



Office of the **Public Sector Standards** Commissioner



Annual Report 2009

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Statement of Compliance

HON COLIN BARNETT MEc MLA
PREMIER; MINISTER FOR STATE DEVELOPMENT

In accordance with s.61 of the *Financial Management Act 2006*, I hereby submit for your information and presentation in Parliament, the annual report of the Office of the Public Sector Standards Commissioner for the financial year ending 30 June 2009.

This report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Dr Ruth Shean
COMMISSIONER
PUBLIC SECTOR STANDARDS

15 September 2009

Guide to this Report

The Office of the Public Sector Standards Commissioner (OPSSC) Annual Report 2009 presents the performance, operational and compliance reporting for the financial year ending 30 June 2009.

Sections

The [Executive Summary](#) includes the Commissioner's foreword and a brief overview of OPSSC's key activities and achievements for the year.

The [Report on Operations](#) outlines the agency profile and our operating environment.

The [Report on Performance](#) details our strategic and operational achievements for the year and how they are aligned to government goals. It also provides a summary of OPSSC's key performance and effectiveness indicators.

The [Future Directions](#) section provides an overview of the significant issues that impact on OPSSC's operating environment and details our targeted strategic outcomes for 2009-10.

The [Governance](#) section outlines the mechanisms OPSSC uses to meet its governance and accountability requirements.

The [Disclosures and Legal Compliance](#) section includes the financial statements, detailed key performance indicators information, and information about how OPSSC meets other legal and government policy requirements.

The [Appendices](#) provide additional corporate and statistical information.

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Executive Summary

Commissioner's foreword



Over the last two years the Office of the Public Sector Standards Commissioner (OPSSC) has progressively been putting in place the people, systems and processes that will support the role and strategic objectives that were adopted for the first time in 2007-08. Our four key strategic goals of establishing a quality framework, leadership and dialogue within the public sector, customer service and internal coherence and accountability have now been comprehensively addressed.

We have developed a stronger approach for reporting to Parliament on compliance, leadership, conduct and perceptions of those serving the public of Western

Australia. During 2008-09 we tabled four major reports to Parliament as part of the OPSSC Parliamentary Series, as well as our first State of the Service Report. Our focus on timely reporting to Parliament aims to better address our reporting obligations outlined under s.21(1)(h) of the *Public Sector Management Act 1994* (PSM Act).

During the year OPSSC has continued to streamline accountability requirements to increase efficiency, while keeping a focus on the obligations of government. We have conducted a comprehensive review of the public sector standards in human resource management and developed a new standards framework based on three new standards to replace the existing nine. We have also developed the *Good Governance Guide – Helping you to comply with the standards* and a suite of associated tools and resources, which will assist public sector agencies to use an ethical approach to value-add to their everyday operations.

Meanwhile, the long-established work of OPSSC continues to grow. There has been an increase in compliance inquiries about the principles of human resource management and official conduct. We attribute this to increased recruitment activity in the sector, greater awareness of proper process within agencies and increased customer service from OPSSC. Compliance inquiries do not, however, identify systemic problems. Our new approach to public sector standards auditing has identified risks not previously identified through complaint mechanisms.

Effective management across the public sector of public interest disclosures continued to be a major focus for OPSSC during the year. The protections offered under the *Public Interest Disclosure Act 2003* (PID Act) are considerable and reassurance to public sector employees that they can “blow the whistle” in a responsible fashion is a vital guarantee to the ongoing integrity of the public sector.

We also handled recruitment selection processes for 16 public sector chief executive officer positions during 2008-09 and nominations for 11 chief executive officer appointments were made to the Minister for Public Sector Management.

Executive Summary

This may well be one of the last reports from OPSSC, following the recent announcement by the Premier that the roles of Commissioner for Public Sector Standards and Public Sector Commissioner will be merged. A report by the Western Australian Parliament's Public Accounts Committee tabled in June 2009 drew attention to areas of overlap between the two positions and recommended that public sector management be consolidated into a single office. The report also drew attention to the desirability to strengthen the role of the Public Sector Commission.

Competent oversight of the public sector is essential to give Western Australians confidence in the firm of government. The Premier has guaranteed that any reforms in this area would be protected through direct reporting to the Western Australian State Parliament. This being the case, the proposed changes will be a positive move for the integrity, accountability and effectiveness of the public sector. Any increased independence of reporting for the Public Sector Commissioner will be a positive move for our State and those who serve it.

Structural changes within government are inevitable and indeed desirable. The one thing that must remain paramount throughout such times, however, is accountability. We look forward to working with other key stakeholders on this important reform to ensure that accountability is at the forefront of every consideration.

We are currently working with the Public Sector Commission to plan the future, a key part of which is a review of the Public Sector Management Act. It is anticipated that the revised legislation to effect the amalgamation of the two roles will be introduced into the spring session of Parliament. This being the case, when the next and final OPSSC annual report is prepared I will no longer be Commissioner for Public Sector Standards. I would therefore like to take this opportunity to thank all of those who have worked with us over the last two years to build a new approach to the pursuit of standards and integrity across government. I am especially grateful to the Members of Parliament, chief executive officers and other members of the Western Australian State Government who have worked with us to shape the accountability agenda. It has been our privilege to have held this responsibility and our pleasure to have had you as our partners.



Dr Ruth Shean
COMMISSIONER
PUBLIC SECTOR STANDARDS

The year at a glance

Parliament, Members of Parliament, Parliamentary Committees, Premier, Ministers and Cabinet

- Tabled three Parliamentary Series Reports which detailed 11 public interest matters.
- Tabled the first State of the Service Report, which covered the practice and promotion of and compliance with both the *Public Sector Management Act 1994* and the *Public Interest Disclosure Act 2003*.
- Nominated 11 chief executive officer positions to the Minister for Public Sector Management for consideration by Cabinet and handled 16 selection processes.
- Gave written information to Members of Parliament and offered further briefings on:
 - OPSSC parliamentary reports;
 - the review of public sector standards in human resource management;
 - the Western Australian Public Sector Annual Agency Survey; and
 - trial four day breach of standards claim period.
- Attended 18 meetings with Ministers of the Crown.
- Appeared before the Public Administration Committee on two occasions.
- Made representation to the Public Accounts Committee.
- Produced guidelines on matters of public interest.

Launch of the first OPSSC State of the Service Report (left - right): Phillip Torrasi, Dr Chris Stansbury and Penny Bird.



Executive Summary

Directors general, public sector chief executive officers and chief employees, and public sector agency corporate executives

- Provided strategic advice to 60 chief executive officers by phone or through meetings.
- Met personally with chief executive officers on 30 occasions.
- Gave written information to chief executive officers and offered further briefings on:
 - the trial of the four day breach of standard claim period;
 - Parliamentary Series Reports;
 - conducting a proper assessment;
 - the public interest disclosure information package;
 - the review of public sector standards in human resource management;
 - the Western Australian Public Sector Annual Agency Survey; and
 - management of interests.
- Provided briefings to chief executive officers on 19 occasions when a breach of standard claim was upheld or an issue was raised in a Parliamentary Series Report.
- Conducted induction sessions with 14 chief executive officers.
- Convened the CEO Reference Group with active input from 20 chief executive officers which met on five occasions.
- Developed the *Good Governance Guide - Helping you comply with the standards* to assist agencies to meet their governance and accountability requirements.
- Revised the OPSSC survey program which resulted in a redesigned Employee Perception Survey to link the survey more closely to the public interest disclosure and equal opportunity legislation, revised public sector standards, the Good Governance Guide and the Western Australian Public Sector Annual Agency Survey.
- Compiled and released *How Does Your Agency Compare?* reports.
- Compiled and released the *Third Progress Report on Equity and Diversity for the Public Sector Workforce*.
- Made five presentations to public sector agency corporate executives.

A new OPSSC website was developed to make it easier for users to find information.



146,000 public sector employees

- Managed 162 compliance inquiries (breach of standard claims) and 106 compliance inquiries (general).
- Reviewed 79 Equal Employment Opportunity Management Plans.
- Responded to 1,392 telephone calls and emails seeking assistance.
- Collated and analysed equity and diversity data for 273 public sector agencies and authorities.
- Developed and implemented the Local Government Equal Employment Opportunity Management Tool.
- Distributed 17,408 Employee Perception Surveys across 13 public sector agencies (5,713 completed surveys returned).
- Delivered 86 presentations to over 1,700 people.
- Delivered customised training programs to 29 agencies.
- Coordinated and presented public interest disclosure training and awareness programs on ten occasions to over 315 public interest disclosure officers and staff from public sector agencies, local government authorities, public universities and government boards and committees.
- Met with 67 public sector agencies on practice improvement initiatives.
- Conducted peer reviews on the codes of conduct of 16 public sector agencies.
- Conducted four professional networks for human resource practitioners and public interest disclosure officers.
- Presented 12 workshops in regional Western Australia (during visits to Geraldton and Kalgoorlie) on ethics and integrity issues, public sector standards and public interest disclosures.
- Transmitted seven satellite broadcasts on a range of topics.
- Contributed to an Integrity Coordinating Group forum in conjunction with the Corruption and Crime Commissioner, the Western Australian Ombudsman and the Auditor General.
- Produced and launched an educational DVD on public interest disclosure.
- Conducted four Diversity Forums.
- Developed a new OPSSC website.

Executive Summary

Human resources practitioners

- Undertook 23 agency visits to discuss specific issues of concern.
- Met with agencies and individuals on 28 occasions to discuss various issues, including ethics, human resource management and public interest disclosure.
- Conducted induction sessions with 18 conciliation and review officers to inform them of their roles and key directions for reviews under the *Public Sector Management Act 1994*.
- Published 12 issues of *Diversity Bizz*, which were distributed to 869 subscribers.
- Published four issues of *The Key*, which were distributed to 869 subscribers.
- Published one issue of *SEE Bulletin*, which was distributed to over 3,200 subscribers.
- Developed a new corporate newsletter titled *In Principle*. Two issues were published and distributed in print to over 420 subscribers and electronically to over 3,200 subscribers.

Western Australian community

- Responded to nine media queries.
- Enhanced the public interest disclosure section of the OPSSC website to ensure that information is easily accessible.
- Conducted community meetings as part of visits to Kalgoorlie and Geraldton.

National

- Attended and presented at two Commissioners' Conferences.
- Attended the Steering Committee meetings on the national *Whistling While They Work Project* on protected disclosures.

Internal agency

- Managed six internal audits of OPSSC.
- Reviewed and developed key corporate documents including: Accountability Framework, Good Governance Framework, Risk Management Framework, Injury Management Plan, Disaster Recovery Plan, Human Resources Plan, Records Management Plan, Business Continuity Plan, Disability Access and Inclusion Plan and Induction Manual.

Report on Operations

About us

Our mission

To achieve best practice within public authorities that is consistent with the principles of official conduct and human resource standards through education, capacity building and independent oversight.

Who we are

The Commissioner for Public Sector Standards is independent and impartial and reports directly to the Parliament of Western Australia not the government of the day.

The Director of Equal Opportunity in Public Employment (DEOPE) is a statutory officer who reports to the Minister for Public Sector Management and is located within the Office of the Public Sector Standards Commissioner (OPSSC).

Both offices are established to provide an impartial service to enhance the reputation of the Western Australian public sector.

OPSSC consists of 36.4 full-time equivalent (FTE) employees and has an approximate annual budget of \$4.6 million. In 2008-09 OPSSC provided its services to 127 public sector agencies and authorities, 142 local government authorities, 78 public boards and committees and four public universities.

What we do

OPSSC and the Office of Equal Employment Opportunity (OEEO) collaborate with public sector agencies to enhance the reputation of the Western Australian public sector and build strength and diversity through elements of the:

- *Public Sector Management Act 1994* (PSM Act);
- *Public Interest Disclosure Act 2003* (PID Act); and
- *Equal Opportunity Act 1984* (EO Act).

In particular, OPSSC and the OEEO:

- lead and establish standards and codes through the relevant legislation;
- assist agencies to comply with those standards and codes, through policy and practice; and
- monitor and report compliant and non-compliant agency conduct.

OPSSC also recommends to the Minister for Public Sector Management people suitable for appointment as public sector chief executive officers.

Report on Operations

Our intended outcomes

In carrying out its services and activities, OPSSC strives for the following supporting outcomes.

1. Parliament, public sector bodies and the community have confidence that the public sector is guided by clearly defined standards and codes on official conduct and human resource management.
2. Parliament, public sector bodies and the community have confidence that the public sector is guided by clearly defined standards for public interest disclosure and codes on public interest disclosure.
3. Independent oversight and capacity building assists continuous practice improvement in the public sector.
4. Parliament and public sector bodies are informed on the integrity and impartiality of the public sector.
5. Public authorities have an equitable and diverse workforce profile.

Our values

OPSSC has a set of corporate values which underpin all operations and relationships, namely:

- integrity and impartiality;
- quality service to internal and external customers;
- work in collaborative partnerships with public authorities;
- supportive work environments that recognise diversity and flexible work practices;
- mutual respect and trust; and
- sustainable individual and agency achievements.

Our service charter

In undertaking its work OPSSC is committed to:

- meeting all legislative and regulatory requirements;
- striving towards continuous improvement;
- maintaining confidentiality consistent with the legislation;
- providing quality advice and support which is accurate and timely;
- being clear about its role and how it can assist;
- providing continuity in support;
- following through on commitments made; and
- valuing and encouraging feedback.

Organisational structure

Authority establishing agency

OPSSC was created under the PSM Act, and the Commissioner's functions are prescribed in ss 21-25, 45, 48 and 97. The Commissioner also has a number of functions under the PID Act. Within OPSSC, the DEOPE is responsible under Part IX of the EO Act for ensuring compliance by all public authorities under ss 145 and 146.

Ministerial responsibility

The Commissioner for Public Sector Standards is an independent authority established under Part 2 (Division 3) of the PSM Act and reports to each House of Parliament, not to any minister.

The DEOPE reports to the Minister for Public Sector Management. Under s.144 of the EO Act, the DEOPE is required to present the Minister a report on the agency's work and activities and administration of the DEOPE's functions.

Legislation administered

Public sector management

The PSM Act sets out principles of integrity in official conduct, as well as merit and equity in human resource management.

Under the PSM Act the Commissioner has a role to establish human resource management standards and codes of ethics for public bodies. The Commissioner helps them and their employees comply, and monitors and reports on compliance. In addition the Commissioner recommends under regulatory provisions relief if there has been a breach of a human resource management standard.

The Commissioner also provides independent advice to the Minister for Public Sector Management on people suitable for appointment to chief executive officer positions in the Western Australian public sector.

Public interest disclosures

The PID Act aids the disclosure of public interest information. It provides protection for those who make disclosures and those who are the subject of disclosures.

Under the PID Act, the Commissioner assists authorities and public officers to comply with the PID Act and code of conduct. The Commissioner also helps them monitor and report on the extent of compliance.

Report on Operations

Equal opportunity

The DEOPE is hosted by OPSSC. The DEOPE is appointed by the Governor of Western Australia and reports directly to the Minister for Public Sector Management.

The DEOPE's statutory role is covered by Part IX of the EO Act. Part IX of the Act aims to eliminate and ensure the absence of discrimination in employment in public authorities on all grounds covered by the EO Act. It promotes equal employment opportunity for all people in public authorities.

Organisation chart

The Commissioner for Public Sector Standards, OPSSC executive directors and the DEOPE comprise the OPSSC Corporate Executive. The organisational structure of OPSSC at 30 June 2009 is provided in Figure 1.

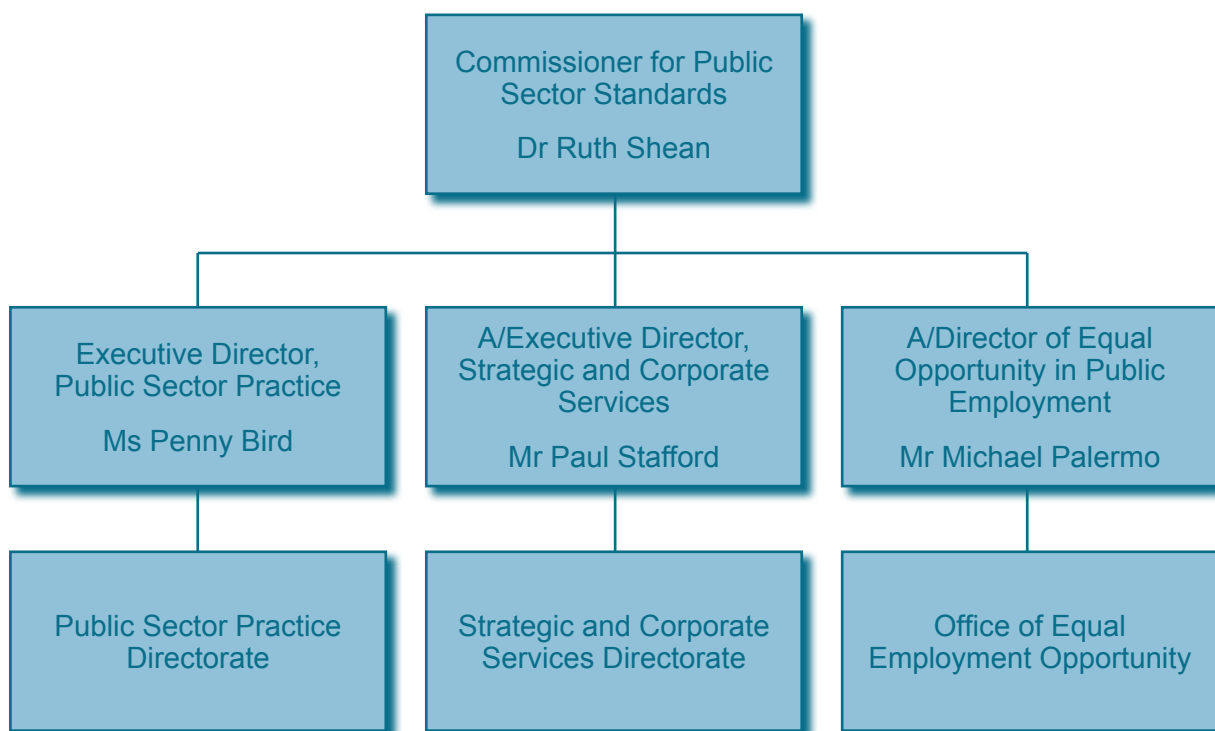


Figure 1: OPSSC organisational structure

Staff Profile

As at 30 June 2009, OPSSC had 36.4 employees (full-time equivalent). As shown by Table 1, the majority were full-time permanent employees, with 3.3 employed on a permanent part-time basis. Contract staff are employed when needed to backfill unexpected vacancies or staff on extended leave, to provide short-term expertise or to assist in peak workload periods.

Table 1: OPSSC staff profile

Employee category	Number of staff as at 30 June	
	2008	2009
Full-time permanent	25	29
Full-time contract	5	3
Part-time permanent	1	3.3
Part-time contract	2	1.1
TOTAL	33	36.4
Employees seconded out	7	3
Employees seconded in	4	3

Our organisational culture

OPSSC is committed to providing a workforce characterised by best practice in leadership, diversity management, ethics and integrity. These factors form the basis of OPSSC's values and code of conduct. OPSSC is also committed to continuous improvement of systems and innovation. These two key internal goals and associated strategies reflect OPSSC's dedication to best practice.

Shared responsibilities with other agencies

Integrity Coordinating Group

The Integrity Coordinating Group (ICG) was formed in January 2005 and launched publicly in July 2005. The ICG comprises the Commissioner for Public Sector Standards (Chair in 2005-06), the Western Australian Ombudsman (Chair in 2006-07), the Auditor General (Chair in 2007-08) and the Corruption and Crime Commissioner (Chair in 2008-09). This pattern of hosting rotation will continue in future years with the Commissioner for Public Sector Standards to chair for 2009-10.

The purpose of the ICG is to foster greater policy coherence and operational coordination between the core integrity bodies with the aim of strengthening integrity across the sector. The ICG will continue to work strategically and collaboratively to promote integrity in public authority bodies.

CEO Reference Group

During 2008-09 OPSSC set up a group of approximately 20 directors general and chief executive officers to provide a key reference group for consultations on developments and issues being managed by OPSSC that impact the public sector.

Report on Performance

Performance management framework

Relationship with government goals

The agency outcome which the Office of the Public Sector Standards Commissioner (OPSSC) strives for is the principles of merit, equity, probity and integrity to underpin official conduct and human resource management of public authorities in Western Australia. With an emphasis upon achieving a more effective public sector this outcome better relates to the government goal of “outcomes based service delivery”. Figure 2 illustrates how the government and agency goals are aligned with the agency-level services and its strategy.

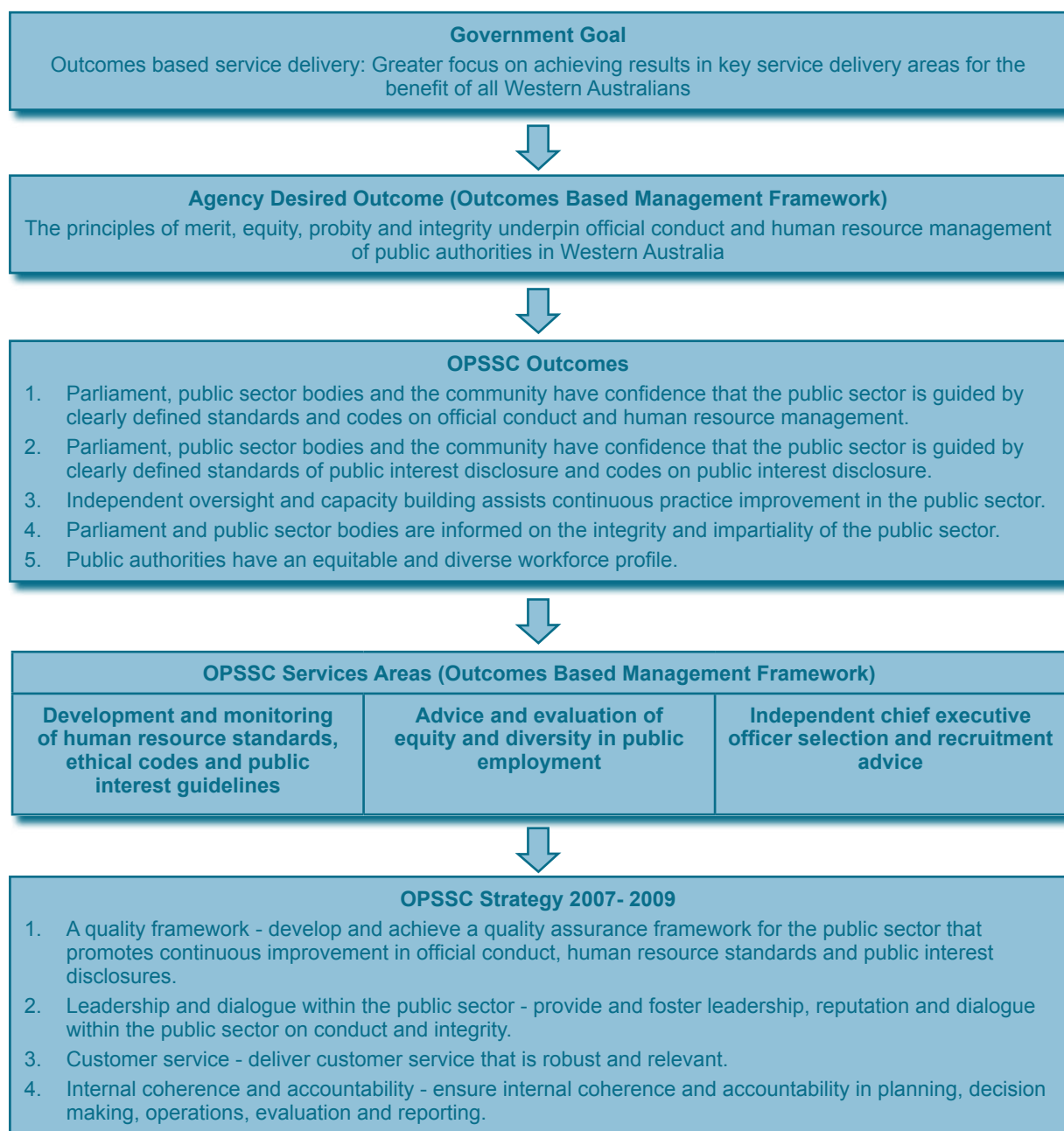


Figure 2: Alignment of government and agency goals with agency-level services and strategy

Agency performance

Evaluation of OPSSC performance

The Annual Reporting Framework issued by the Public Sector Commission requires agencies to report on their performance. In this report the performance of OPSSC for 2008-09 is discussed within the context of the agency's progress in achieving its strategic objectives (as documented in the 2008-09 budget statements); its operational objectives (as documented in the OPSSC Quality Framework); and the agency's results for its key performance indicators (as in the OPSSC outcomes based management framework).

Strategic achievements

In the 2008-09 budget statements OPSSC committed to undertaking a number of strategic initiatives. Table 2 reports the progress of OPSSC against each of these commitments.

Table 2: Strategic achievements during 2008-09

What we set out to do in 2008-09	What we achieved in 2008-09
Develop a quality framework for the public sector that promotes continuous improvement in official conduct, human resource standards and public interest disclosures.	Developed the <i>Good Governance Guide - Helping you comply with the standards</i> to assist agencies to understand the mandatory requirements of government, assess their governance risks and design an appropriate accountability framework that meets their business needs. The guide is based on the principles endorsed by the Australian Stock Exchange.
Undertake a review of the public sector standards to streamline recruitment processes to enable more efficient and effective recruitment.	A review of the public sector standards in human resource management was undertaken. Three new standards have been proposed to replace the existing nine. The new standards provide chief executive officers and directors general with a principles-based framework that enables them to customise their practices and meet their business needs. They are more streamlined and less process bound than the previous standards.

Report on Performance

Table 2 (continued): Strategic achievements during 2008-09

What we set out to do in 2008-09	What we achieved in 2008-09
Raise awareness of the new Western Australian Public Sector Code of Ethics and the OPSSC Conduct Guide.	Employed a range of strategies to assist public sector agencies to develop effective and relevant code of conduct. This included providing agencies with a customised consultancy service to help agencies identify integrity issues and recognise areas of risk. OPSSC also provided advice to agencies on their code of conduct policies and practices through a peer review service. A range of education and training programs to the sector and individual agencies were also provided.
Develop guidelines to assist chief executive officers determine what otherwise confidential or restricted information should be released in the public interest.	<i>Information Series 2009-01: In the Public Interest</i> was developed and released to assist chief executive officers when they are considering releasing information which may be in the public interest.
Expand the newly developed parliamentary reporting series to include matters beyond compliance reporting and consistent with s.21 (1)(h) of the <i>Public Sector Management Act 1994</i> (PSM Act).	In 2008-09 three Parliamentary Series Reports on the leadership, conduct and perceptions of those serving the public of Western Australia were tabled. Report topics included: <ul style="list-style-type: none"> • scrutiny of qualifications in selection processes; • failure to follow proper process; and • management of recruitment. OPSSC also tabled the first State of the Service Report, which covered the practice and promotion of and compliance with both the PSM Act and the <i>Public Interest Disclosure Act 2003</i> (PID Act).

Table 2 (continued): Strategic achievements during 2008-09

What we set out to do in 2008-09	What we achieved in 2008-09
<p>Design a range of products to raise awareness and ease implementation of public sector standards, public interest disclosure and ethics and integrity.</p>	<p>Developed a range of products in 2008-09, including the following.</p> <ul style="list-style-type: none"> • The OPSSC Information Series, which provides information on matters of official conduct and ethics and integrity. • <i>Exemption Applications - An Agency Guide</i>, which assists agencies with seeking an exemption. • <i>Managing Interest: A Checklist</i>, which provides guidance in managing conflicts of interest. • <i>Conduct Guide for Boards and Committees</i>, which guides the development of codes of conduct binding on government boards and committees. • <i>Speaking Out: A Guide to Making a Public Interest Disclosure</i>, which aims to assist public interest disclosure officers educate their staff when making disclosures about certain types of wrongdoing.
<p>Develop and implement a revised survey program as part of the development of a quality framework for OPSSC's work within the public sector.</p>	<p>In 2008-09 the survey program was revised resulting in the following.</p> <ul style="list-style-type: none"> • A redesigned Employee Perception Survey, which links the survey more closely to the public interest disclosure and equal opportunity legislation, the revised public sector standards, the OPSSC Good Governance Guide and the OPSSC Annual Agency Survey. • New OPSSC online survey systems developed using industry standard programming language for web-based forms to ensure online survey capability and capacity for expanding the survey program.

Report on Performance

Table 2 (continued): Strategic achievements during 2008-09

What we set out to do in 2008-09	What we achieved in 2008-09
<p>Review current programs, monitor progress and identify targeted strategies to address areas where there is under-achievement against government objectives in the <i>Equity and Diversity Plan for the Public Sector Workforce 2006-2009</i>.</p> <p>Evaluate existing strategies designed to improve the representation of people with disabilities and liaise with stakeholder groups as to the most appropriate ways to enhance assistance provided to the public sector in this area.</p>	<p>The Office of Equal Employment Opportunity (OEEO) reviewed the progress of the <i>Equity and Diversity Plan for the Public Sector Workforce 2006-2009</i>. Based on this analysis targeted strategies were identified to address areas where there was under-achievement against government objectives. This led to the development of case studies to market practical application examples to enhance workforce representation across the diversity groups. An alternative model for employing people with disabilities was developed and marketed to the sector.</p>
<p>Continue to work with agencies to ensure that appropriate equity and diversity information and data can be collected, maintained and reported.</p>	<p>Provided assistance to public sector agencies transitioning from the existing state-based Minimum Obligatory Information Requirements system to the national Workforce Analysis Comparison Application system. The data is used for analysis, planning and reporting and will guide improvements to equal employment opportunity programs across the public sector.</p>
<p>Develop a step-by-step coordinating tool which integrates the many elements of the chief executive officer search, selection and recruitment to streamline a complex process and specify all timelines and processes at the outset of each position so that all stakeholders are clear about what will follow.</p>	<p>Introduced a recruitment plan for each chief executive officer position. Panel members were selected prior to each position being advertised and processing dates were set by the time the position was advertised. Processing times for each position were published on the OPSSC website.</p>

Feature article:

Good Governance Guide – Helping you to comply with the standards

Good governance is at the heart of the public sector. It ensures a quality public sector that is efficient, effective, fair and transparent; and trusted by its customers – the wider community. Yet with the proliferation of accountability requirements it is easy for agencies to get lost.

To help agencies find their way through the maze of mandatory requirements and obligations, OPSSC has developed the *Good Governance Guide – Helping you to comply with the standards*, which documents the across-government accountability requirements into a single framework.

The guide is based on the governance concept adopted by the Australian Stock Exchange and has been developed in consultation with Western Australian public sector agencies. It addresses nine key aspects of governance and sets out the overarching principle for each area. It provides an operational matrix to help agencies identify the applicable standard, how to achieve the standard, how to know whether the standard has already been met and how to report on compliance with the standard.

An additional important element of the guide is the Accountability Map, which is an online tool that agencies can use to see applicable mandatory requirements and existing guidance documents at one glance. The Accountability Map will also help agencies to streamline their response to their accountability requirements.

For more information about the Good Governance Guide visit www.opssc.wa.gov.au/GGG



Report on Performance

Operational achievements

The previous section provides an overview of OPSSC's strategic achievements during 2008-09. The current section provides an overview of OPSSC's operational achievements, which are based on operational objectives documented in the OPSSC Quality Framework. This information has been presented in Table 3 under each of the four main functions undertaken by OPSSC, which are outlined below.

1. Set the standards

Lead and establish standards and codes.

2. Assist to meet the standards

Assist agencies to comply with those standards and codes, through public sector practice improvement.

3. Monitor compliance with the standards

Monitor and report compliant and non-compliant agency conduct.

4. Evaluate and report on compliance

Inform Parliament and public sector authorities on the integrity and impartiality of the public sector.

Table 3: Operational objectives and achievements during 2008-09

Function One: Set the standards – lead and establish standards and codes.

2008-09 operational objectives	What we achieved in 2008-09
<p>Establish public sector standards setting out minimum standards of merit, equity and probity to be complied with in the public sector.</p> <p>Establish a code setting out minimum standards of conduct and integrity to be complied with by a person to whom a disclosure of public interest information may be made under s.5(3) of the PID Act.</p> <p>Consult with the public sector to minimise any adverse effects on the efficiency and effectiveness of any amendments to the public sector standards and code of ethics on the public sector.</p> <p>Gazette regulations as required.</p>	<p>Reviewed the public sector standards. An intensive consultative process underpinned the review, with more than 230 people including chief executive officers, human resources managers, private providers and unions. New standards will be gazetted in 2009-10.</p> <p>In 2008-09, 92%¹ of public sector employees reported that they were aware that standards exist in public sector recruitment, selection and appointment and 67%¹ were aware of the public sector code of ethics.</p> <p>Conducted peer reviews of human resource policies and procedures and codes of conduct for 16 public sector agencies.</p>
<p>Prepare guidelines on internal procedures relating to the functions of a proper authority under the PID Act.</p>	<p>Updated the Guidelines for Internal Procedures in Public Authorities.</p> <p>Over 75% of public sector agencies have an internal public interest disclosure officer.</p>
<p>Set the standard for guidelines to assist authorities in preparing Equal Employment Opportunity Management Plans.</p>	<p>100% of public sector agencies, public universities and local government authorities have an Equal Employment Opportunity Management Plan in place for 2008-09.</p>
<p>Set the standard in chief executive officer recruitment and selection.</p>	<p>Provided independent advice to the Minister for Public Sector Management for appointment to 11 chief executive officer positions in the public sector.</p>

¹ 2008-09 Employee Perception Survey

Report on Performance

Table 3 (continued): Operational objectives and achievements during 2008-09

Function Two: Assist to meet the standards – assist agencies to comply with those standards and codes, through public sector practice improvement.

2008-09 operational objectives	What we achieved in 2008-09
<p>Assist public sector bodies and employees to comply with public sector standards, codes of ethics and codes of conduct.</p> <p>Develop and provide specific, high impact products for use within the Western Australian public sector.</p> <p>Develop and deliver customised consultancy services and training packages to specifically meet the needs of public sector agencies in Western Australia.</p>	<p>Responded to 1,392 calls for assistance from human resources practitioners and public sector employees.</p> <p>Developed a range of products to assist public sector agencies including online toolkits focussing on appointment, good practice, termination and frequently asked questions.</p> <p>Delivered 86 presentations and 29 workshops to over 1,700 public sector employees on ethics and integrity issues and public sector standards.</p>
<p>Advise and assist authorities in relation to Equal Employment Opportunity Management Plans, including the development of guidelines to assist authorities in preparing management plans.</p>	<p>The OEEO made a number of achievements in this area, which included the following.</p> <ul style="list-style-type: none"> • Conducted quarterly Diversity Forums to promote attraction and retention strategies for improving equity and diversity outcomes. • Developed a number of products including a documentary to showcase the benefits of employing people with disabilities in a structured team environment and regular email bulletins to promote good workforce diversity practice. • Contributed to a range of whole-of-government initiatives through participation in several cross-agency programs, reference groups and committees.
<p>Provide independent advice to the Minister for Public Sector Management about reappointment and persons suitable for vacant chief executive officer positions by using fair and comprehensive processes as outlined in ss 45 and 48 of the PSM Act.</p>	<p>The Minister for Public Sector Management accepted 100% of OPSSC's nominations for suitable people for vacant public sector chief executive officer positions.</p>

Table 3 (continued): Operational objectives and achievements during 2008-09

Function Three: Monitor compliance with the standards – monitor and report compliant and non-compliant agency conduct.

2008-09 operational objectives	What we achieved in 2008-09
Monitor compliance with the public sector standards setting out minimum standards of merit, equity and probity to be complied with in the public sector.	162 claims were reviewed and 19 were determined as having a breach of standard. Practice improvements were identified on an estimated 80 occasions.
Monitor compliance by public sector bodies with the provisions of the PID Act.	106 compliance inquiries (general) were reviewed and 10 were determined as not complying with legislation. Practice improvements were identified on an estimated 30 occasions.
Conduct investigations into non-compliance.	
Determine exemptions from public sector standards and the Commissioner may repeal or amend any exemption made under s.25(1)(a) of the PSM Act.	Conducted two sector-wide audits to monitor and evaluate broader systemic compliance issues and risks.
Make recommendations to the Minister for Public Sector Management on the making, amendment or repeal of regulations prescribing procedures, whether by appeal, review, conciliation, arbitration, mediation or otherwise, for employees and other persons to obtain relief in respect of the breaching of public sector standards.	70% of compliance inquiries were managed within 90 days.
Evaluate the effectiveness of Equal Employment Opportunity Management Plans in achieving the objectives of Part IX of the EO Act.	The OEEO reviewed current public sector programs to identify areas of under-achievement in relation to the <i>Equity and Diversity Plan for the Public Sector Workforce 2006-2009</i> .

Report on Performance

Table 3 (continued): Operational objectives and achievements during 2008-09

Function Four: Evaluate and report on compliance – inform Parliament and public sector authorities on the integrity and impartiality of the public sector.

2008-09 operational objectives	What we achieved in 2008-09
<p>Report to the Minister of the Crown (s.21(1)(g)) responsible for a public sector body and each House of Parliament (s.21(1)(h)-(i)), on the compliance or non-compliance by the public sector and its employees with the principles set out in ss 8(1)(a)-(c) and 9 and with public sector standards, codes of ethics and codes of conduct.</p> <p>Management of annual surveys and monitoring public sector compliance with yearly reporting under PSM Act and PID Act</p>	<p>Obtained survey responses from 127 public sector agencies and authorities, 142 local government authorities, 4 universities and 78 boards and committees to evaluate and report on compliance across the public sector.</p> <p>Obtained survey responses from 5,713 public sector employees to ascertain their views of compliance and non-compliance within the public sector.</p> <p>Prepared three Parliamentary Series Reports and the first State of the Service Report, which were tabled in Parliament.</p>
<p>Prepare reports and recommendations to the Minister for Public Sector Management as to:</p> <ul style="list-style-type: none"> the operation of management plans; and such matters as the Director of Equal Opportunity in Public Employment (DEOPE) thinks appropriate relating to the objects of Part IX of the EO Act. 	<p>Produced the DEOPE Annual Report and the <i>How Does Your Agency/University Compare?</i> reports on progress made by the public sector in maintaining an equitable and diverse workforce.</p>

Key performance indicators

OPSSC's key performance and effectiveness indicators are intended to reflect and evaluate the agency's desired outcomes and services. These indicators are also reported in this year's audited performance indicators (see the *Disclosures and Legal Compliance* section for detailed key performance indicator information), and were included in the 2009-10 budget. Table 4 reports the actual performance for 2008-09 compared to budget targets.

Table 4: Actual performance compared to budget targets

Effectiveness indicators	2008-09 Target	2008-09 Actual	Variation
Percentage of public authorities who have provided all reports as required by legislation	100%	93%	-7% ¹
Percentage of public authorities who have met the minimum requirements	95%	89%	-6% ¹
Percentage of public authorities provided with assistance on the principles of merit, equity, probity and integrity in official conduct and human resource management during the year	90%	100%	10%
Percentage of public authorities who agree that feedback through the OPSSC survey process has increased their understanding of the principles of merit, equity, probity and integrity in official conduct and human resource management	95%	93%	-2%
Percentage of breach of standard claims and matters referred to the OPSSC that are handled within specified timeframes	90%	70%	-20% ²
Percentage of chief executive officer appointment recommendations where the Minister for Public Sector Management has indicated he/she is satisfied with the process	100%	100%	0%

¹ See Reasons for variations - Minimum reporting requirements on page 24.

² See Reasons for variations - Claims and matters handled within specified timeframes on page 25.

Report on Performance

Efficiency indicators	2008-09 Target	2008-09 Actual	Variation
Cost of assistance and monitoring per public sector agency for the PSM Act and for the PID Act	\$10,812	\$9,409	-13%
Cost of assistance and monitoring per public sector agency and authority for Part IX of the EO Act	\$4,075	\$4,281	5%
Cost per chief executive officer selection process	\$62,833	\$85,163	35% ³

³ See reasons for variations - Cost per chief executive officer selection process on page 26.

Reasons for variations

Minimum reporting requirements

In 2008-09, boards and committees associated with public sector agencies were made subject to mandatory reporting to OPSSC for the first time. Hence boards and committees were included in the measures relating to both *public authorities who provided all reports as required by legislation* and *have met the minimum reporting requirements*.

The drop in the above two measures is attributable to the inclusion of boards and committees. As shown by Figure 2, 100% of public sector agencies and authorities (n=127), local government authorities (n=142) and public universities (n=4) provided the required reports; whereas only 70% (55/78) of boards and committees provided the same.

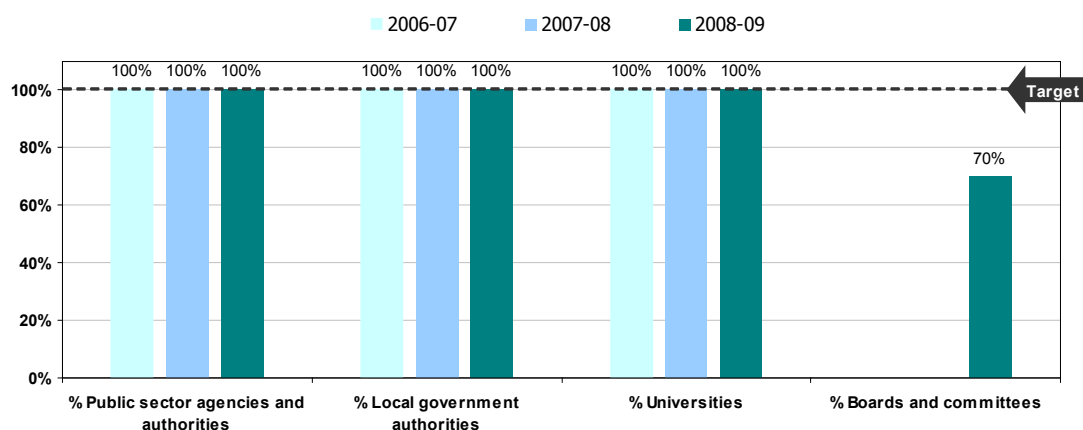


Figure 2: Percentage of public authorities providing all reports as required by legislation

Similarly the inclusion of boards and committees has had a negative impact on the number of public authorities *which have met the minimum reporting requirements*. As shown by Figure 3, only 65% (51/78) of boards and committees *met the minimum reporting requirements*, compared to 98% of public sector agencies and authorities (125/127), 98% of local government authorities (140/142), and 100% public universities (4).

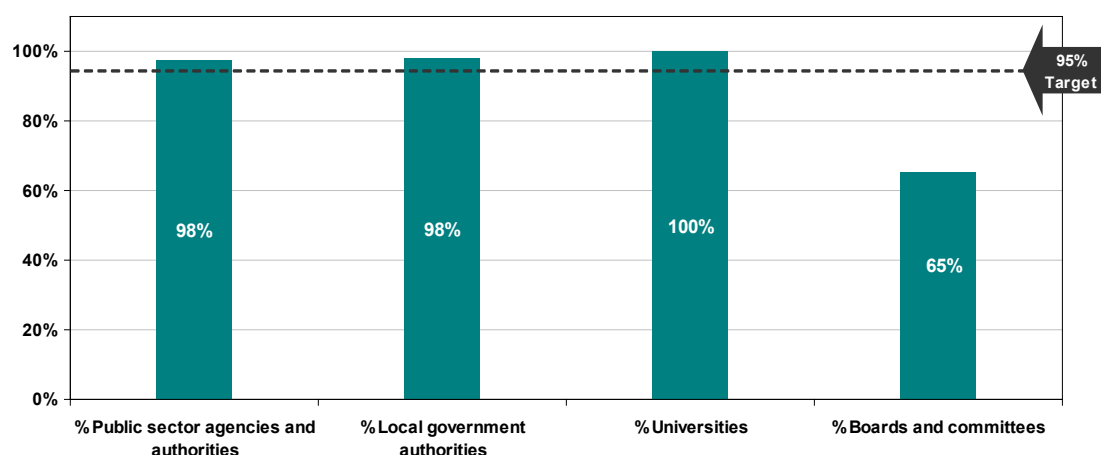


Figure 3: Percentage of public authorities who have met the minimum requirements

OPSSC is working with boards and committees on lifting the compliance level and as a result expects that there will be a significant improvement in the next year.

Claims and matters handled within specified timeframes

OPSSC experienced a significant decline in the *percentage of breach of standard claims and matters that are handled within specified timeframes*. OPSSC takes all allegations of a breach of standards very seriously. Each matter involves a careful examination of all the facts and circumstances of the alleged matter. The following factors affected the meeting of timelines of assessment of breach claims and matters of referral in 2008-09.

1. 36% increase in the number of breach of standard claims compared to the previous year (from 119 in 2007-08 up to 162 in 2008-09) (see Figure 4 on page 26).
2. 90% increase in the number of claims found to be in breach of a public sector standard (from 9 in 2007-08 up to 17 in 2008-09) (see Figure 5 on page 26).
3. A small number of claims that have become extremely drawn-out due to reasons such as complexity and legal issues being raised by agencies.

Staffing levels have also contributed to the length of time it takes to review breach claims. These have remained constant while the number and complexity of breach claims and matters of referral have increased significantly.

Report on Performance

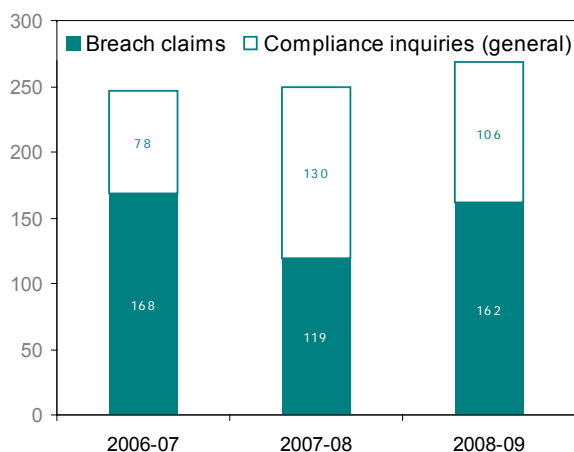


Figure 4: Breach of standard claims and matters of referral

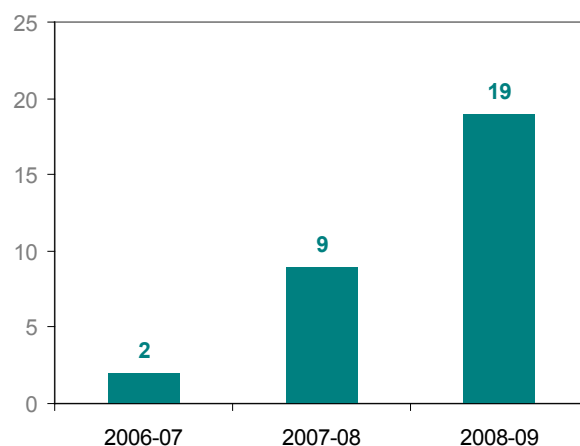


Figure 5: Substantiated breaches in public sector standards

Cost per chief executive officer selection process

The comparative average costs over the years 2007-09 were impacted by the following two factors.

1. Changes to the services specified in the OPSSC accountability framework in 2007-08 resulting in a different attribution of overheads.
2. The transition of OPSSC into the Department of Treasury and Finance Shared Services arrangements, which delayed the processing of certain transactions from 2007-08 into 2008-09.

The impact of those factors on this particular indicator was partially masked in 2007-08 through the much higher than normal number of chief executive officer positions that required filling in that year. In 2008-09 the number of positions that required filling returned to normal levels.

Significant issues impacting the agency

Since elevating its visibility to Parliament from late in 2007-08, and acknowledging its direct reporting responsibility to Parliament, the Office of the Public Sector Standards Commissioner (OPSSC) has introduced a new series of parliamentary reports on the leadership, conduct and perceptions of those serving the public of Western Australia. In 2008-09 three Parliamentary Series Reports were tabled. OPSSC also tabled the first State of the Service Report, which covered the practice and promotion of and compliance with both the *Public Sector Management Act 1994* (PSM Act) and the *Public Interest Disclosure Act 2003* (PID Act). Reporting in this manner will continue in 2009-10.

A greater focus on integrity in government has resulted in the need for a comprehensive and consolidated approach to governance in the public sector. OPSSC is streamlining accountability requirements to increase efficiency, while keeping a focus on the obligations of government. Consultation with chief executive officers has led to streamlined data collection and redevelopment of the Employee Perception Survey.

OPSSC has developed new public sector standards in human resource management to streamline recruitment requirements. Three new standards will replace the existing nine.

Increased recruitment activity and greater awareness of proper processes within the public sector contributed to a spike in compliance inquiries about breach of public sector standards in 2008-09, with a concomitant increase in non-compliance. Compliance inquiries do not necessarily identify systemic problems. OPSSC's new approach to systemic public sector standards auditing will identify risks not identified through compliance processes.

Effective management across the public sector of public interest disclosures continues to be a major focus for OPSSC. In 2009-10 OPSSC will continue to develop compliance, monitoring and reporting systems relating to public interest disclosures, including responding to any changes in legislation and updating guidelines. This will include developing a live, secure and confidential online system for registering public interest disclosures to enable better monitoring and reporting.

OPSSC managed the selection process and provided nominations for 11 public sector chief executive officer positions to the Minister for Public Sector Management in 2008-09. These nominations achieved 100 percent acceptance by the Minister, which was also the case in the previous year.

Future Directions

Strategic outcomes for 2009-10

OPSSC has targeted a number of strategic outcomes for 2009-10. The achievement of these outcomes may be influenced by the anticipated merger of the Public Sector Standards Commissioner and Public Sector Commission roles.

The strategic outcomes targeted by OPSSC for 2009-10 are presented in Table 6 against the core agency-level outcomes.

Table 6: Planned strategic outcomes for 2009-10

Agency-level outcomes	Key strategic outcomes 2009-10
Outcome 1 Parliament, public sector bodies and the community have confidence that the public sector is guided by clearly defined standards and legislative practice.	<ul style="list-style-type: none">• Promote the new public sector standards in human resource management as an opportunity to enhance the efficiency and effectiveness of the public sector in meeting its outcomes.• Promote embedding a coordinated ethics framework based on the Western Australian Public Sector Code of Ethics and the Good Governance Guide Principle 5: Ethics and Integrity into public sector operations to enhance official conduct and increase trust in the public sector.
Outcome 2 Parliament, public sector bodies and the community have confidence that the public sector is guided by clearly defined public interest disclosure standards and legislative procedures on public interest disclosure.	<ul style="list-style-type: none">• Build awareness across the Western Australian public sector of the role of public interest disclosures in building confidence in the public sector and strengthen public interest disclosure officer professional networks and promote public interest disclosure training.• Use the public interest disclosure register to monitor actively how well public interest disclosures are managed through agencies to increase confidence in using the provisions of the PID Act.• Support legislative change to enable the PID Act to meet its intended outcomes.
Outcome 3 Independent oversight and capacity building assists continuous practice improvement in the public sector.	<ul style="list-style-type: none">• Examine the feasibility of piloting a self regulatory framework (supported by audit) for the public sector standards in human resource management to complement the current breach claim process.• Build the capacity of the public sector to embed the principles of official conduct and the Western Australian Public Sector Code of Ethics in their operations to enhance official conduct in the Western Australian public sector (supported by the Good Governance Guide and OPSSC Conduct Guide).

Table 6 (continued): Planned strategic outcomes for 2009-10

Agency-level outcome	Key strategic outcomes 2009-10
<p>Outcome 4</p> <p>Parliament and the public sector are informed on the integrity and impartiality of the sector.</p>	<ul style="list-style-type: none"> • Further develop the survey evaluation framework to enable enhanced reporting on capacity and compliance of the public sector to meet the requirements of the PSM Act, PID Act and EO Act. • Use the richness of OPSSC's survey evaluation framework, underpinned by the Good Governance Guide, to enhance the State of the Service Reports to support evidence based policy making and practice improvement.
<p>Outcome 5</p> <p>Public authorities have an equitable and diverse workforce profile.</p>	<ul style="list-style-type: none"> • Liaise with local government stakeholder groups as to the most appropriate ways to enhance assistance provided to local government with equity and diversity planning. • Evaluate existing strategies designed to improve the representation of diversity groups that are under represented. Liaise with stakeholder groups about the most appropriate ways to enhance assistance provided to the public sector in these areas. • Continue to work with agencies involved in the transition of sector wide human resource and workforce information system from the existing state-based Minimum Obligatory Information Requirement to the national Workforce Analysis Comparison Application data collection system to ensure that appropriate equity and diversity information and data can be collected maintained and reported on for public authorities in Western Australia.

Governance

Managing OPSSC

OPSSC is committed to good governance. Good governance helps to ensure that OPSSC provides a quality service that is efficient, effective, fair and transparent; and trusted by its customers – Parliament, the public sector and the wider community.

The governance and operation of OPSSC is conducted in accordance with an understood and accepted accountability framework.

The OPSSC Accountability Framework provides the necessary framework within which OPSSC can achieve its key strategic goals and outcomes. It also promotes quality and consistency in the way in which resources are acquired and used.

Accountability framework

The OPSSC Accountability Framework is based on the OPSSC Good Governance Guide. This guide outlines nine key governance principles as shown in Figure 6. Using these headings, the following sections outline the internal mechanisms OPSSC uses to meet its accountability requirements.



Figure 6: The nine governance principles of the *Good Governance Guide* – *Helping you comply with the standards*

Principle 1: Government and public sector relationship

The organisation's relationship with the government is clear.

OPSSC is committed to ensuring a clear and transparent relationship with government. This prevents any undue influence in the administration of OPSSC's functions and encourages the swift and efficient implementation of government policies and strategies.

The role and function of the Commissioner for Public Sector Standards is established by Part 2, Division 3 of the *Public Sector Management Act 1994* (PSM Act). The relationship between the Commissioner and Parliament is set out in this part of the PSM Act. The Commissioner also has reporting responsibilities under the *Public Interest Disclosure Act 2003* and Part IX *Equal Opportunity Act 1984* (through the Director of Equal Opportunity in Public Employment).

OPSSC released three Parliamentary Series Reports in 2008-09, which detailed a total of 15 public interest matters.



Principle 2: Management and oversight

The organisation's management and oversight is accountable and has clearly defined responsibilities.

Well defined management responsibilities and accountabilities, meaningful strategic plans and work programs, as well as independent oversight, are key cornerstones of governance at OPSSC.

OPSSC has a governance charter which defines the roles, responsibilities and accountability for all relevant levels of management. The OPSSC Strategic Plan outlines the organisation's key strategic goals, outcomes, outputs, key objectives, strategies and performance measures. The strategic plan is developed in conjunction with key stakeholders and reviewed every three years.

Operational plans and programs of work, with defined critical success factors, outline how key strategic goals and outcomes are accomplished at all levels of the organisation. These plans are developed annually – with planning beginning in April each year – and are endorsed by the OPSSC Corporate Executive.

Governance

Performance measures are defined and monitored for OPSSC's strategic goals through the Western Australian Government Budget Statements. Operational plans are monitored through monthly reports to the Commissioner on the activities of each directorate. These reports are consolidated and circulated to members of the Corporate Executive for distribution as appropriate.

Principle 3: Organisational structure

The organisation's structure serves its operations.

OPSSC has an organisational structure which reflects its main operational objectives. At the same time, the structure is flexible enough to respond to changes in the agency's strategy or mission.

The OPSSC Governance Charter ensures that the agency's structure serves its key strategic goals and outcomes. The operational and financial governance and management of OPSSC is undertaken through a number of key groups with designated responsibilities as outlined in the OPSSC Governance Charter.

The primary decision making forums for OPSSC are the:

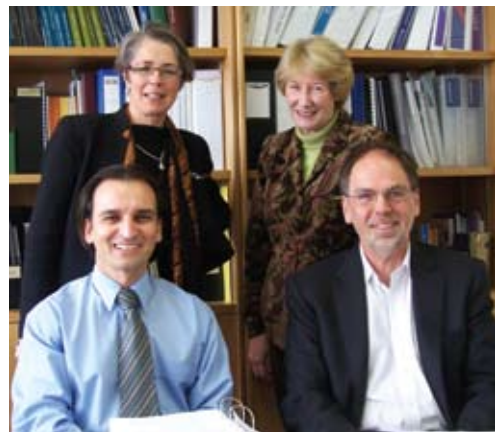
- Corporate Executive;
- Corporate Leadership Group; and
- Internal Audit and Risk Management Committee.

Final accountability for all deliverables rests with the Corporate Executive. The Corporate Executive may, however, choose to delegate any or all of these tasks to the Corporate Leadership Group.

Processes exist to manage structural change and the relationships between business units. These are documented in the Corporate Executive (processes) Policy and the OPSSC Governance Charter.

Performance measures identify how well the structure delivers against the strategic plans. OPSSC assesses the effectiveness of the structure against the strategic goals at the beginning of each strategic planning cycle, taking into account all other measures.

*OPSSC Corporate Executive (left - right):
(rear) Dr Ruth Shean, Penny Bird, (front)
Michael Palermo, Paul Stafford.*



Principle 4: Operations

The organisation plans its operations to achieve its goals.

OPSSC promotes operational planning as a key instrument to ensure accountability and the effective and efficient management and use of resources. As such, operational planning touches upon numerous aspects of governance and is a key tool to increase compliance.

Operational plans and programs of work, with defined critical success factors, support OPSSC's key strategic goals and outcomes and are regularly adjusted to changes in strategic and environmental imperatives. They are developed from the OPSSC Outcomes Framework.

The OPSSC Outcomes Framework outlines the legislative mandate for operations, outcomes and key strategies, products, standards for operations, evaluation methods and reporting requirements. It defines the operational performance standards and enables the development of a quality plan by a gap analysis of performance against the standards. The quality plan is integrated into the OPSSC Operational Plan.

Infrastructure is in place to enable OPSSC to implement its Operational Plan. Key performance indicators track OPSSC's performance against its strategic and operational plans. The OPSSC Operational Plan is updated monthly and progress is reported to the Commissioner at six and twelve month intervals. The OPSSC Outcomes Framework is used as the basis for reviewing operational requirements and developing annual operational plans. Key performance indicators are reported against the Western Australian Government Budget Statements each year in the annual report. The Corporate Executive endorses and approves the acquittal of the agency's Operational Plan.

Policies enable operations to deliver against OPSSC's strategic goals and outcomes. OPSSC's policy system ensures that decision making is consistent, justifiable and transparent. Policies are developed through consultation with the Corporate Leadership Group and endorsed by the Corporate Executive. Copies are filed centrally, provided to members of the Corporate Executive and posted on the intranet for staff. OPSSC maintains a policy tracking system that includes a 'bring up' system that ensures policies are reviewed as part of a regular cycle.

Performance evaluation audits are conducted in accordance with the:

- Internal Audit and Risk Management Charter;
- Internal Audit and Risk Management Committee Charter; and
- internal audit plans.

Principle 5: Ethics and Integrity

Ethics and integrity are embedded in the organisation's values and operations.

OPSSC is committed to ensuring that ethical behaviour is fundamental in everything it does. Ethical behaviour is critical to ensure integrity in decision making and quality service delivery, and in engendering Parliament, public sector and community trust. Subscribing to ethics as a basic value for all operations is key for good business and good outcomes.

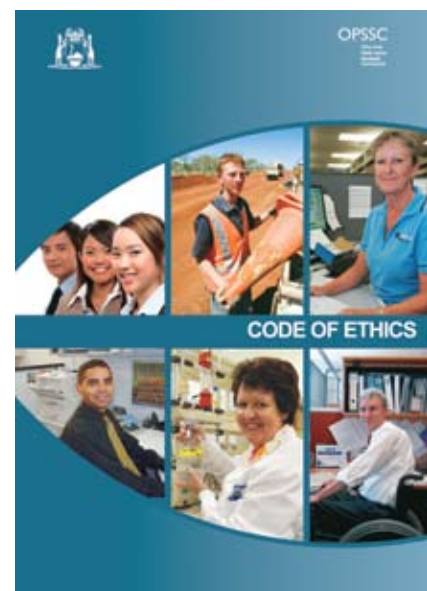
OPSSC's values and code of conduct, reflecting the Western Australian Public Sector Code of Ethics, define the standards of official conduct and professional behaviour expected of all employees. The agency's ethics and integrity risks are identified and addressed by a range of policies and operational processes. These cover matters such as:

- the acceptance of gifts from an external agency or individual by OPSSC employees;
- employee attendance at interstate and overseas professional development activities;
- corporate and staff membership and subscriptions;
- employees engaging in alternative employment activities;
- the acceptable use of OPSSC assets at employees' homes; and
- procurement and the acceptable use of corporate credit cards.

A structured process is in place to monitor official conduct and professional behaviour as outlined in policies on:

- performance development;
- risk management; and
- internal audit.

The way OPSSC responds to non-ethical behaviour is defined by people management frameworks, such as the agency's code of conduct and discipline policy. Processes, including those outlined in the code of conduct and procedures for public interest disclosures, provide supervision and assistance and enable follow up of non-compliance.



Principle 6: People

The organisation's leadership in people management contributes to individual and organisational achievements.

OPSSC is focused upon constructing adequate governance in management of employees. This encompasses fair, transparent and equal treatment of employees, as well as comprehensive strategies to motivate and lead people and promote personal development.

OPSSC has various policies that enable the attraction, retention and management of people and the promotion of equity and diversity. Structured procedures are in place to monitor adherence to human resource policies including a quality assessment checklist for the Recruitment, Selection and Appointment Standard.

There are people management frameworks and policies that cover the whole employment continuum and provide development opportunities for staff. This includes best practice employment policies in areas such as injury management, leave entitlements and management, supervision, flexible work arrangements and promoting a healthy active and diverse workplace.

Feedback processes in OPSSC allow for continual improvement on OPSSC people management practice. Staff have several ways to provide information to management on their experiences at work. These feedback avenues address grievances, bullying, performance development and exit interviews that allow for final comments.

OPSSC people management frameworks and policies cover the whole employment continuum and provide development opportunities for staff.



Principle 7: Finance

The organisation safeguards financial integrity and accountability.

Sound financial management ensures accountability and efficiency in the management of public resources. Finance policies define the key strategic goals and outcomes for which OPSSC's finances must be employed including the:

- Financial Policy Manual;
- Western Australian Government Budget Statements; and
- OPSSC operational budget establishment.

Governance

A formal audit charter specifies roles and responsibilities, composition and structure of all audit functions which includes the:

- OPSSC Internal Audit and Risk Management Charter; and
- OPSSC Internal Audit and Risk Management Committee Charter.

Processes ensure the proper recording of financial transactions consistent with the Accounting Manual.

Structured processes are in place to monitor and audit financial performance against budget and key strategic goals, both at executive level as well as by an independent audit committee, including:

- OPSSC's Internal Audit and Risk Management Committee Charter;
- internal audit plans;
- financial performance progress reports against the operational budget are reported monthly to the Commissioner and the Corporate Executive showing key variances with respect to agreed budgets and targets; and
- external audit.

Principle 8: Communication

The organisation's communication with all parties is accessible, open and responsive.

Communication policies ensure OPSSC's communication is open, accessible and responsive. The OPSSC Communication Policy and policies which cover the release of reports and interaction with the media ensure information is disseminated through the correct channels, in a timely manner and to the right target group.

Processes ensure proactive, transparent and responsive internal and external communication and assist in complying with legislation, in particular with respect to record keeping and freedom of information, in safeguarding the confidentiality and integrity of information, and in preventing unauthorised, false or premature disclosure. These are documented in policies which cover record keeping and records management, communication, confidentiality and freedom of information.

An audit strategy exists to monitor compliance with communication policies and strategies.

OPSSC's quarterly newsletter *In Principle* was developed to communicate key activities and initiatives to our stakeholders.



Principle 9: Risk Management

The organisation identifies and manages its risks.

OPSSC is actively committed to identifying its particular risk exposure and developing and implementing risk prevention and remediation plans. A risk management policy and framework exist for the governance and management of material risks (for example financial, physical or reputational risks).

OPSSC's risk exposure is evaluated and remediation plans are implemented through a risk management plan and security policy. Preventative measures for key risk categories are incorporated into the risk management plan and integrated into the OPSSC Operational Plan. Procedures are documented in the Audit Plan to monitor incidents from the identified risk categories.

Disclosures and Legal Compliance

Financial statements

Certification of financial statements for the year ended 30 June 2009

The accompanying financial statements of the Office of the Public Sector Standards Commissioner have been prepared in compliance with provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2009 and the financial position as at 30 June 2009.

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



Dr Ruth Shean
Accountable Authority
10 September 2009



Paul Stafford
Chief Financial Officer
10 September 2009

Opinion of the Auditor General



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accounts, financial statements, controls and key performance indicators of the Office of the Public Sector Standards Commissioner.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Public Sector Standards Commissioner's Responsibility for the Financial Statements and Key Performance Indicators

The Public Sector Standards Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf.

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators 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 and key performance indicators.

**Office of the Public Sector Standards Commissioner
Financial Statements and Key Performance Indicators for the year ended 30 June 2009**

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Office of the Public Sector Standards Commissioner at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Office provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Office are relevant and appropriate to help users assess the Office's performance and fairly represent the indicated performance for the year ended 30 June 2009.



COLIN MURPHY
AUDITOR GENERAL
15 September 2009

Disclosures and Legal Compliance

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009			
	Note	2009 \$	2008 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	3,597,308	2,824,359
Supplies and services ^(a)	7	1,279,016	1,193,905
Depreciation and amortisation expense	8	65,179	72,463
Accommodation expenses	9	437,096	419,408
Grants and subsidies	10	-	1,995
Other expenses	11	1,262	41,364
Total cost of services		5,379,861	4,553,494
Income			
Revenue			
User charges and fees	12	338,241	795,851
Total Revenue		338,241	795,851
Total income other than income from State Government		338,241	795,851
NET COST OF SERVICES		5,041,620	3,757,643
INCOME FROM STATE GOVERNMENT	13		
Service appropriation		4,585,000	4,323,000
Liabilities assumed by the Treasurer		-	(101)
Assets assumed / (transferred)		-	8,137
Resources received free of charge		46,629	63,675
Total income from State Government		4,631,629	4,394,711
SURPLUS/DEFICIT FOR THE PERIOD		(409,991)	637,068

^(a) Includes administrative expenses.

Disclosures and Legal Compliance

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER BALANCE SHEET AS AT 30 JUNE 2009			
	Note	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash and cash equivalents	23	161,219	273,415
Restricted cash and cash equivalents	14	488,849	-
Receivables	15	683,592	1,422,934
Amounts receivable for services	16	121,000	111,000
Other current assets	17	5,164	2,110
Total Current Assets		1,459,824	1,809,459
Non-Current Assets			
Restricted cash and cash equivalents	14,23	42,064	29,149
Amounts receivable for services	16	1,209,000	1,102,000
Property, plant and equipment	18	276,340	285,215
Total Non-Current Assets		1,527,404	1,416,364
TOTAL ASSETS		2,987,228	3,225,823
LIABILITIES			
Current Liabilities			
Payables	19	315,504	378,915
Amounts due to the Treasurer	20	500,000	500,000
Provisions	21	636,996	492,136
Total Current Liabilities		1,452,500	1,371,051
Non-Current Liabilities			
Provisions	21	325,378	212,702
Total Non-Current Liabilities		325,378	212,702
Total Liabilities		1,777,878	1,583,753
NET ASSETS		1,209,350	1,642,070
EQUITY	22		
Contributed equity		615,000	615,000
Accumulated surplus/(deficiency)		594,350	1,027,070
TOTAL EQUITY		1,209,350	1,642,070

See also the 'Schedule of Assets and Liabilities by Service' at page 46.

The Balance Sheet should be read in conjunction with the accompanying notes.

Disclosures and Legal Compliance

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009			
	Note	2009 \$	2008 \$
Balance of equity at start of period		1,642,070	1,084,525
CONTRIBUTED EQUITY	22		
Balance at start of period		615,000	615,000
Capital contribution		-	-
Balance at end of period		615,000	615,000
ACCUMULATED SURPLUS	22		
Balance at start of period		1,027,070	469,525
Change in accounting policy		-	(79,523)
Correction of prior period errors ^(b)		(22,729)	-
Restated balance at start of period		1,004,341	390,002
Surplus/(deficit) or profit/(loss) for the period		(409,991)	637,068
Balance at end of period		594,350	1,027,070
Balance of equity at end of period		1,209,350	1,642,070
Total income and expenses for the period ^(a)		(409,991)	637,068

^(a) The aggregate net amount attributable to each category of equity is: loss \$682,161 (2008: surplus \$637,068) and loss of (\$8,137) due to a prior period adjustment.

^(b) Correction of prior period errors comprise of \$8,137 and \$14,591.77.

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

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OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009			
	Note	2009 \$	2008 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		4,357,000	4,009,000
Holding account drawdowns		111,000	120,000
Net cash provided by State Government		4,468,000	4,129,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(3,099,889)	(3,415,466)
Supplies and services		(1,111,553)	(1,146,753)
Accommodation		(439,377)	(424,645)
Grants and subsidies		-	(1,995)
GST payments on purchases		(212,690)	(100,505)
GST payments to taxation authority		(39,564)	(10,340)
Other payments			(64,922)
Receipts			
User charges and fees		751,215	599,162
GST receipts on sales		82,435	(8,335)
GST receipts from taxation authority		83,992	71,231
Net cash provided by/(used in) operating activities	23	(3,985,431)	(4,502,568)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets (a)		(93,000)	(33,341)
Net cash provided by/(used in) investing activities		(93,000)	(33,341)
Net increase/(decrease) in cash and cash equivalents		389,569	(406,909)
Cash and cash equivalents at the beginning of period		302,564	709,473
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	23	692,132	302,564

(a) Due to the change in the capitalisation threshold where assets below \$5,000 are to be expensed, the cashflow under investing activities represents the extent to which expenditure has been made for resources that are initially recognised as an asset in the balance sheet. Therefore, expenditure on items below \$5,000 is to be classified as an operating activity. The Cash Flow Statement should be read in conjunction with the accompanying notes.

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER SCHEDULE OF INCOME AND EXPENSES BY SERVICE FOR THE YEAR ENDED 30 JUNE 2009									
	Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines		Advice and Evaluation of Equity and Diversity in Public Employment		Independent Chief Executive Officer Selection and Reappointment Advice		Total		
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	
COST OF SERVICES									
Expenses									
Employee benefits expense	2,273,823	1,638,128	934,120	621,359	389,365	564,872	3,597,308	2,824,359	
Supplies and services	708,524	446,710	123,721	147,646	446,771	599,549	1,279,016	1,193,905	
Depreciation and amortisation expense	37,804	42,028	14,339	15,942	13,036	14,493	65,179	72,463	
Accommodation expenses	253,515	243,266	96,162	92,265	87,419	83,877	437,096	419,408	
Grants and subsidies	-	1,157	-	439	-	399	-	1,995	
Other expenses	799	23,906	267	9,156	196	8,302	1,262	41,364	
Total cost of services	3,274,465	2,395,195	1,168,609	886,807	936,787	1,271,492	5,379,861	4,553,494	
Income									
User charges and fees	34,758	88,945	10,419	85,163	293,064	621,743	338,241	795,851	
Total income other than income from State Government	34,758	88,945	10,419	85,163	293,064	621,743	338,241	795,851	
NET COST OF SERVICES	3,239,708	2,306,250	1,158,190	801,644	643,723	649,749	5,041,620	3,757,643	
INCOME FROM STATE GOVERNMENT									
Service appropriation	2,685,260	2,507,340	982,740	951,060	917,000	864,600	4,585,000	4,323,000	
Liabilities assumed by the Treasurer	-	(59)	-	(22)	-	(20)	-	(101)	
Assets assumed / (transferred)	-	4,720	-	1,790	-	1,627	-	8,137	
Resources received free of charge	27,045	36,932	10,258	14,008	9,326	12,735	46,629	63,675	
Total income from State Government	2,712,305	2,548,933	992,998	966,836	926,326	878,942	4,631,629	4,394,711	
Surplus/deficit for the period	(527,402)	242,683	(165,192)	165,192	282,603	229,193	(409,991)	637,068	

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

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OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER SCHEDULE OF ASSETS AND LIABILITIES BY SERVICE FOR THE YEAR ENDED 30 JUNE 2009									
	Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines		Advice and Evaluation of Equity and Diversity in Public Employment		Independent Chief Executive Officer Selection and Reappointment Advice		General - Not Attributed		Total
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$
ASSETS									
Current assets	502,017	622,253	235,227	291,565	120,657	149,555	601,923	746,086	1,459,824
Non-current assets	909,155	843,061	306,081	283,829	306,168	283,910	6,000	5,564	1,527,404
Total assets	1,411,172	1,465,314	541,308	575,394	426,825	443,465	607,923	751,650	2,987,228
LIABILITIES									
Current liabilities	658,116	621,212	94,971	89,645	418,986	395,491	280,427	264,703	1,452,500
Total non-current liabilities	187,400	122,505	99,795	65,237	38,183	24,960			325,378
Total liabilities	845,516	743,717	194,766	154,882	457,169	420,451	280,427	264,703	1,777,878
NET ASSETS	565,656	721,597	346,542	420,512	(30,344)	13,014	327,496	486,947	1,209,350

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

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OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES FOR THE YEAR ENDED 30 JUNE 2009						
	2009 ESTIMATE \$	2009 ACTUAL \$	VARIANCE \$	2009 ACTUAL \$	2008 ACTUAL \$	VARIANCE \$
DELIVERY OF SERVICES						
Item 7 Net amount appropriated to deliver services	4,171,000	4,274,000	-103,000	4,274,000	3,988,000	286,000
Section 25 Transfer of service appropriation	-	-	0	-	-	0
Amount Authorised by Other Statutes	305,000	311,000	-6,000	311,000	335,000	(24,000)
- Salaries and Allowances Act 1975	4,476,000	4,585,000	-109,000	4,585,000	4,323,000	262,000
Total appropriations provided to deliver services						
CAPITAL						
Capital Contribution	-	-	0	-	-	-
GRAND TOTAL	4,476,000	4,585,000	-109,000	4,585,000	4,323,000	262,000
Details of Expenses by Service						
Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines	2,876,000	3,274,465	-398,465	3,274,466	2,395,195	879,271
Advice and Evaluation of Equity and Diversity in Public Employment	1,084,000	1,168,609	-84,609	1,168,606	886,807	281,799
Independent Chief Executive Officer Selection and Reappointment Advice	754,000	936,787	-182,787	936,788	1,271,492	(334,704)
Total Cost of Services	4,714,000	5,379,861	-665,861	5,379,860	4,553,494	826,366
Less total income	(218,000)	(338,241)	120,241	(66,070)	(795,851)	729,781
Net Cost of Services	4,496,000	5,041,620	-545,620	5,313,790	3,757,643	1,556,147
Adjustments	(20,000)	(456,620)	436,620	(728,790)	565,357	(1,294,147)
Total appropriations provided to deliver services	4,476,000	4,585,000	-109,000	4,585,000	4,323,000	262,000
Capital Expenditure						
Purchase of non-current physical assets	111,000	93,000	18,000	93,000	33,341	59,659
Repayment of borrowings						
Adjustment for other funding sources	(111,000)	(93,000)	-18,000	(93,000)	(33,341)	(59,659)
Capital Contribution (appropriation)	0	0	0	0	0	0
DETAILS OF INCOME ESTIMATES						
Income disclosed as Administered Income	-	-	0	-	-	0

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

Note 28 "Explanatory statement" provides details of any significant variations between estimates and actual results for 2009 and between the actual results for 2008 and 2009.

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Office of the Public Sector Standards Commissioner
Notes to the Financial Statements
For the year ended 30 June 2009

1 Office mission and funding

The Office of the Public Sector Standards Commissioner's (the Office) mission is to achieve best practice within public authorities in people management, work force diversity and ethical behaviour through education, capacity building and independent oversight.

The Office is mainly funded by Parliamentary appropriations. The financial statements encompass all funds through which the Office controls resources to carry on its functions.

2 Australian equivalents to International Financial Reporting Standards

General

The Office's financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Office has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Office cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Office for the annual reporting period ended 30 June 2009.

3 Summary of significant accounting policies

(a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

The judgements that have been made in the process of applying the Office's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 4 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 5 'Key sources of estimation uncertainty'.

(c) Reporting entity

The reporting entity comprises the Office.

(d) Contributed equity

AASB Interpretations 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, other than as a result of a restructure of administrative arrangement, in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by Treasurer's Instruction (TI) 955 "Contributions by Owners made to Wholly Owned Public Sector Entities" and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 22 "Equity".

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Office of the Public Sector Standards Commissioner
Notes to the Financial Statements
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(e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Rendering of services

Revenue is recognised upon the delivery of the service to the client or by reference to the stage of completion of the transaction.

Service appropriations

Service Appropriations are recognised as revenues in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited into the Office's bank account or credited to the holding account held at Treasury. See note 14 "Income from State Government" for further detail."

Net Appropriation determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Office. In accordance with the determination specified in the 2008-2009 Budget Statements, the Office retained (\$409,991) in 2009 (\$637,048 in 2008) from the following:

- * Proceeds from fees and charges;
- * Other office revenue.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Office obtains control over the assets comprising the contributions which is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

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(f) Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

Subsequent measurement

At this time, the Office does not hold land, buildings or infrastructure assets. As such, items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation on assets is calculated using the straight line method, using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Furniture and fittings	10 years
Office equipment	5 years
Computer hardware	4 years
Communications	5 years
Plant and machinery	5-10 years
Office establishment	10 years

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(g) Impairment of assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Office is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each balance sheet date.

(h) Leases

The Office holds operating leases for its office building and motor vehicles where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(i) Financial instruments

In addition to cash and bank overdraft, the Office has two categories of financial instrument:

- * Receivables; and
- * Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial assets

- * Cash and cash equivalents
- * Restricted cash and cash equivalents
- * Receivables
- * Amounts receivables for services

Financial liabilities

- * Payables
- * Amounts due to the Treasurer

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j) Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand.

(k) Accrued salaries

The accrued salaries suspense account (see note 14 'Restricted cash and cash equivalents') 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 instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 19 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Office considers the carrying amount of accrued salaries to be equivalent to its net fair value.

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(l) Amounts receivable for services (Holding Account)

The Office receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 13 'Income from State Government' and note 16 'Amounts receivable for services'.

(m) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Office will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

See note 3(i) 'Financial Instruments' and note 15 'Receivables'.

(n) Payables

Payables are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. *See note 3(i) 'Financial Instruments' and note 19 'Payables'.*

(o) Amounts due to the Treasurer

The amount due to the Treasurer is in respect of a Treasurer's Advance. Initial recognition and measurement, and subsequent measurement is at the amount repayable. Although there is no interest charged the amount repayable is equivalent to fair value as the period of the borrowing is for less than 12 months with the effect of discounting not being material. *See note 20 'Amounts due to the Treasurer'.*

(p) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. *See note 21 'Provisions'.*

(i) Provisions - Employee benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Office does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. The Office has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by Treasurer.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Office makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

See also note 3(q) 'Superannuation expense'.

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(ii) Provisions - Other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Office's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. (See *note 11 'Other expenses and note 21 'Provisions'*).

(q) Superannuation expense

The following elements are included in calculating the superannuation expense in the Income Statement:

- (a) Defined benefit plans - For the 2007-08, the change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer 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 (GSS); and
- (b) Defined contribution plans - Employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

Defined benefit plans - For 2007-08, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer (refer note 3(p)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement. *See note 13 'Income from State Government'*. Commencing 2008-09, the reporting of annual movements in these notional liabilities has been discontinued and is no longer recognised in the Income Statement.

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

Defined contribution plans - in order to reflect the Office's true cost of services, the Office is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Account.

The GSS scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

(r) Resources received free of Charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

(s) Comparative figures

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

4 Judgements made by management in applying accounting policies

The judgements that have been used in the process of applying accounting policies have had no material effect on amounts recognised in the financial statements.

5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Office has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Office:

Review of AAS 27 'Financial Reporting by Local Government', AAS 29 'Financial Reporting by Government Department' and AAS 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 'Contributions';

AASB 1050 'Administered Items';

AASB 1051 'Land Under Roads';

AASB 1052 'Disaggregated Disclosure';

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27 & 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]

Interpretation 1038 'Contribution by Owners Made to Wholly-Owned Public Sector Entities'.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. The new and revised Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise there is no financial impact.

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Future impact of Australian Accounting Standards not yet operative

The Office cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Office has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Department but are not yet effective. Where applicable, the Department plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/ after
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Office does not expect any financial impact when the Standard is first applied.	1 January 2009
AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distribution of Non-cash to Owners [AASB 5 & AASB 10]. This standard amends AASB 5 'Non-current Asset Held For Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Department where the Crown land is to be sold by the Department for Planning and Infrastructure, The Department does not expect any financial impact when the Standard is first applied prospectively.	1 July 2009

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AASB 2009-2 'Amendments to Australian Accounting Standards - Improving Disclosures About Financial Instruments [AASB 4, AASB 7, AASB 1023 and AASB 1038]'. This standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. The Department does not expect any financial impact when the Standard is first applied.

1 January
2009

	2009	2008
6 Employee benefits expense		
Wages and salaries ^(a)	3,026,028	2,443,258
Superannuation - defined contribution plans ^(b)	282,772	275,996
Superannuation - defined benefit plans ^{(c)(d)}	-	(101)
Long service leave ^(e)	148,234	(25,799)
Annual leave ^(e)	89,675	50,810
Other Employee Benefit Expenses	50,599	80,195
	<u>3,597,308</u>	<u>2,824,359</u>

(a) Includes the value of the fringe benefits to the employee plus the fringe benefit tax component.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

(c) Defined benefit plans include Pension scheme and Gold State (pre-transfer benefit).

(d) An equivalent notional income is also recognised (see note 14 'Income from State Government'). Commencing in 2008-09, the reporting of notional superannuation expense and equivalent notional income has been discontinued.

(e) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 11 'Other expenses'. The employment on-costs liability is included at note 21 'Provisions'.

7 Supplies and services		
Professional Services	912,380	754,180
Travel	21,921	27,420
Communications	64,847	51,411
Consumables	80,226	212,441
Lease, Rent and Hire Expenses	114,272	69,600
General Administration Costs	85,370	78,853
	<u>1,279,016</u>	<u>1,193,905</u>

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	2009	2008
8 Depreciation expense		
Depreciation		
Communications	6,071	5,272
Furniture and fittings	36,404	39,146
Office equipment	8,168	6,802
Computer hardware	12,762	19,433
Plant & machinery	1,774	1,810
Total depreciation	65,179	72,463
Total depreciation	65,179	72,463
9 Accommodation expenses		
Lease rentals and outgoings	437,096	419,408
	437,096	419,408
10 Grants and subsidies		
<u>Recurrent</u>		
External grants	-	1,995
	-	1,995
11 Other expenses		
Employment on-costs ^(a)	1,193	131
Audit Fee ^(b)	22,501	18,800
Other Miscellaneous Expenses	(22,432)	22,433
	1,262	41,364
<p>(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 21 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.</p> <p>(b) Audit fee, see also note 30 'Remuneration of auditor'.</p>		
12 User charges and fees		
Contributions by senior officers to the Government Vehicle Scheme	12,053	8,646
Recoup from CEO selections	326,188	777,992
Other revenue	-	9,213
	338,241	795,851

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Notes to the Financial Statements
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13 Income from State Government

Appropriation received during the year:

Service appropriations ^(a)	4,585,000	4,323,000
---------------------------------------	-----------	-----------

The following liabilities have been assumed by the Treasurer during the financial year:

- Superannuation ^(b)	-	(101)
Total liabilities assumed by the Treasurer	4,585,000	4,322,899

The following assets have been assumed from other state government agencies during the financial year^(c)

- Inventories	-	8,137
Total assets assumed/(transferred)	-	8,137

Resources received free of charge^(d)

Determined on the basis of the following estimates provided by agencies:

Department of Premier and Cabinet	33,201	55,783
Department of Housing and Works - lease administration services		-
State Solicitors Office	13,428	7,892
	46,629	63,675
	4,631,629	4,394,711

(a) Service appropriations are accrual amounts reflecting the full cost of services 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.

(b) The assumption of the superannuation liability by the Treasurer is a notional income to match 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 Superannuation Scheme. (The notional superannuation expense is disclosed at note 7 'Employee benefits expense'). Commencing in 2008-09, the reporting of the notional superannuation expense and equivalent notional income has been discontinued.

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	2009	2008
(c) Discretionary transfers of assets between State Government agencies are reported as assets assumed/(transferred) under Income from State Government. Non discretionary non-reciprocal transfers of net assets, other than those resulting from a restructure of administrative arrangements, have been classified as Contributions by owners (CBOs) under TI 955 and are taken directly to equity.		
(d) Where assets or services have been received free of charge or for nominal cost, the Office recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contribution of assets or services are in the nature of contribution by owners, in which case the Office makes the adjustment direct to equity.		

14 Restricted cash and cash equivalent assets

Current

Operating Trust Account at Treasury

CEO Selection ^(a)	488,849	-
	488,849	-

Non Current

Accrued salaries suspense account ^(b)	42,064	29,149
	530,913	29,149

(a) Cash held in these accounts is to be used only for the purposes of CEO Selection.

(b) 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.

15 Receivables

Current

Receivables	627,818	808,916
GST receivable	55,774	33,545
CEO Debtors (Accrued Income 2008)	-	580,473
	683,592	1,422,934
Total current	683,592	1,422,934

The Office does not hold any collateral as security or other credit enhancements relating to receivables.

See also note 3(m) 'Receivables' and note 28 'Financial Instruments'.

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Office of the Public Sector Standards Commissioner
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	2009	2008
16 Amounts receivable for services		
Current	121,000	111,000
Non-current	1,209,000	1,102,000
	<u>1,330,000</u>	<u>1,213,000</u>

Represents the non-cash component of service appropriations. See note 3(l) 'Amounts Receivable for Services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

17 Other Assets		
Prepayments	5,164	2,110
Total current	<u>5,164</u>	<u>2,110</u>

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	2009	2008
18 Property, plant and equipment		
Furniture and Fittings		
At cost	395,084	395,084
Accumulated depreciation	(206,414)	(170,010)
	<u>188,670</u>	<u>225,074</u>
Office Equipment		
At cost	122,716	122,716
Accumulated depreciation	(103,293)	(95,125)
	<u>19,423</u>	<u>27,591</u>
Computer Hardware		
At cost	164,919	157,966
Accumulated depreciation	(155,235)	(142,474)
	<u>9,684</u>	<u>15,492</u>
Office Establishment		
At cost	-	-
Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>
Communications		
At cost	117,688	68,338
Accumulated depreciation	(70,805)	(64,734)
	<u>46,883</u>	<u>3,604</u>
Plant and machinery		
At cost	22,843	22,843
Accumulated depreciation	(11,163)	(9,389)
	<u>11,680</u>	<u>13,454</u>
	<u>276,340</u>	<u>285,215</u>

18 Property, plant and equipment - (con't)

Reconciliations

Reconciliations of the carrying amounts of plant, equipment and vehicles at the beginning and end of the current and previous financial year are set out below:

	2009	Furniture and Fittings	Office Equipment	Computer Hardware	Communications	Plant and Machinery	Office Establishment	Total
Carrying amount at start of year		225,074	27,591	15,492	3,604	13,454	-	285,215
Derecognition of assets following change in accounting policy		-	-	-	-	-	-	-
Additions		-	-	6,953	49,350	-	-	56,303
Transfers		-	-	-	-	-	-	-
Other assets derecognised		-	-	-	-	-	-	-
Depreciation		(36,404)	(8,168)	(12,761)	(6,071)	(1,774)	-	(65,179)
Carrying amount at end of year		188,670	19,423	9,684	46,883	11,680	-	276,340
	2008	Furniture and Fittings	Office Equipment	Computer Hardware	Communications	Plant and Machinery	Office Establishment	Total
Carrying amount at start of year		15,552	63,664	68,147	-	-	257,181	404,544
Derecognition of assets following change in accounting policy		(692)	(26,251)	(51,885)	-	-	(695)	(79,523)
Additions		8,136	13,323	11,474	-	-	-	32,933
Transfers		241,224	(16,067)	7,189	8,876	15,264	(256,486)	-
Other assets derecognised		-	(276)	-	-	-	-	(276)
Depreciation		(39,146)	(6,802)	(19,433)	(5,272)	(1,810)	-	(72,463)
Carrying amount at end of year		225,074	27,591	15,492	3,604	13,454	-	285,215

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	2009	2008
19 Payables		
<u>Current</u>		
Trade payables	28,123	103,259
Accrued expenses	214,499	252,327
Accrued salaries	36,062	25,710
Other payables	36,820	(2,381)
Total current	315,504	378,915

See also note 3(n) 'Payables and note 28 'Financial Instruments'.

20 Amounts due to the Treasurer

<u>Current</u>		
Amount due to the Treasurer	500,000	500,000
	500,000	500,000

See also note 28 'Financial Instruments'

21 Provisions

<u>Current</u>		
Employee benefits provision		
Annual leave ^(a)	349,332	251,111
Long service leave ^(b)	284,733	238,760
Deferred salary scheme	-	-
	634,065	489,871
Other provisions		
Employment on-costs ^(c)	2,931	2,265
	2,931	2,265
	636,996	492,136
<u>Non-current</u>		
Employee benefits provisions		
Long service leave ^(b)	323,855	211,707
Deferred salary scheme	-	-
	323,855	211,707
Other provisions		
Employment on-costs ^(c)	1,523	995
	1,523	995
	325,378	212,702

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	2009	2008
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	210,701	146,324
More than 12 months after reporting date	138,631	104,787
	<u>349,332</u>	<u>251,111</u>
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	280,886	169,509
More than 12 months after reporting date	327,705	280,958
	<u>608,591</u>	<u>450,467</u>
(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included in note 11 'Other expenses'.		

Movement in Other Provisions

Movement in each class of provision during the financial year, other than employee benefits, are set out below:

Employment on-cost provision

Carrying amount at start of year	995	987
Additional provisions recognised	528	8
Carrying amount at end of year	<u>1,523</u>	<u>995</u>

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	2009	2008
22 Equity		
Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
Contributed equity		
Balance at the start of the year	615,000	615,000
Contributions by owners:		
Capital Contributions ^(a)	-	-
Transfer of net assets from other agencies ^(a)	-	-
Total contributions by owners	-	-
Balance at the end of the year	615,000	615,000
^(a) Under Treasurer's instruction TI 955 'Contribution by Owners Made to Wholly Owned Public Sector Entities' Capital Contributions (appropriations) have been designated as contribution by owners in accordance with AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.		
Accumulated surplus/(deficit)		
Balance at the start of the year	1,027,070	469,525
Recognition of Change in Accounting Policy	-	(79,523)
Restated Opening Balance	1,027,070	390,002
Result for the period	(409,991)	637,068
Income and expense recognised directly to equity ^(a)	(22,729)	-
Balance at the end of the year	594,350	1,027,070
^(a) Represents correction of prior period errors of \$8,137 and \$14,591.77.		

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Office of the Public Sector Standards Commissioner
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	2009	2008
23 Notes to the Cash Flow Statement		
<u>Reconciliation of cash</u>		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	554,001	273,415
Restricted cash and cash equivalents (refer to note 14)	488,849	-
Restricted cash and cash equivalents (refer to note 14)	42,064	29,149
	<u>692,132</u>	<u>302,564</u>
<u>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</u>		
Net cost of services	(5,041,620)	(3,757,643)
Non-cash items:		
Depreciation and amortisation expense	65,179	72,463
Superannuation expense	-	(101)
Resources received free of charge	46,629	63,675
Net (gain)/loss on sale of plant and equipment	-	-
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(c)	761,571	(1,171,945)
Other current assets	(3,054)	(2,110)
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(c)	(63,411)	285,628
Current provisions	144,860	27,068
Other current liabilities	-	-
Non current provisions	112,676	1,191
Prior period correction in Accumulated Surplus	(14,591)	-
Net GST receipts/(payments) ^(a)	(85,827)	(47,949)
Change in GST in receivables/payables ^(b)	92,157	27,054
Net cash provided by/(used in) operating activities	<u>(3,985,431)</u>	<u>(4,502,568)</u>

(a) This is the net GST paid/received, i.e cash transaction.

(b) This reverses out the GST in receivables and payables.

(c) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

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	2009	2008
24 Commitments		
Non-cancellable operating lease commitments:		
Commitment for minimum leased payments are payable as follows:		
Within 1 year	341,664	339,578
Later than 1 year and not later than 5 years	644,349	944,890
Later than 5 years	-	-
	<u>986,013</u>	<u>1,284,468</u>

The non cancellable operating leases represent the Office's property lease and leases on its motor vehicles. The property lease is non-cancellable lease with a five year term, with rent payable monthly. Contingent rent provisions within the lease agreement allow for the minimum lease payments to be reviewed and increased in line with movements in market rents. An option exists to renew the lease at the end of the lease term.

The motor vehicle lease is a non-cancellable lease with an average of two years term, with lease payments monthly.

Other expenditure commitments represent general expenses contracted for at the balance sheet date but not recognised as liabilities, are payable as follows:

Within 1 year	2,608	6,953
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>2,608</u>	<u>6,953</u>

These commitments are all inclusive of GST.

25 Contingent liabilities and contingent assets

Contingent Liabilities

The Office has no contingent liabilities.

Contingent Assets

The Office has no contingent assets.

26 Events occurring after the balance sheet date

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

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27 Explanatory statement

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Account Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10% or **\$447,600.00**

Significant variances between estimate and actual for 2009

Total appropriation to deliver service

Although there was no significant variance in the total appropriation, there were significant offsetting variances in the following service expenditure

	2009 Estimate \$	2009 Actual \$	Variance \$
Service 1 : Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines	2,876,000	3,274,465	398,465

The increase in expenses in the 2009 actuals is due to the Office operating on a full complement of staff and undertaking additional projects such as the Good Governance Guide that was not forecast in the 2009 estimate.

Service 2 : Advice and Evaluation of Equity and Diversity in Public Employment	1,084,000	1,168,609	84,609
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No significant variance

Service 3: Independent CEO Selection and Reappointment Advice	754,000	936,787	182,787
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The overhead allocation in the 2009 actuals was higher than the estimate, as a result of increase in staff in evaluation and reporting and other support areas not forecasted in the estimate. In addition costs in this service area varies with the size of agencies for which CEOs are appointed.

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Significant variances between actuals for 2008 and 2009

Total appropriation to deliver services and total income

	2009 Actual \$	2008 Actual \$	Variance \$
Total appropriation provided to deliver services for the year	4,585,000	4,323,000	262,000
Total income	338,241	795,851	(457,610)

Total appropriation to deliver service for the year

The adjustments to the appropriations between the years was primarily due to salary increases as per the CSA general agreement and movement in the holding account.

Total income

The number of CEO assessments managed in 2009 was 11 compared to 25 undertaken in 2008.

Service expenditure

	2009 \$	2008 \$	Variance \$
Service 1: Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines	3,274,465	2,395,195	879,270
Service 2: Advice and Evaluation of Equity and Diversity in Public Employment	1,168,609	886,807	281,802
Service 3: Independent CEO Selection and Reappointment Advice	936,787	1,271,492	(334,705)

Service 1: Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines

The increase in expenses in 2009 is due to the office operating on a full complement of staff compared to 2008 and undertaking additional projects such as the Good Governance Guide. There was also an increase in overhead allocation as a result of increased staffing.

Service 2: Advice and Evaluation of Equity and Diversity in Public Employment

The increase in expenses in 2009 is due to the office operating on a full complement of staff compared to 2008. In addition overhead allocation increased, as there was increased staffing in corporate support areas.

Service 3: Independent CEO Selection and Reappointment Advice

The decrease in costs in 2009 is due to the number of agencies managed reducing from 25 in 2008 to 11 in 2009, this was also offset by increased overhead allocations due to increased staffing numbers in corporate support areas.

Significant variances between actuals for 2008 and 2009

Capital contribution

No significant contributions.

28 Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Office are cash and cash equivalents, restricted cash and cash equivalents, Treasurer's advances and receivables and payables. All of the Offices' cash is held in the public bank account (non interest bearing) apart from restricted cash in a special purpose account. The Office has limited exposure to financial risks. The Offices' overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is a possibility of the Offices' receivables defaulting on their contractual obligations resulting in financial loss to the Office.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown at the table at Note 28 (c) 'Financial Instruments Disclosures' and Note 15 'Receivables'.

Credit risk associated with the Offices' financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Office trades only with recognised, creditworthy third parties. The Office has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Offices' exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 28 (c) 'Financial Instrument Disclosures'.

Liquidity risk

Liquidity risk arises when the Office is unable to meet its financial obligations as they fall due. The Office is exposed to liquidity risk through its trading in the normal course of business.

The Office has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

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Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Office's income or the value of its holdings of financial instruments. The Office does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity price changes). Other than as detailed in the interest rate sensitivity analysis table at Note 28(c), the Office is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing, and have no borrowings other than the Treasurer's advance (non-interest bearing).

(b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows

	2009	2008
Financial assets		
Cash and cash equivalents	\$161,219	\$273,415
Restricted cash and cash equivalents	\$530,913	\$29,149
Loans and receivables ^(a)	\$1,957,818	\$2,021,916
Financial liabilities		
Financial liabilities measured at amortised cost	\$815,504	\$878,915

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

(c) Financial instrument disclosures

Credit risk, liquidity risk and interest rate risk exposures

The following table disclose the Office's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Offices' maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired financial assets. The table is based on information provided to senior management of the Office.

The Office does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Office does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

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Office of the Public Sector Standards Commissioner
Notes to the Financial Statements
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Interest rate exposure and ageing analysis of financial assets

Weighted average effective interest rate (%)	Carrying Amount	Interest rate exposure		Contractual Maturity Dates							Impaired financial assets		
		Variable interest rate	Non - interest bearing	Up to 3 months	3 - 12 months	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years			
2009	Financial Assets												
	Cash and cash equivalents	161,219	-	161,219	-	-	-	-	-	-	-	-	-
	Restricted cash and cash equivalents	530,913	-	530,913	-	-	-	-	-	-	-	-	-
	Receivables ^(a)	627,818	-	627,818	105,690	56,955	9,018	-	-	-	-	-	-
	Amounts receivable for services	1,330,000	-	1,330,000	-	-	-	-	-	-	-	-	-
		2,649,950	-	2,649,950	105,690	56,955	9,018	-	-	-	-	-	
2008	Financial Assets												
	Cash and cash equivalents	273,415	-	273,415	-	-	-	-	-	-	-	-	-
	Restricted cash and cash equivalents	29,149	-	29,149	-	-	-	-	-	-	-	-	-
	Receivables ^(a)	808,916	-	808,916	198,718	-	-	-	-	-	-	-	-
	Amounts receivable for services	1,213,000	-	1,213,000	-	-	-	-	-	-	-	-	-
		2,324,480	-	2,324,480	198,718	-	-	-	-	-	-	-	-

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

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Office of the Public Sector Standards Commissioner
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Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes both interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and ageing analysis of financial liabilities

	Weighted average effective interest rate	Carrying Amount	Interest rate exposure		Contractual Maturity Dates							Impaired financial assets
			Variable interest rate	Non - interest bearing	Up to 3 months	3 - 12 months	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	More than 5 years	
2009												
Financial Liabilities												
Payables		315,504	-	315,504	-	-	-	-	-	-	-	-
Other borrowings					-	-	-	-	-	-	-	-
Financial lease liabilities					-	-	-	-	-	-	-	-
Amounts due to the Treasurer		500,000	-	500,000	-	-	-	-	-	-	-	-
		815,504	-	815,504	-	-	-	-	-	-	-	-
2008												
Financial Liabilities												
Payables		378,915	-	378,915	-	-	-	-	-	-	-	-
Other borrowings					-	-	-	-	-	-	-	-
Financial lease liabilities					-	-	-	-	-	-	-	-
Amounts due to the Treasurer		500,000	-	500,000	-	-	-	-	-	-	-	-
		878,915	-	878,915	-	-	-	-	-	-	-	-

The amount disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

Disclosures and Legal Compliance

Office of the Public Sector Standards Commissioner
Notes to the Financial Statements
For the year ended 30 June 2009

Interest rate sensitivity analysis

None of the Office's financial assets and liabilities at the balance sheet date are sensitive to movements in interest rates, hence movements in interest rates have no bottom line impact on the Office's surplus or equity.

Fair values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

	2009	2008
29 Remuneration of senior officers		
<u>Remuneration</u>		
The number of senior officers, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:		
\$		
30,001 - 40,000	1	
40,001 - 50,000	1	
60,001 - 70,000	1	
70,001 - 80,000		2
90,001 - 100,000	1	
140,001 - 150,000	1	
150,001 - 160,000		1
290,001 - 300,000		1
300,001 - 400,000	1	
The total remuneration of senior officers is:	692,410	603,627

The total remuneration includes the superannuation expense incurred by the Office in respect of senior officers.

No senior officers are members of the Pension Scheme.

31 Remuneration of auditor

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

Auditing the accounts, financial statements and performance indicators	21,000	20,700
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The expense is included at note 13 'Other expenses'.

Disclosures and Legal Compliance

Office of the Public Sector Standards Commissioner
Notes to the Financial Statements
For the year ended 30 June 2009

32 Related bodies

The Office had no related bodies during the financial year.

33 Affiliated bodies

The Office had no affiliated bodies during the financial year.

34 Supplementary financial information

Write-offs

There were no write-offs during the financial year.

Losses through theft, defaults and other causes

There were no losses of public money and public and other property during the financial year.

Gifts of public property

There were no gifts of public property provided by the Office during the financial year.

Detailed key performance indicators information

Certification of key performance indicators

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER FOR THE
YEAR ENDED 30 JUNE 2009

I hereby certify that the following performance indicators are:

- based on proper records;
- relevant and appropriate for assisting users to assess performance; and
- accurately represent the performance of the Office of the Public Sector Standards Commissioner for the year ended 30 June 2009.



Dr Ruth Shean
COMMISSIONER
PUBLIC SECTOR STANDARDS

10 September 2009

Disclosures and Legal Compliance

Key effectiveness indicators

Outcome based management framework for 2008-09

	2007-08 Actual	2008-09 Target	2008-09 Actual
Percentage of public authorities who have provided all reports as required by legislation ^(a)	100%	100%	93%
Percentage of public authorities who have met the minimum requirements ^(a)	100%	95%	89%
Percentage of public authorities provided with assistance on the principles of merit, equity, probity and integrity in official conduct and human resource management during the year ^(b)	n/a	90%	100%
Percentage of public authorities who agree that feedback through the OPSSC survey process has increased their understanding of the principles of merit, equity, probity and integrity in official conduct and human resource management ^(c)	n/a	95%	93%
Percentage of breach of standard claims and matters referred to the OPSSC that are handled within specified timeframes ^(d)	n/a	90%	70%
Percentage of chief executive officer appointment recommendations where the Minister for Public Sector Management has indicated he/she is satisfied with the process ^(e)	n/a	100%	100%

^(a) This indicator refers to mandatory reporting to OPSSC by public sector agencies and authorities under s.31 of the *Public Sector Management Act 1994* (PSM Act); the *Public Interest Disclosure Act 2003* (PID Act); and Part IX, s.146 of the *Equal Opportunity Act 1984* (EO Act). Reports received are also assessed to determine the proportion of agencies and authorities that have met minimum requirements of ensuring and monitoring that the principles of merit, equity, probity and integrity in official conduct and human resource management have been met. Reported as percentage of agencies that have submitted a report as well as the percentage of reports submitted that meet the minimum requirements.

^(b) This indicator measures how much OPSSC has penetrated public authorities through direct awareness raising activities focusing on the principles of merit, equity, probity and integrity in official conduct and human resource management, as specified in the PSM Act; the PID Act and Part IX, s.146 of the EO Act. It refers to direct assistance (including newsletters and email updates) and consultancy services, customised agency presentations and general public sector presentations. A number of new initiatives were implemented in 2008-09; therefore this indicator cannot be calculated retrospectively.

Disclosures and Legal Compliance

- (c) This indicator refers to increased understanding of issues related to compliance with s.31 of the PSM Act; the PID Act; and Part IX, s.146 of the EO Act, measured using client satisfaction surveys. This includes surveys of chief executive officers/directors general as well as public sector employees. A range of new survey tools were implemented in 2008-09, therefore this indicator cannot be calculated retrospectively.
- (d) Percentage of breach of standard claims and matters referred to the OPSSC that are handled within specified timeframes. This indicator measures OPSSC effectiveness in assessing breach claims and matters of referrals. This was chosen in preference to the proportion of breach claims upheld, as the latter figure could be significantly influenced by how much the OPSSC penetrates the sector (refer to Indicator 2). For example, increased assistance and education activities by the office may increase the number of claims lodged. Alternatively, low breach claim activity could also indicate that the sector is meeting the principles of merit, equity, probity and integrity in official conduct and human resource management, when in reality it may simply reflect a lack of awareness of the principles and/or the claim process. In 2008-09 OPSSC refined its approach to how breach claims are categorised and managed. It is therefore not appropriate to calculate this performance indicator retrospectively.
- (e) Percentage of chief executive officer appointment recommendations where the Minister for Public Sector management has indicated he/she is satisfied with the process. This indicator is measured from a direct survey of the Minister for Public Sector Management. In 2008-09 this measure replaced a previous measure on “% of Commissioner’s nominations for chief executive officer positions accepted by Minister for Public Sector Management”. This measure was ineffective at discriminating OPSSC performance because the Minister for Public Sector Management accepted nominations on all occasions. Under s.45 of the PSM Act the Minister is the single key customer and hence the Minister’s satisfaction with the process is considered to be a reasonable indicator of OPSSC performance. Data for this indicator was collected for the first time in 2008-09; therefore this indicator cannot be calculated retrospectively.

Disclosures and Legal Compliance

Key efficiency indicators

Service 1: Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines

Efficiency indicator 1: Average cost per public authority for compliance monitoring and assistance

This indicator illustrates the average cost per public authority for monitoring and assisting compliance with the principles, standards and ethical codes under the PSM Act and provisions of the PID Act.

Year	Costs (\$000)	Number of public authorities	Average cost per public authority
2008-09	\$3,274	351	\$9,329
2007-08	\$2,395	268	\$8,937
2006-07	\$2,795	269	\$10,390
2005-06	\$2,664	266	\$10,015

Notes:

For the first time, in 2008-09 there were 78 boards and committees associated with public sector agencies that were made subject to mandatory reporting to OPSSC in their own right, and were therefore included in the total number of public authorities as reported above.

Service 2: Equal employment opportunity advice and evaluation of equity and diversity in public employment

Efficiency indicator 2: Average cost per public authority for EEO

This indicator shows the average cost per public authority for reporting on compliance with Part IX of the EO Act and helping public authorities achieve a more diverse workforce.

Year	Costs (\$000)	Number of public authorities	Average cost per public authority
2008-09	\$1,169	273	\$4,281
2007-08	\$887	268	\$3,310
2006-07	\$1,038	269	\$3,859
2005-06	\$1,084	266	\$4,074

Service 3: Independent chief executive officer selection and reappointment advice

Efficiency indicator 3: Average cost per chief executive officer selection

This indicator shows the average cost per selection for providing independent chief executive officer selection advice to ministers under ss 45 and 48 of the PSM Act. Vacancy numbers vary from year to year but costs may not vary in a consistent manner.

Year	Costs (\$000)	Number of CEO Selections	Average cost per CEO Selection
2008-09	\$936	11	\$85,163
2007-08	\$1,272	21	\$60,571
2006-07	\$601	11	\$54,663
2005-06	\$539	10	\$53,864

Note:

The comparative average costs over the years 2007-09 were impacted by two factors:

1. changes to the services specified in the OPSSC accountability framework in 2007-08 resulting in a different attribution of overheads and
2. the transition of OPSSC into the Department of Treasury and Finance Shared Services arrangements which delayed the processing of certain transactions from 2007-08 into 2008-09.

The impact of those factors on this particular indicator was partially masked in 2007-08 through the much higher than normal number of chief executive officer positions that required filling in that year. In 2008-09 the number of positions that required filling returned to normal levels.

Disclosures and Legal Compliance

Other financial disclosures

Pricing policies of services provided

- Costs for chief executive officer selection processes are recouped from the relevant agency following the announcement of the Minister for Public Sector Management's decision. These include direct costs such as advertising, recruitment consultants and travel, but do not include the costs of OPSSC staff managing the process. Accounts are paid from a Treasurer's Advance and the actual costs are recouped.
- OPSSC undertakes surveys to measure perceptions about human resource management, ethics, diversity and public interest disclosures in agencies across the public sector. This survey is free of charge for agencies surveyed.
- Advisory services and other assistance provided are not currently subject to any cost recovery and are funded by annual budget appropriation.

Capital works

There were no major capital works undertaken during 2008-09.

Governance disclosures

Shares in statutory authority

OPSSC is not a statutory authority.

Shares in subsidiary bodies

OPSSC does not have any subsidiary bodies.

Interests in contracts by senior officers

OPSSC's code of conduct specifically addresses conflict of interest and employees are required to place their public duties before private interests. Conflict of interest covers both the employee and when family members or friends stand to benefit from a decision/action of which they are a part.

The following policies are relevant to the management of interest by all staff, including senior officers, are subject to annual review and periodic awareness-raising throughout OPSSC:

Disclosures and Legal Compliance

- OPSSC Code of Conduct;
- Western Australian Public Sector Code of Ethics and OPSSC Conduct Guide;
- Outside Employment Policy and
- Acceptance of Gifts Policy.

In addition, senior staff are aware of the Conflict of Interest Guidelines developed by the Integrity Coordinating Group, of which OPSSC is a member.

At the date of reporting, no senior officers, firms of which senior officers are members, or entities in which senior officers have substantial interests had any interest in existing or proposed contracts with the department and senior officers.

Benefits to senior officers through contracts with OPSSC

This is not applicable as no senior officers have received any benefits in the 2008-09 financial year.

Insurance premiums to indemnify directors

This is not applicable as OPSSC does not have any directors as defined in Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996*.

Other legal requirements

OPSSC's commitment to high standards of corporate governance is important and necessary from two perspectives. Firstly, good corporate governance leads to good management practices, which in turn leads to improved employee morale. Secondly, OPSSC recognises that external agencies expect it to be an exemplar of good corporate governance. By living up to those expectations, agencies will view OPSSC with increased levels of integrity and confidence.

OPSSC reflects at all levels a high level of compliance with statutory requirements and government policy. In doing so, OPSSC contributes to each of the strategic outcomes in the State Government's *Better Planning: Better Futures* framework.

Advertising and sponsorship expenditure (Electoral Act 1907)

OPSSC has not engaged any advertising, market research, polling, direct mail or media advertising companies or organisations that require disclosure under s.175(z)(e) of the *Electoral Act 1907*.

Disclosures and Legal Compliance

Disability Access and Inclusion Plan outcomes

OPSSC believes people with disabilities have the same opportunities as other people to access services of a public authority.

A copy of OPSSC's Disability Access and Inclusion Plan (DAIP) is posted on the website. Quarterly progress reports are submitted to Corporate Executive for consideration, and once endorsed they are posted to the website.

The following is an overview of specific actions taken by OPSSC with respect to the six outcome areas of the DAIP.

Outcome One

- Inclusion of access links and information on the intranet to assist staff with planning accessible events.

Outcome Two

- Liaise with building management to ensure the building has accessible toilet facilities.

Outcome Three

- Review of style guide to ensure consistency with the Premiers Circular 2003/08 State Government Access Guidelines for information, services and facilities.
- Review of Plain English Guide.
- Inclusion of a clause on publications that they may be made available in another format if required.
- Redevelopment of OPSSC website to ensure that it meets accessibility requirements outlined in the Office of e-Government Website Governance Framework.

Outcome Four

- Disability awareness raising sessions with staff.
- Streamlining recruitment processes for OPSSC positions.

Outcome Five

- Posting of the DAIP to the website.
- A message from the Commissioner on the website advising people that feedback is welcome and will be addressed.
- Feedback (complaints) Policy developed and made available on the website.

Outcome Six

- Information posted to the website inviting feedback.
- Consultation processes are inclusive, and include more than one means by which to provide feedback.

Equal employment opportunity outcomes

OPSSC's Equal Employment Opportunity Management Plan for years 2007-2010 is reviewed annually and a progress report provided to corporate executive on the status of actions and initiatives in the plan.

Key equal employment opportunity initiatives in 2008-09

The following is an overview of key equal employment opportunity initiatives for OPSSC in 2008-09.

- Continued promotion of flexible work practices through policy, practice and management support.
- Equal Employment Opportunity Management Plan is reviewed annually, with a formal mechanism in place for reporting progress on recommended actions to management.
- An anti-bullying and grievance resolution policy which forms part of the overall policy system for OPSSC and is reviewed annually.
- An annual equity and diversity survey of all staff.
- Formal recognition, promotion and implementation of strategies for Harmony Week.
- A formal induction policy and process which includes a requirement that line managers advise all new staff of the OPSSC's Equal Employment Opportunity Management Plan, grievance and anti-bullying policies, flexible work practices and the employee assistance program.
- Development of an 'internal culture' initiative for OPSSC which recognises and celebrates the diversity of our staff.

Compliance with public sector standards and ethical codes

OPSSC is committed to achieving high standards in monitoring and ensuring compliance with the public sector standards, the Western Australian Public Sector Code of Ethics and the OPSSC Code of Conduct. The following is an overview of the OPSSC's activities with respect to compliance with public sector standards and ethical codes.

- Development and/or review of a comprehensive range of human resource policies.
- Communicating to staff the Western Australian Public Sector Code of Ethics and the Conduct Guide developed by OPSSC for the sector. This was supported by the posting of this information to the intranet and communication of its availability and content through the internal newsletter.
- Workshops for internal staff on the development of a new code of conduct for OPSSC.
- Developmental work on a stakeholder/customer complaint policy for OPSSC.

Disclosures and Legal Compliance

- Training provided to all staff on accountable and ethical decision making in the public sector.
- Consideration and discussion of the Western Australian Public Sector Code of Ethics and Conduct Guide at Corporate Executive and Corporate Leadership Group meetings.
- Development of an accountability framework for OPSSC.

During 2008-09, OPSSC did not receive any breach of standard claims. One claim was received in June 2008 and the matter was referred to an independent consultant for review. The claim was unsubstantiated and resolved as in 2008-09.

Record keeping plans

OPSSC is committed to continuously improving record keeping practices consistent with the *State Records Act 2000* and aims for best practice record keeping practices. The current OPSSC Record Keeping Plan was approved by the State Records Commission for the maximum period of five years in November 2005 and an electronic document records management system (EDRMS) called TRIM (Tower Records Information Management) was implemented in 2005. OPSSC's Retention and Disposal Schedule was approved in 2001 and is currently under review.

During 2008-09 OPSSC's record keeping processes continued to undergo review to demonstrate compliance with the framework and a commitment to efficient recordkeeping practices. The current processes are operating effectively and are regularly reviewed.

This year the focus has been on reviewing the OPSSC Records Management and TRIM User Manual. In addition a one page summary defining significant and ephemeral records was produced to assist in maintaining consistency and efficiency in record handling by staff.

The File Classification Plan was also reviewed and the function of Public Sector Practice was added.

OPSSC continues to store all records on site in a secure repository.

All incoming, outgoing and significant internal documents are being saved electronically into the EDRMS. This complements the saving of electronic mail (e-mail) and facsimiles directly into the 'TRIM' EDRMS.

The coordinator of records management conducts individual training sessions with new staff members with follow-up training and help desk assistance provided as required.

All staff are required to save their final electronic documents into the EDRMS.

Government policy requirements

Staffing policies

OPSSC has policies to cover a full range of human resource management practices. These policies are part of a formal policy system which includes an annual review process, posting of policies to the intranet and transparent communication of policies to all staff.

Industrial relations

OPSSC staff are employed under the *Public Service General Agreement 2008* and the *Public Service Award 1992*. No industrial disputes were recorded during the year.

Occupational safety and health

OPSSC is committed to providing and maintaining a safe and healthy work environment for all employees and other persons providing services at or visiting our premises. This includes management acknowledging its duty to provide and maintain a working environment in which employees and other persons are not exposed to hazards. The principles, procedures and guidelines underpinning this commitment are contained in OPSSC's Occupational Safety and Health Policy.

The executive director of strategic and corporate services and OSH coordinator are responsible for coordinating all consultations on OSH issues. In the past 12 months this has included consultations on specific building management issues and a review of our internal policy.

Number of fatalities	0
Lost time injury/disease incidence rate	0
Lost time injury severity rate	0
Workers compensation claims	0
% workers returned to work within 28 weeks	n/a
% of managers trained in occupational safety, health and injury management responsibilities	0%

OPSSC has an Injury Management System that contains a Return to Work Program to enable injured workers to get back in the workplace. Although OPSSC has not received any Workers Compensation claims in 2008-09, it is dedicated in ensuring that safety and health management systems are in the place and reviewed annually.

The senior human resources consultant ensures existing and new staff's workstations are ergonomically assessed and professional recommendations adhered to. Meetings are regularly held with co-located agencies to share ideas and strategies to enhance our commitment to the *Workers' Compensation and Injury Management Act 1981*.

Disclosures and Legal Compliance

Corruption prevention

OPSSC is committed to operating with a high level of integrity, consistent with its role in promoting external public authorities as leaders of integrity and equity.

OPSSC monitors and assists agencies with compliance with the public sector standards and ethical codes across the sector. We also administer the Public Interest Disclosure Act, investigate disclosures made and undertake awareness programs throughout the public sector. The high profile of these issues in OPSSC and regular discussion ensure staff are aware of:

- the integrity framework for OPSSC, including our values, code of conduct and policies relating to integrity;
- activities which constitute misconduct and corruption;
- internal notification procedures for dealing with complaints relating to misconduct and corruption in OPSSC, including the ability to raise matters with the Ethics Committee, the use of the public interest disclosure process and the reporting of such matters to the Corruption and Crime Commission; and
- the requirement to refer misconduct and corruption to external bodies, including the Corruption and Crime Commission.

Prevention of misconduct and corruption is supported by:

- a strong focus on integrity and conflict of interest issues in the code of conduct and OPSSC policies;
- internal checks and balances including quality checks and authorised sign-off of major decisions such as recruitment and major purchases;
- the development of the new strategic plan which includes as one of its values 'integrity and impartiality';
- development of a gifts policy that requires all gifts are declared and a regular report submitted to Corporate Executive for review; and
- requirements to declare and address conflicts of interest.

As it forms an integral part of the functions of OPSSC, staff are well aware of the Western Australian Public Sector Code of Ethics and its recent review. We adopt a continuous improvement approach to our code of conduct and conflict of interest policy. Both documents are incorporated into the induction manual for new staff and are available on the OPSSC's intranet. Ethical awareness is reinforced through staff attendance at guest speaker presentations, relevant seminars and workshops.

Disclosures and Legal Compliance

Substantive equality

OPSSC is not a member of the Strategic Management Council and does not currently have obligations under the Substantive Equality Framework. OPSSC is committed to the objectives of the policy to eliminate systemic racial discrimination in the delivery of public services and promote sensitivity to the different needs of client groups.

OPSSC's Equal Employment Opportunity Management Plan has a number of initiatives that will contribute to the elimination of systemic racial discrimination in the delivery of services as well as promoting equal employment opportunity. Cultural diversity in the workforce contributes to increased sensitivity by all staff to the different needs of client groups and the following planned initiatives will address both employment opportunity and improved services to customers.

Appendices

Appendix I: Agency service areas

Service Area I: Development and monitoring of human resource standards, ethical codes and public interest disclosure guidelines

This service develops standards and codes, assists public authorities to comply with standards and codes, and provides independent oversight to monitor and report on compliance to Parliament and Ministers for the *Public Sector Management Act 1994* (PSM Act) and the *Public Interest Disclosure Act 2003* (PID Act).

This service area enables the Commissioner to fulfill her monitoring and assistance roles under the PSM Act and the PID Act.

The Commissioner's main functions under this service area are as follows.

- Establish public sector standards which set out minimum standards of merit, equity and probity, and establish ethical codes under the PSM Act and a code and guidelines under the PID Act.
- Monitor compliance with the public sector standards, code of ethics, codes of conduct and the general principles of human resource management and official conduct (the principles) under the PSM Act. Monitoring and compliance with the PID Act and the Public Interest Disclosure Code are also required.
- Report on the extent of compliance in the public sector with the principles, standards and ethical codes under the PSM Act and the extent of compliance by public authorities with the PID Act and Public Interest Disclosure Code.
- Assist public authorities to develop their capacity to operate in accordance with agency specific codes of conduct consistent with the public sector codes of ethics, principles of official conduct, the ethical codes, and human resource standards and in the handling of public interest disclosures.

The role of the Commissioner under the PID Act is to:

- establish a code setting out the minimum standards of conduct and integrity to be complied with by proper authorities;
- prepare guidelines on internal procedures relating to the functions of a proper authority under the PID Act;
- ensure that all public authorities have copies of the Public Interest Disclosure Guidelines;
- monitor compliance with the PID Act, and the Public Interest Disclosure Code of Conduct; and
- assist public authorities and public officers to comply with the PID Act and Public Interest Disclosure Code.

The Commissioner is also the proper authority for receiving disclosures of public interest that relate to a public officer (other than a Member of Parliament, a Minister of the Crown, a judicial officer, or an officer referred to in Schedule 1 to the *Parliamentary Commissioner Act 1971*).

Service Area 2: Advice and evaluation of equity and diversity in public employment

This service encapsulates the functions and responsibilities of the Director of Equal Opportunity in Public Employment (DEOPE) as they are described under Part IX of the *Equal Opportunity Act 1984* (EO Act). Functions in this service are carried out by the Office of Equal Employment Opportunity (OEEO). They include advising and assisting public authorities to achieve equal employment opportunity outcomes and government policy objectives in the area of equity and diversity. This is done through Equal Employment Opportunity Management Plans and activities associated with monitoring, evaluating and reporting on the progress of public authorities towards these outcomes and policy objectives.

The vision statement for this service area is:

A more diverse workforce that better matches the community at all levels of public employment and that promotes equal opportunity in a work environment that is inclusive and free from discrimination.

The main activities within the program are as follows.

- Provide a consultancy service to assist public authorities to develop business focused Equal Employment Opportunity Management Plans consistent with:
 - compliance requirements under Part IX of the EO Act;
 - government policy objectives (where applicable) such as the *Equity and Diversity Plan for the Public Sector Workforce 2006–2009* (EDP2); and
 - best practice in human resource management systems through creation of inclusive and flexible workplace environments that mirror the diversity of the community and facilitate the effective and efficient delivery of services.
- Coordinate the development and implementation of sector-wide strategies and initiatives such as the EDP2.
- Develop and initiate targeted strategies and programs that support the achievement of both compliance imperatives and government objectives by public authorities.
- Operate an evaluation and reporting program to enable government and public authorities to monitor and improve progress in equal employment opportunity and diversity.

Appendices

Service Area 3: Independent chief executive officer selection and reappointment advice

This service involves the provision of independent advice to the Minister for Public Sector Management about reappointment and persons suitable for vacant chief executive officer positions by using fair and comprehensive processes as outlined in ss 45 and 48 of the PSM Act.

Agency-level desired outcomes and services

Through the Chief Executive Officer Selection Program, the Commissioner provides independent advice to the Minister for Public Sector Management about the suitability of persons for appointment following a merit-based selection process. The current process managed by OPSSC typically includes the following components.

- Public advertising of vacant positions.
- Appointment of an executive recruitment consultant to receive applications and possibly conduct executive searches, assist in the examination of applicants and provide administrative support and advice to applicants and selection panel members.
- Establishment of independent selection panels of three to four persons who provide a variety of perspectives to the examination of applicants.
- Examination of applicants using a variety of selection techniques to determine their relative merits.
- Provision of independent reports by the Commissioner to the Minister for Public Sector Management about persons most suitable for vacant chief executive officer positions based on the outcome of merit assessments of applicants.

The Commissioner also provides independent advice to the Minister for Public Sector Management about the appropriateness or otherwise of proposals to not reappoint existing chief executive officers. In providing this advice, the Commissioner takes into account information on the performance of a chief executive officer and other matters that may be relevant to that particular case.

Appendix 2: Agency publications

Office of the Public Sector Standards Commissioner

- *Accountability Officers of the WA Parliament: Accountability and independence principles*
- *Breach Claims: An agency guide*
- *Breach Claims: Knowing your responsibilities in a breach claim*
- *Building and Sustaining Integrity: Ethical case studies*
- *Building and Sustaining Integrity: Ethical decision making*
- *Compliance Report Public Interest Disclosures - 2006 and 2007*
- *Conduct Guide*
- *Conduct Guide: Supporting information*
- *Conduct Guide for Boards and Committees*
- *Conduct Guide for Boards and Committees: Supporting information*
- *Employee Performance Management in the Public Sector*
- *Ethics Framework*
- *Ethics Framework: How to use the Ethics Framework*
- *Exemptions: An agency guide*
- *Good Governance Guide: Helping you to comply with the standards*
- *In Principle - Issue 1, May 2009; Issue 2, June 2009*
- *Managing Interest: A checklist*
- *Office of the Public Sector Standards Commissioner Annual Report - 1997 - 2008*
- *Office of the Public Sector Standards Commissioner Compliance Report - 2000 - 2007*
- *Parliamentary Series Report One*
- *Parliamentary Series Report Two: Scrutiny of qualifications in selection processes*
- *Parliamentary Series Report Three: Failure to follow proper process*
- *Parliamentary Series Report Four: Management of recruitment*
- *Public Interest Disclosure: Code of conduct and integrity*
- *Public interest disclosure information brochure, pamphlet, poster and information sheets*
- *Speaking Out: A guide to making a public interest disclosure (DVD)*
- *Public Sector Standards Framework*
- *Public Sector Standards in Human Resource Management 2001*
- *Questions and Answers: Code of ethics*

Appendices

- *Questions and Answers: Principles in human resource management*
- *Recruiting for the Western Australia Public Sector*
- *Revitalising Your Code of Conduct*
- *Right Path to the Right People* (online tool)
- *State of the Service Report 2008*
- *Ten-Year Review: Status of recommendations from recent OPSSC reports*
- *Ten-Year Review One: The Commissioner's role in action - A ten-year reflection*
- *Ten-Year Review Two: Principles of public sector recruitment and appointment*
- *Ten-Year Review Three: CEO recruitment and selection in the WA public sector*
- *Ten-Year Review Four: The principle of integrity in official conduct*
- *Ten-Year Review Five: The West Australian Public Sector - A system out of balance*
- *Ten-Year Review Discussion Paper: A separate ethical code for ministerial staff?*
- *Western Australian Public Sector Code of Ethics*

Office of Equal Employment Opportunity

- *Accessing Abilities: Recruiting and retaining people with disabilities in the Western Australian public sector*
- *Acts of Courage: Public sector CEOs on men, women and work*
- *Breaking Through: Women executives in the WA public sector*
- *Director of Equal Opportunity in Public Employment Annual Report - 1999 - 2008*
- *Diversity Planning: Making the most of your demographic data*
- *Diversity Survey Information: Surveying staff on diversity and disability*
- *Diversity Survey Questionnaire: Surveying staff on diversity and disability*
- *EEO and Diversity Management Planning: A guide for equity planners and practitioners*
- *EEO and Diversity Management Planning: Checklist of planning considerations*
- *EEO and Diversity Management Plans: Template for public sector agencies with less than 50 staff*
- *EEO and Diversity Management Plans: Template for public sector agencies with more than 50 staff*
- *EEO and Diversity Management Plans: Template for local governments with less than 100 staff*
- *EEO and Diversity Management Plans: Template for local governments with more than 100 staff*
- *Equity and Diversity Plan for the Public Sector Workforce 2006-2009 (includes Progress Reports)*

- *Equity Principles in Competency Standards: Development and implementation*
- *Executive and Management Recruitment: Encouraging women applicants*
- *Indigenous Employment in the WA Public Sector: Valuing the difference*
- *Innovative Recruitment: A guide for HR managers and practitioners*
- *Insights - Strategies for Success: A support strategy for recruitment and retention of Indigenous Australians*
- *OEEO - What We Do*
- *Recruiting for the Western Australian Public Sector: A quick guide for recruitment consultants.*
- *Showing The Way*
 - *Recruitment and Retention of Youth*
 - *Employees from Culturally Diverse Backgrounds*
 - *Employing People With Disabilities*
 - *Recruitment and Retention of Indigenous Australians*
 - *Women in Management*
 - *Updated Statistics for the Showing the Way Series*
- *Supported Work Team Documentary (DVD)*
- *Tapping into Talent: New insights in to workplace diversity*
- *Understanding Equal Employment Opportunity in WA*
- *Voices of Diversity: Benefits of cultural diversity in the public sector*
- *Women in Management: Good ideas for improving diversity*

