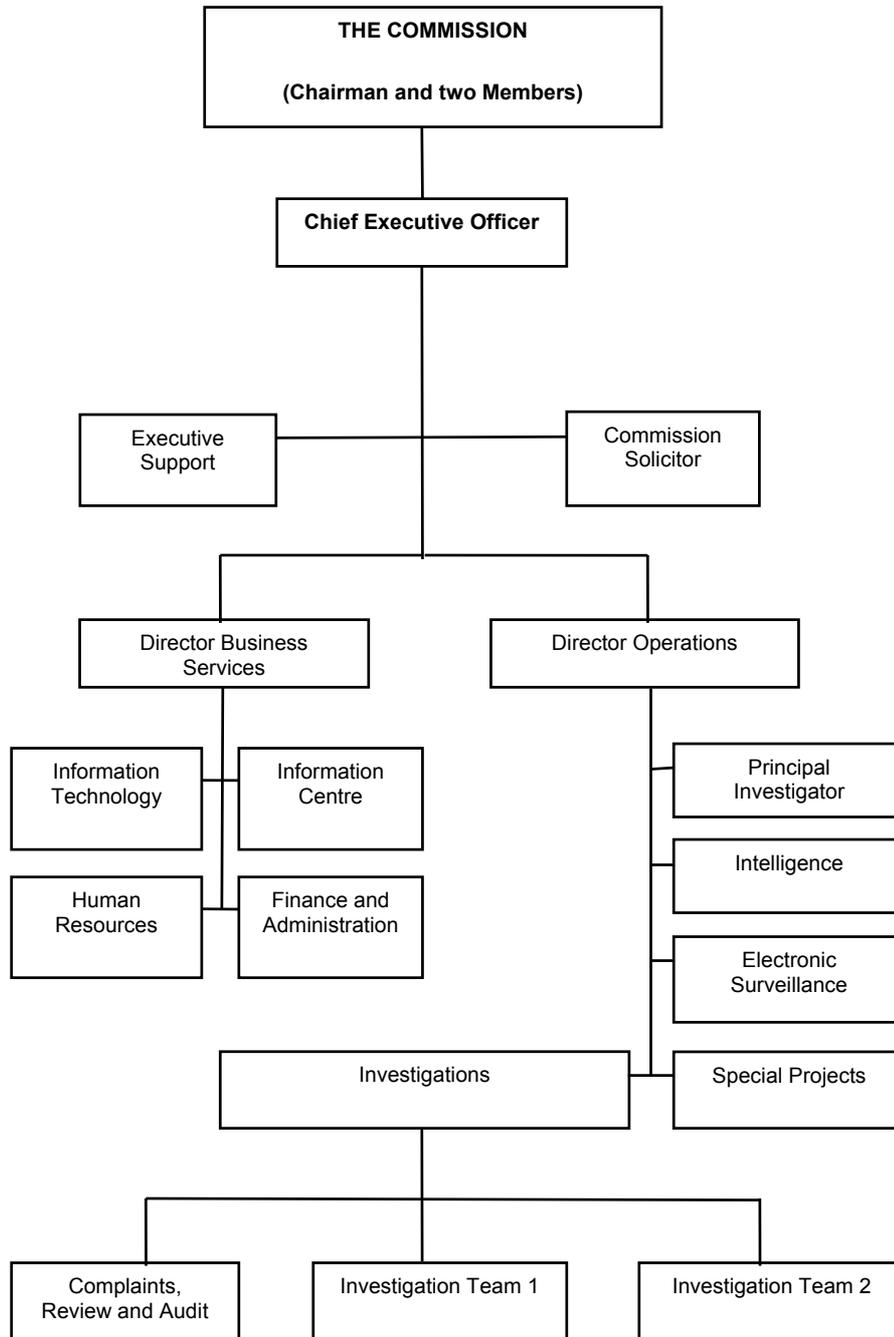
The ACC did not have power to direct that disciplinary action should be taken or to initiate the criminal prosecution of any person. The responsibility for criminal prosecutions rested primarily with the DPP and the Police Service, but the ACC assembled and provided evidence upon which the commencement of proceedings can be considered.

ACCOUNTABILITY

The Commission was answerable to the Parliament of WA through the *Joint Standing Committee on the ACC*; comprised of eight Members from both Houses of Parliament.

The Commission was accountable to the Premier of Western Australia for the financial administration of the ACC. It complied with Government and Parliamentary budget management arrangements, and conformed to the relevant requirements of the *Public Sector Management Act 1994*, the *Financial Administration and Audit Act 1985* and applicable public sector standards.

ORGANISATIONAL STRUCTURE OF THE ACC: 26 May 2004



ACTIONS, OUTCOMES AND DIRECTIONS

This section provides an overview of the major strategies pursued by the ACC in the reporting period, together with outcomes achieved during the period, and directions promoted or encouraged by the Commission; all in relation to the agency corporate objectives that are aimed at enabling the ACC to achieve its Mission.

Corporate Objective: **The appropriate reporting by public authorities, public officers and the community of perceived serious misconduct in public administration**

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

Actions, Outcomes and Directions relevant to the pursuit of strategies in achieving the Objective:

- The ACC website provided public authorities and individuals with the option of reporting allegations to the ACC electronically.
- Public authorities were, through written reports and the ACC website, provided with more meaningful statistics and detailed descriptions of what constitutes serious misconduct.
- Senior ACC staff continued to liaise and consult with key agencies in WA public administration about ACC services.
- In the course of reviewing investigation reports, ACC staff continued to provide feedback to public authorities about investigation standards and practices.
- ACC officers have been seconded to DET to further advance its anti-corruption, fraud awareness and risk management strategies.

Corporate Objective: A pro-active approach to identifying and investigating corrupt, criminal and serious improper conduct

- 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

Actions, Outcomes and Directions:

- All intelligence-related IT systems and practices were reviewed to ensure databases were contemporary, secure and up-to-date.
- Workplace practices continued to foster greater collaboration between the intelligence function and the specialist support disciplines (which includes electronic, technical and physical surveillance) resulting in enhanced ACC proactive investigation capacity.
- Several joint investigations, based on intelligence analysis, and initiated in collaboration with the Police Service and the Department of Justice ('DoJ'), yielded promising corruption prevention results.
- Liaison with the Police Service and the DoJ continued to be enhanced during the year, allowing for the identification and pursuit of worthwhile joint investigation opportunities.
- The Commission has encouraged a more proactive strategic management approach to investigations.
- Throughout the year investigations staff were encouraged and given opportunities to attend anti-corruption seminars and training courses.

Corporate Objective: Addressing allegations of serious misconduct in public administration effectively

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 within the limits of the *ACC Act* 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

Actions, Outcomes and Directions:

- The quality of ACC investigation report assessments (ie of matters dealt with by other authorities) remained high.
- Through its own investigations and reviewing those of other authorities, the ACC has continued to provide advice and feedback to authorities about appropriate investigative practices and standards.
- A substantial number of matters of alleged serious misconduct, which were subject to oversight by the Commission, were successfully investigated by other agencies.
- Enhancements to the ACC's telecommunications interception ('TI') capabilities allowed the agency to maintain currency with rapidly changing telecommunications industry developments, and enabled the continuation of effective and efficient support to both ACC specific and joint operations.
- An independent review by the WA Ombudsman (as required by TI legislation) of ACC management and practices relating to its TI functions confirmed the agency's adherence to legislation and prescribed standards of record keeping and confidentiality.

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

- 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

Actions, Outcomes and Directions:

- The provision of ongoing feedback and commentary (both formally and informally) about investigations conducted by other authorities has further enhanced the timeliness and quality of investigative and other action taken by authorities.
- Positive feedback has continued to be given to other authorities in instances where investigations have been conducted in a timely and professional manner.
- Continuing refinement of the Commission's requirements regarding status or situation reports for investigations being undertaken by other authorities has progressively led to improvements in the timeliness of responses to allegations.
- Increased personal contact with the staff of other authorities, particularly divisions of the Police Service, has encouraged more prompt responses in respect of the reporting on progress of investigations, including expected completion dates.
- The opportunity to engage in joint investigations has been welcomed by the ACC because it provides an avenue for the ACC to promote contemporary best-practice investigation methods, procedures and standards.

Corporate Objective: Promoting public administration policies, practices and standards that minimise opportunities for, and discourage, serious misconduct by holders of public office

- 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

Actions, Outcomes and Directions:

- In order to remove or reduce opportunities for serious misconduct to occur, ACC reports on investigations have, where appropriate, highlighted practices, systems and/or procedures of public authorities that would benefit from review.
- ACC officers have actively promoted anti-corruption principles and strategies by way of contributing to the reports of other authorities, and through participation in workshops and seminars run by other investigative agencies.
- The ACC consulted with the Office of the Public Sector Standards Commission ('PSSC') in the development of guidelines associated with the introduction of the *Public Interest Disclosure Act 2003* (WA).
- Senior ACC officers have maintained the practice of delivering a wide-range of information about corruption prevention to courses for Police recruits and other training programs conducted at the Joondalup Police Academy.

BUSINESS SERVICES AND EXECUTIVE SUPPORT

The Business Services division of the ACC provided specialist support in the areas of budgeting and finance, human resource management, purchasing, information management, security and risk management, information technology and reception services.

Information management responsibilities included maintenance and updating of the ACC's strategic information system, the allegations database, and the provision of administrative support for Commission meetings.

The Executive division (comprising the CEO, the Principal Policy Officer and the Commission Solicitor) had overall responsibility for strategic direction, the effective performance of the ACC's business operations and administration. Providing executive leadership, support, strategic operational advice and guidance to the Commission, the Executive and Business Services also liaised with the Government, other external oversight bodies, and appropriate organisations regarding strategic, operational and administrative issues.

Human Resources

The Human Resources Branch of Business Services comprised two staff. Along with the normal human resource responsibilities, a significant part of their work involved the management of surplus staff through the redeployment process.

The Corruption and Crime Commission was established without transferring Anti-Corruption Commission staff to the new body. Hence all staff of the ACC became surplus to requirements. A number of staff were seconded to the Corruption and Crime Commission to assist in its establishment, this included the ACC's Director of Operations.

With the impending closure of the Anti-Corruption Commission, it was not appropriate to recruit new staff. Hence, casual and agency employees were utilised to some extent to enable the continuation of the Commission's operations.

All permanent ACC staff were transferred to the Department of the Premier and Cabinet by 26 May 2004, becoming redeployees of that Department for placement in alternative employment within the public sector.

The full time equivalent number of staff of the ACC for the year to 26 May 2004 was 73.75. This compares to an approved full time equivalent staffing level of 85 for the financial year. The reduced equivalent staffing was due to the imminent closure of the ACC and many staff sought alternative employment within and outside the State public sector. With the exception of human resource staff, the Commission did not replace employees who obtained alternative employment. It was essential to replace human resource staff, with casual employees, due to the effort required to find alternative placements for ACC staff within the public sector.

The transitional period leading to the closure of the ACC was difficult for many staff resulting in 12.2% of staff using employee assistance services compared to 8.9% in the previous year. The relevant industry referral rate is 7.5%.

Information Management

During the 2003/04 year the Commission maintained the integrity of the allegations database and the provision of information support for Commission meetings. Throughout the year further in-house development and enhancements were made to the electronic document management system. In accordance with the State Records Act 2000, the Commission prepared and submitted a record-keeping plan to the State Records Commission. Since January the Commission's Information Centre assisted in co-ordinating the collation of all Commission files and documents for transfer to the Corruption and Crime Commission.

The transfer of information to the Corruption and Crime Commission was undertaken in a progressive manner as responsibility for investigations transferred to the Corruption and Crime Commission either by referral from the ACC or by request from the CCC. Information was transferred to the CCC in both hard copy and in electronic form.

Security, Risk and Facility Management

In 2002-2003 the ACC successfully exceeded the Energy Smart Government 5% target. This was achieved by implementing energy saving strategies based on procedures. Due to the impending closure of the Anti-Corruption Commission (ACC) in 2004 further energy saving strategies were not implemented as they involved capital expenditure on energy compatible equipment.

The latter part of 2003 was focused on the delivery of security awareness training and the conduct of full-scale emergency evacuation exercises for all staff of the ACC.

The impending closure of the ACC and the transition of assets/liabilities to the Corruption and Crime Commission (CCC) raised a number of security issues that required consideration. Key issues included, uncertainty, discontented staff, continuity of employment and level of risk acceptance. These issues resulted in the preparation of specific transitional plans.

The early part of 2004 saw the implementation of plans related to the transfer of assets/liabilities and the closure of the ACC. Key issues included the resignation of staff; staff on temporary secondment to other agencies; access control of CCC staff on ACC premises; sequential closure of operational activities; and secure transfer of critical assets to the CCC.

Finance and Administration

With the impending closure of the Anti-Corruption Commission, the Finance and Administration Branch completed an audit of all ACC assets prior to transfer to the Corruption and Crime Commission. The handover of ACC assets, property and possession of all ACC premises took place on 26 May 2004, to coincide with the repeal of the Anti-Corruption Commission Act.

Implementation of recommendations arising from the audit of ACC credit cards was completed. The audit was undertaken towards the end of the previous financial year.

The Commission continued to enhance purchasing based on advice provided by the State Supply Commission.

Information Technology

Major initiatives proposed in the Commission's 10-year capital investment plan did not progress because of the impending abolition of the ACC. Information technology activity was scaled back to a support and maintenance function given the impending creation of the Corruption and Crime Commission (CCC) and closure of the ACC. In that process all contract staff excepting one were terminated. All IT equipment and systems were fully maintained up until the repeal of the ACC Act. A transition plan was also developed to assist in the smooth transition of equipment and systems to the CCC.

OBLIGATORY REPORTING

Disability Services Plan

The Commission continued to promote the goals of the ACC's Disability Services Plan.

Energy Usage

The ACC continued to meet energy conservation targets set by the Sustainable Energy Development Office. However, new strategies were not introduced because of the imminent closure of the ACC.

Language and Cultural Diversity

The ACC continued to be sensitive to people's requirements in respect of language and cultural diversity.

Youth Outcomes

ACC staff were mindful of having to deal appropriately with any young people who have dealings with the ACC.

Equal Employment Opportunity and Diversity

The ACC continued to operate in accordance with its '*Equal Employment Opportunity and Diversity Management Plan 2001-2004*', implemented in late 2001.

Occupational Safety and Health

Workers compensation claims submitted during the year were managed in conjunction with the ACC insurer, and vocational rehabilitation providers were involved where necessary.

There were no active workers compensation claims as at 26 May 2004.

Information Statement

The ACC was an exempt agency under the *Freedom of Information Act 1992*, but wherever possible it responded, within the scope allowed by the *ACC Act* and other legislation, to requests for information about its role, responsibilities, policies and administration.

Sections 52 and 54 of the *ACC Act* imposed severe restrictions on the information that could lawfully be divulged, to whom it could be disclosed, and under what circumstances. Most information that could publicly be reported was made available via the ACC website.

The ACC submitted a Record Keeping Plan in accordance with the requirements of the State Records Act 2000.

Compliance with Public Sector Standards

The ACC complied with all relevant requirements of the *Public Sector Standards* and the *Public Sector Code of Ethics*. The agency's policies and procedures in relation to these are reviewed and updated on an ongoing basis.

No 'breach of Standard' claims were received during the reporting period.

Advertising

The main advertising expenditure for the ACC is in relation to the recruitment of staff. As the Commission was being abolished, no new staff were recruited, hence, the Commission did not expend any funds on advertising.

Waste Paper Recycling

The ACC was committed to maintaining a high-level of security in the management of waste paper, which had to be destroyed using crosscut shredding machines rendering it unsuitable for recycling.

PERFORMANCE INDICATORS

Performance indicators have not been reported upon due to the likelihood of misleading readers. The Anti-Corruption Commission could not receive new allegations from 1 January 2004 and from that date until its closure was effectively maintaining allegations received prior to that date and was in the process of transferring investigations to the Corruption and Crime Commission.

The transfer of allegation was undertaken in an orderly manner, as and when the CCC was able to take on the responsibility.

Reporting performance indicators for part of the year would not provide reliable comparisons to performance indicators reported by the ACC in previous years.

CERTIFICATION OF THE FINANCIAL STATEMENTS

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 period 1 July 2003 to 26 May 2004 and the financial position as at 26 May 2004.

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



Mick Banaszczyk

REPORTING OFFICER

26 July 2004

AUDITOR GENERAL'S OPINION OF THE FINANCIAL STATEMENTS



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**ANTI CORRUPTION COMMISSION
FINANCIAL STATEMENTS FOR THE PERIOD JULY 1, 2003 TO MAY 26, 2004**

Audit Opinion

In my opinion,

- (i) the controls exercised by the Anti Corruption Commission provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) 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 May 26, 2004 and its financial performance and cash flows for the period ended on that date.

Scope

The Commission's Role

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash and the Notes to the Financial Statements.

The Reporting Officer's Role

Pursuant to section 54 of the Corruption and Crime Commission Amendment and Repeal Act 2003, the Anti Corruption Commission officially ended on May 26, 2004. The Treasurer appointed a Reporting Officer under the provision of section 65A of the Act who was responsible for preparing and submitting the final financial statements of the Commission.

Summary of my Role

As required by the Act, I have independently audited the final accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

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

D D R PEARSON
AUDITOR GENERAL
August 16, 2004

FINANCIAL STATEMENTS

ANTI-CORRUPTION COMMISSION STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD 01 JULY 2003 TO 26 MAY 2004

		FOR THE PERIOD 01JUL2003 TO	
	Notes	26MAY2004	2002/2003
		\$	\$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	3	4,799,165	5,336,333
Depreciation	4	934,648	951,586
Administration expenses	5	1,346,594	2,131,504
Accommodation expenses		1,113,326	1,013,734
Superannuation		475,170	512,888
Other staffing costs		14,380	252,864
Travelling expenses		45,182	69,016
Capital user charge	6	606,000	837,190
Costs of disposal of non-current assets	7	387	131
Total cost of services		<u>9,334,852</u>	<u>11,105,246</u>
Revenues from ordinary activities			
Revenues from operating activities			
User charges and fees	8	30,641	17,435
Revenues from non-operating activities			
Proceeds from disposal of non-current assets	7	0	2,200
Interest revenue		336,062	343,072
Total revenues from ordinary services		<u>366,703</u>	<u>362,707</u>
NET COST OF SERVICES		<u>8,968,149</u>	<u>10,742,539</u>
REVENUES FROM STATE GOVERNMENT			
Output appropriation	9	9,262,000	9,832,000
Resources received free of charge		128,009	206,881
Liabilities assumed by the Treasurer		30,846	2,144
Total revenues from State Government		<u>9,420,855</u>	<u>10,041,025</u>
CHANGE IN NET ASSETS		452,706	-701,514

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

**ANTI-CORRUPTION COMMISSION
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD 01 JULY 2003 TO 26 MAY 2004**

	Notes	AS AT 26MAY2004 \$	2002/2003 \$
Current Assets			
Cash assets	10	6,076,096	5,912,233
Restricted cash assets	11	195,000	446,969
Other assets	12	0	200,284
Receivables	13	221,529	67,073
Amounts receivable for outputs	14	0	270,000
Total Current Assets		6,492,625	6,896,559
Non-Current Assets			
Restricted cash assets	11	0	195,000
Office equipment	15	75,215	121,301
General equipment	15	185,976	300,288
Computer equipment	15	118,864	243,027
Property, plant & equipment	15	139,024	159,013
Office establishment	15	1,912,428	2,189,953
Amounts receivable for outputs	14	2,288,000	1,492,000
Total Non-Current Assets		4,719,507	4,700,582
Total Assets		11,212,132	11,597,141
Current Liabilities			
Payables	16	184,754	274,310
Other liabilities	17	77,304	135,892
Provisions	18	0	536,493
Total Current Liabilities		262,058	946,695
Non-Current Liabilities			
Provisions	18	0	533,078
Total Non-Current Liabilities		0	533,078
Total Liabilities		262,058	1,479,773
NET ASSETS		10,950,074	10,117,368
Equity			
Contributed equity	19	1,282,000	902,000
Accumulated surplus		9,668,074	9,215,368
TOTAL EQUITY		10,950,074	10,117,368

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

**ANTI-CORRUPTION COMMISSION
STATEMENT OF CASH FLOWS
FOR THE PERIOD 01 JULY 2003 TO 26 MAY 2004**

		FOR THE PERIOD 01JUL2003 TO	
	Notes	26MAY2004	2002/2003
		\$	\$
CASH FLOWS FROM STATE GOVERNMENT			
Output appropriations		8,466,000	9,029,000
Capital contributions		380,000	480,000
Holding account drawdowns		270,000	70,000
Net cash provided by State Government		<u>9,116,000</u>	<u>9,579,000</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(5,867,272)	(5,103,190)
Superannuation		(466,450)	(486,270)
Other staffing costs		(182,375)	(192,468)
Travelling expenses		(44,666)	(68,646)
Administration expenses		(1,194,702)	(2,043,803)
Accommodation expenses		(1,113,326)	(1,013,734)
Capital user charge		(454,500)	(837,190)
GST paid on purchases		(240,450)	(366,254)
		<u>(9,563,741)</u>	<u>(10,111,555)</u>
Receipts			
User charges and fees		39,366	14,255
Interest received		242,263	343,072
GST receipts on sales		3,550	1,414
GST receipts from taxation authority		263,109	387,533
		<u>548,288</u>	<u>746,274</u>
Net cash used in operating activities	20	<u>(9,015,453)</u>	<u>(9,365,281)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(383,653)	(797,906)
Proceeds from sale of non-current assets		0	0
Net cash used in investing activities		<u>(383,653)</u>	<u>(797,906)</u>
Net increase / (decrease) in cash held		(283,106)	(584,187)
Cash assets at the beginning of the financial year		6,554,202	7,138,389
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	20	<u>6,271,096</u>	<u>6,554,202</u>

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

**ANTI – CORRUPTION COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 01 JULY 2003 TO 26 MAY 2004**

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.

By notice published on 26 May 2004 in the Government Gazette, pursuant to section 54 of the Corruption and Crime Commission Amendment and Repeal Act 2003, the Anti Corruption Commission is taken to have officially ended on that date. As such, these are the final financial statements and the period end balances reflect this.

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 previous year.

(a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (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 Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, 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.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

**ANTI – CORRUPTION COMMISSION
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(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 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. 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.

Assets costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

(e) Employee benefits

Annual leave

This benefit 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

Leave benefits are calculated at remuneration rates expected to be paid when the liabilities are settled. A liability for long service leave is recognised after an employee has completed three years of service. An actuarial assessment of long service leave undertaken for financial year 2001/2002 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

This method of measurement of the liability is consistent with the requirements of Accounting Standard AASB 1028 "Employee Benefits".

**ANTI – CORRUPTION COMMISSION
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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 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 State 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.

The Commission is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

Employee benefit on-costs

Employee benefit on-costs, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses.

(f) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their estimated 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. Expected useful lives for each class of assets are:

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

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(g) Cash

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

(h) Receivables

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

(i) 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 Commission 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 Statement of Financial Performance over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

(j) 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 represent 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.

(k) 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.

(l) 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.

(m) Comparative figures

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

(n) Rounding

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

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	FOR THE PERIOD 01JUL2003 TO 26MAY2004		2002/2003
	\$	\$	
3 Employee expenses			
Salaries and sitting fees	4,811,953	5,143,073	
Changes in provision for annual and long service leave entitlements	(12,788)	193,260	
	4,799,165	5,336,333	
4 Depreciation			
Office equipment	46,087	58,717	
Computer equipment	124,163	209,089	
General equipment	117,072	149,641	
Property, plant and equipment	19,602	13,572	
Office establishment	627,724	520,567	
	934,648	951,586	
5 Administrative expenses			
Communication	181,123	209,620	
Services and contracts	816,867	1,372,920	
Consumables	348,604	548,964	
	1,346,594	2,131,504	
6 Capital user charge	606,000	837,190	
<p>A capital user charge rate of 8% has been set by the Government for 2003/2004 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 Costs of disposal of non-current assets			
Carrying amount of non-current assets disposed of	387	131	
Gross proceeds on disposal of assets	0	2,200	
Net gain / (loss) on disposal of non-current assets			
Gain on disposal of non-current assets			
Office equipment	0	800	
Computer equipment	0	1,269	
	0	2,069	
Loss on disposal of non-current assets			
Property, plant & equipment	(387)	0	
Net gain / (loss)	(387)	2,069	
8 User charges and fees			
Contributions by senior officers to the Executive Vehicle Scheme	11,733	14,133	
Revenue from other services	18,908	3,302	
	30,641	17,435	

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9 Revenues from State Government

Appropriation revenue received during the year

Output appropriations (i)	9,262,000	9,832,000
	9,262,000	9,832,000

- (i) Output appropriations are accrual amounts reflecting the full costs of outputs delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

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	14,500	12,500
Department of Housing and Works		
Property management	0	1,338
Department of Justice - State Solicitors' Office		
Legal services	22,332	27,052
Department of the Premier and Cabinet		
Financial management services	42,229	46,069
Protocol, transport and securities services	4,908	5,354
Personnel, payroll services, HR advisory services and recruitment	42,106	45,934
Department of Land Administration	1,934	68,634
	128,009	206,881

Liabilities assumed by the Treasurer

Superannuation (i)	30,846	2,144
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- (i) The assumption of the superannuation liability by the Treasurer is only a notional revenue to offset the notional superannuation expense reported in respect of current employees who are members of the pension scheme and current employees who have a transfer benefit entitlement under the Gold State scheme.

10 Cash assets

Operating bank account at Treasury	6,076,096	6,359,202
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11 Restricted cash assets

Current			
	Accrued salaries suspense account	195,000	0
	Bank Account - Capital	0	446,969
Non-current			
	Accrued salaries suspense account	0	195,000

Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

12 Other assets

Prepayments	0	200,284
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13 Receivables

GST receivable	32,924	58,252
Other debtors	188,605	8,821
	<u>221,529</u>	<u>67,073</u>

14 Amounts receivable for outputs

Current	0	270,000
Non-current	2,288,000	1,492,000
	<u>2,288,000</u>	<u>1,762,000</u>

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.

15 Property, plant and equipment

Office equipment			
	At cost	498,881	504,577
	Accumulated depreciation	(423,666)	(383,276)
		<u>75,215</u>	<u>121,301</u>
General equipment			
	At cost	1,370,456	1,374,510
	Accumulated depreciation	(1,184,480)	(1,074,222)
		<u>185,976</u>	<u>300,288</u>
Computer equipment			
	At cost	889,375	966,560
	Accumulated depreciation	(770,511)	(723,533)
		<u>118,864</u>	<u>243,027</u>
Property, plant and equipment			
	At cost	216,291	217,401
	Accumulated depreciation	(77,267)	(58,388)
		<u>139,024</u>	<u>159,013</u>
Office establishment			
	At cost	3,784,733	3,434,533
	Accumulated depreciation	(1,872,305)	(1,244,580)
		<u>1,912,428</u>	<u>2,189,953</u>
Total			
	At cost	6,759,736	6,497,581
	Accumulated depreciation	(4,328,229)	(3,483,999)
		<u>2,431,507</u>	<u>3,013,582</u>

ANTI-CORRUPTION COMMISSION
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15 Property, plant and equipment cont.

Non-current assets reconciliation for the period 01JUL2003 to 26MAY2004

	Office equipment	General equipment	Computer equipment	Property, plant & equipment	Office establishment	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at start of the year	121,301	300,288	243,027	159,013	2,189,953	3,013,582
Additions		2,760			350,199	352,959
Disposals						
cost of assets	(5,695)	(1,642)	(74,863)	0	0	(82,200)
accumulated depreciatic	5,696	1,642	74,863	0	0	82,201
Revaluation increments	0	0	0	0	0	0
Depreciation	(46,087)	(117,072)	(124,163)	(19,602)	(627,724)	(934,648)
Write-offs						
cost of assets	0	(5,173)	(2,322)	(1,110)	0	(8,605)
accumulated depreciatic	0	5,173	2,322	723	0	8,218
Carrying amount at end of the year	75,215	185,976	118,864	139,024	1,912,428	2,431,507

Non-current assets reconciliation for 2002/2003

	Office equipment	General equipment	Computer equipment	Property, plant & equipment	Office establishment	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at start of the year	134,184	424,165	321,408	64,383	2,260,850	3,204,990
Additions	45,834	25,764	130,839	108,202	449,670	760,309
Disposals						
cost of assets	(14,500)	0	(189,705)	0	0	(204,205)
accumulated depreciatic	14,500	0	189,574	0	0	204,074
Revaluation increments	0	0	0	0	0	0
Depreciation	(58,717)	(149,641)	(209,089)	(13,572)	(520,567)	(951,586)
Write-offs						
cost of assets	0	0	0	0	0	0
accumulated depreciatic	0	0	0	0	0	0
Carrying amount at end of the year	121,301	300,288	243,027	159,013	2,189,953	3,013,582

16 Payables

Amounts payable for goods and services received 184,754 274,310

17 Other liabilities

Accrued salaries 77,304 135,892

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18 Provisions

Current liabilities

Annual leave	0	334,953
Long service leave	0	147,188
48/52 leave arrangements	0	1,806
Other (i)	0	52,546
	0	536,493

Non-current liabilities

Long service leave	0	482,874
Other (i)	0	50,204
	0	533,078

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

Employee benefit liabilities

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

Provision for employee benefits:

Current	0	536,493
Non-current	0	533,078
	0	1,069,571

The employee benefit liabilities of the Commission have been transferred to the Department of the Premier and Cabinet on 26 May 2004 together with the transfer of ACC staff to the Department . Treasurer's Instruction 520 applied in relation to the transfer.

19 Equity

Contributed equity

Opening balance	902,000	422,000
Capital contributions (i)	380,000	480,000
Closing balance	1,282,000	902,000

- (i) Capital Contributions have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.

Accumulated surplus

Opening balance	9,215,368	9,916,882
Change in net assets	452,706	(701,514)
Closing balance	9,668,074	9,215,368

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20 Notes to the Statement of Cash Flows

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	6,076,096	5,912,233
Restricted cash assets	195,000	641,969
	6,271,096	6,554,202

Reconciliation of net cash used in operating activities to net cost of services

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

Net cost of services	(8,968,149)	(10,742,539)
Non cash items		
Depreciation expenses	934,648	951,586
Liabilities assumed by the Treasurer	30,846	2,144
Resources received free of charge	128,009	206,881
(Profit) / Loss on sale of non-current assets	387	(2,069)
(Increase) / Decrease in assets		
Other assets	200,284	(194,668)
Receivables	(179,784)	(8,821)
Increase / (Decrease) in liabilities		
Payables	(58,863)	134,655
Other Liabilities	(58,588)	32,454
Provisions	(1,069,571)	217,288
Change in GST in receivables / payables	25,328	37,808
Net cash used in operating activities	(9,015,453)	(9,365,281)

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**21 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:-

		FOR THE PERIOD 01JUL2003 TO 26MAY2004 2002/2003	
\$	\$	26MAY2004	2002/2003
50,001-	60,000	0	1
80,001-	90,000	0	0
90,001-	100,000	2	1
180,001-	190,000	1	0
190,001-	200,000	0	1

The total remuneration of the members of the Accountable Authority is: 367,632 345,009

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

No members of the Accountable Authority are members of the Pension Scheme.

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:

		FOR THE PERIOD 01JUL2003 TO 26MAY2004 2002/2003	
\$	\$	26MAY2004	2002/2003
10,001-	20,000	2	0
20,001-	30,000	2	0
30,001-	40,000	2	0
40,001-	50,000	1	0
50,001-	60,000	2	0
60,001-	70,000	0	1
70,001-	80,000	1	1
80,001-	90,000	1	2
90,001-	100,000	2	5
100,001-	110,000	1	1
110,001-	120,000	0	1
120,001-	130,000	0	0
130,001-	140,000	0	1
210,001-	220,000	1	0
220,001-	230,000	0	1
340,001-	350,000	1	0

The total remuneration of senior officers is: 1,338,768 1,364,474

The total remuneration includes redundancy payments made by the Anti-Corruption Commission

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.

One Senior Officer is a member of the Pension Scheme.

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22 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

	FOR THE PERIOD 01JUL2003 TO 26MAY2004	2002/2003	Variance
	\$	\$	\$
Cost of services			
Employee expenses	4,799,165	5,336,333	(537,168)
Administration expenses	1,346,594	2,131,504	(784,910)
Other staffing costs	14,380	252,864	(238,484)
Travelling expenses	45,182	69,016	(23,834)
Capital user charge	606,000	837,190	(231,190)

Explanation

The reduction of expenditure from last year was due to the Corruption and Crime Commission being formed on 1 January 2004. The Anti Corruption Commission then proceeded to wind back operations, and some staff began to seek employment elsewhere. These staff were not replaced.

Revenues from ordinary activities

User charges and fees	30,641	17,435	13,206
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Explanation

Variance was due to an insurance commission refund of \$ 13,263 in the year 1 July 2003 to 26 May 2004.

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

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

Cost of Output	\$
Budget	11,874,000
Actual	9,334,852
Variation	<u>2,539,148</u>

Explanation

The variance of the budget compared to the actuals was due to the Corruption and Crime Commission being formed on 1 January, 2004. The Anti Corruption Commission then proceeded to wind back operations, and some staff began to seek employment elsewhere. These staff were not replaced. The budget reflected a full year of normal operations.

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22 Explanatory Statement cont.

b Revenue

Budget	195,000
Actual	366,703
Variation	<u>(171,703)</u>

Explanation

Increase is due primarily from higher bank balances

23 Lease commitments

These commitments relating to motor vehicles and office accommodation leases are due for payment:-

within 1 year	0	671,397
later than 1 year and not later than 5 years	0	691,604
later than 5 years	0	0
	<u>0</u>	<u>1,363,001</u>

24 Additional financial instruments disclosures

a Interest rate risk exposure

The Commission's exposure to interest rate risk at **26 May 2004** are:-

	Weighted Average Effective Rat %	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Assets				
Cash assets	5.10	6,076,096	0	6,076,096
Restricted cash assets		0	195,000	195,000
Receivables		0	221,529	221,529
Amounts receivable for outputs		0	2,288,000	2,288,000
Total financial assets		<u>6,076,096</u>	<u>2,704,529</u>	<u>8,780,625</u>
Liabilities				
Payables			184,754	184,754
Other liabilities			77,304	77,304
Total financial liabilities			<u>262,058</u>	<u>262,058</u>

**ANTI-CORRUPTION COMMISSION
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24 Additional financial instruments disclosures cont.

The Commission's exposure to interest rate risk at **30 June 2003** are:-

	Weighted Average Effective Rat %	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Assets				
Cash assets	4.93	5,912,233	0	5,912,233
Restricted cash assets		0	641,969	641,969
Receivables		0	67,073	67,073
Amounts receivable for outputs		0	1,762,000	1,762,000
Total financial assets		5,912,233	2,471,042	8,383,275
Liabilities				
Payables			274,310	274,310
Other liabilities			135,892	135,892
Total financial liabilities			410,202	410,202

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 financial 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 2 to the Financial Statements.

25 Supplementary financial information

	Written down value \$
Write offs	
Property plant and equipment	387
General equipment	0
Computer equipment	0

26 Events occurring after reporting date

The Anti-Corruption Commission ceased operations on 26 May 2004.

Section 54 of Part 3, Division 3 of the Corruption and Crime Commission Amendment and Repeal Act 2003 was proclaimed on 26 May 2004 to give effect to the repeal of the Anti-Corruption Act 1988. Under the provisions of Section 56 of Part 3 of Division 3 of the Corruption and Crime Commission Amendment and Repeal Act 2003 the transfer of assets and liabilities to the Corruption and Crime Commission was completed on 26 May 2004.

The financial effects of this transfer has not been recognised in these financial statements.

CONTACT DETAILS

Enquiries relating to this report should be made to:

Department of the Premier and Cabinet
197 St George's Terrace
PERTH
WESTERN AUSTRALIA 6000
Telephone: (08) 9222 9888
Facsimile: (08) 9322 1213
Email: admin@dpc.wa.gov.au

Enquiries relating to allegations of improper or corrupt conduct by public officers should be directed to:

Corruption and Crime Commission
141 St George's Terrace
PERTH
WESTERN AUSTRALIA 6000
Telephone: (08) 9215 4888
Facsimile: (08) 9215 4884
Email: info@ccc.wa.gov.au