

JOINT STANDING COMMITTEE ON THE CORRUPTION AND CRIME COMMISSION - REPORT 11: WHAT HAPPENS NEXT? BEYOND A FINDING OF SERIOUS MISCONDUCT

GOVERNMENT RESPONSE

Recommendation 1: That the Corruption and Crime Commission create a template closure report and requires all agencies to use this report. This should be structured to require minimum information and allow the agency to add further information or attach documents, such as an investigation report, where appropriate.

If this recommendation is accepted, the template closure report should require the information noted in recommendations 2, 5 and 10, among other things.

Supported in Principle

The Corruption and Crime Commission has responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission notes that additional resourcing and changes to case management systems will be required to carry out the proposed oversight actions and has further elaborated on these requirements in the responses to recommendations 2 and 5.

Recommendation 2: That the Corruption and Crime Commission require an agency to advise, in its closure report, a summary of why it considered the sanction or other outcome imposed on the public officer after a finding of serious misconduct an appropriate outcome in all the circumstances.

Supported in Principle

The Corruption and Crime Commission has responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission considers there are legislative limitations on whether it can require an agency to provide the information noted in recommendations 2 and 5. The *Corruption, Crime and Misconduct Act 2003* enables the Corruption and Crime Commission to compel an agency to provide a report on the action taken in relation to an allegation, but not necessarily the sanction imposed or the reasoning behind the decision to impose that sanction. Ultimately the decision as to the appropriate sanction following action into an allegation of suspected serious misconduct by an agency, remains a matter for that agency.

The Commission further notes the template closure report would apply only to the subset of allegations which the Commission refers for action and outcome, pursuant to the *Corruption, Crime and Misconduct Act 2003* sections 33(1)(c) and 40. Otherwise, the *Corruption, Crime and Misconduct Act 2003* does not empower the Corruption and Crime Commission to generally require agencies to report on action taken. The Corruption and Crime Commission will endeavour to ensure agencies use the template report when providing their detailed report pursuant to the *Corruption, Crime and Misconduct Act 2003* section 40(1).

While the Corruption and Crime Commission is supportive of capturing the information outlined in recommendations 2 and 5, as mentioned above there will be some operational inefficiencies incurred in relation to implementing these recommendations in full. There is currently no process in place for the Corruption and Crime Commission to record and analyse this information. For the implementation to be meaningful in terms of analysing trends across sector, further resourcing and case management changes will be required. Regardless of the above constraints, the Corruption and Crime Commission will revise its closure report template and endeavour to capture as much information as possible within the confines of its current resourcing and case management system.

Recommendation 3: That the Corruption and Crime Commission:

- Include in relevant media releases a statement that where the commission makes a finding or opinion that serious misconduct has occurred, that this finding or opinion is not to be taken as a finding of opinion that a person is guilty of or has committed a criminal offence.
- Highlight the above distinction in its educational work.

Supported

The Corruption and Crime Commission has responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission supports recommendation 3 and has already implemented it in recent media releases. The Corruption and Crime Commission commits to ensuring such a statement is included in all future media releases where the Corruption and Crime Commission makes a finding or opinion of serious misconduct.

As appropriate, the Corruption and Crime Commission will raise awareness of the distinction between a finding of serious misconduct and the commission of a criminal offence in its media interviews and other published materials. The Corruption and Crime Commission will also highlight the distinction in its educational work with the Western Australia Police Force, noting that the formal prevention and education function for the remainder of the sector and the general community sits with the Public Sector Commissioner pursuant to the *Corruption, Crime and Misconduct Act 2003* section 45A.

Recommendation 4: That the Attorney General consider amending the *Corruption, Crime and Misconduct Act 2003* to provide, or the new Act provide, safeguards and further prescription on when the Corruption and Crime Commission may hold a public examination.

Supported in Principle

This recommendation appears to arise from a finding based on the Victorian and Commonwealth jurisdictions. Those jurisdictions are not representative of the power to hold a public inquiry as generally expressed in legislation elsewhere in Australia, or in the *Corruption, Crime and Misconduct Act 2003*. Public examinations are a useful tool in the Corruption and Crime Commission achieving its statutory purposes and are used sparingly at the discretion of the Corruption and Crime Commissioner. The Act already contains safeguards requiring

the Corruption and Crime Commission to discharge a positive obligation to weigh reputational damage, prejudice and infringement on privacy against the exposure of serious misconduct. The Corruption and Crime Commission follows a rigorous internal process to determine all matters relevant to the exercise of the discretion to hold public examinations.

Nevertheless, while it is not readily apparent that amendments as set out in recommendation 5 are necessary, the Attorney General is open to considering this issue further as part of the development of reforms to modernise the *Corruption, Crime and Misconduct Act 2003*.

Recommendation 5: That the Corruption and Crime Commission enhance its oversight of 'local management/improvement action' for a trial period. This could be done by asking the agency to advise in its closure report:

- details of what the local management/improvement action involves
- if this outcome is accompanied by a disciplinary sanction
- if this outcome is imposed in the first instance of serious misconduct by the officer
- why it considered the outcome to be most appropriate in all the circumstances.

The above should be done for a trial period of 2 years. The commission should report its findings to the committee of the next Parliament.

Supported in Principle

The Corruption and Crime Commission has responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission considers there are legislative limitations on whether it can require an agency to provide the information noted in recommendations 2 and 5. The *Corruption, Crime and Misconduct Act 2003* enables the Corruption and Crime Commission to compel an agency to provide a report on the action taken in relation to an allegation, but not necessarily the sanction imposed or the reasoning behind the decision to impose that sanction. Ultimately the decision as to the appropriate sanction following action into an allegation of suspected serious misconduct by an agency, remains a matter for that agency.

The Corruption and Crime Commission further notes the template closure report would apply only to the subset of allegations which the Corruption and Crime Commission refers for action and outcome, pursuant to the *Corruption, Crime and Misconduct Act 2003* sections 33(1)(c) and 40. Otherwise, the *Corruption, Crime and Misconduct Act 2003* does not empower the Corruption and Crime Commission to generally require agencies to report on action taken. The Corruption and Crime Commission will endeavour to ensure agencies use the template report when providing their detailed report pursuant to the *Corruption, Crime and Misconduct Act 2003* section 40(1).

While the Corruption and Crime Commission is supportive of capturing the information outlined in recommendations 2 and 5, as mentioned above there will be some operational inefficiencies incurred in relation to implementing these recommendations in full. There is currently no process in place for the Corruption and Crime Commission to record and analyse this information. For the implementation to be meaningful in terms of analysing trends across sector, further resourcing and case management changes will be required. Regardless of the

above constraints, the Corruption and Crime Commission will revise its closure report template and endeavour to capture as much information as possible within the confines of its current resourcing and case management system.

Recommendation 6: That the Corruption and Crime Commission:

- refine its recording of serious misconduct outcomes such as disciplinary actions and improvement actions.
- partner with agencies to standardise how information and data on serious misconduct outcomes (including disciplinary actions and improvement actions) are categorised, reported to and recorded by the commission.

Supported

The Corruption and Crime Commission has responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission supports this recommendation, noting however that it will apply only to those matters which the Corruption and Crime Commission refers for action pursuant to the *Corruption, Crime and Misconduct Act 2003* sections 33(1)(c) and 40. The Corruption and Crime Commission is currently working to refine its recording of outcomes in relation to these matters. As noted in response to recommendations 2 and 5 above, further resourcing and system work is required to enable meaningful recording and analysis.

In relation to partnering with agencies to standardise how information on serious misconduct outcomes are categorised, reported and recorded, the Corruption and Crime Commission will endeavour to ensure agencies use standardised categories when reporting outcomes in the template closure reports. It is noted that partnering in this context will be limited to written correspondence and discussion at scheduled liaison meetings. The Corruption and Crime Commission is not resourced to meet with all notifying agencies in the sector.

Recommendation 7: That the Government ensure that agencies implement case management systems that improve their capacity to record information and data on serious misconduct in a standardised way.

Supported in Principle

The Government supports this recommendation to ensure agencies implement case management approaches to record, analyse, interrogate and report on integrity data and collect intelligence relevant to their size, operating environment, risk profile and budgetary resources.

Depending on the agency, the implementation of IT systems may be required to capture and interrogate integrity data as, depending on size and complexity, different approaches could be used. Clarity would also need to be established in relation to data requirements. Given the potential resourcing implications, further consideration will have to be given the timing of such implementation.

Recommendation 8: That the Corruption and Crime Commission publish information and data on outcomes imposed on public officers found to have engaged in serious misconduct on its website. At a minimum, information similar to that contained in tables 4.1 and 4.3 should be published.

Supported in Principle

The Corruption and Crime Commission has responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission supports recommendation 8 in principle, noting the previously mentioned limitations on its ability to require this information from agencies and to meaningfully capture it within its current case management system for publication on its website.

The Corruption and Crime Commission also notes that the information will relate only to matters which the Corruption and Crime Commission has referred for action and outcome pursuant to the *Corruption, Crime and Misconduct Act 2003* sections 33(1)(c) and 40, and accordingly will not give a full picture of the misconduct outcomes across the sector.

In addition to the Corruption and Crime Commission publishing the data it collects, it is suggested that the Committee consider each agency publishing their own internal data on the outcomes imposed on officers within that agency. This would provide a clearer picture of the number of misconduct matters across the sector and each agency's disciplinary or other outcomes imposed.

Recommendation 9: That the Government direct agencies within the remit of the Corruption and Crime Commission to recover financial loss arising from serious misconduct wherever feasible and possible.

Supported

The Public Sector Commission supports the Government directing agencies within the remit of the Corruption and Crime Commission taking action to recover financial loss from serious misconduct, where this is feasible, given each case would need to be judged on its own merits and in accordance with legal advice.

Recommendation 10: That the Corruption and Crime Commission enhance its oversight of what follows after a finding of serious misconduct involving a financial loss to the State. This could be done by asking the agency to advise in its closure report if:

- the serious misconduct involved a financial loss to the State
- the agency took steps to recover the financial loss and, if not, why not
- the agency recovered any financial loss.

The above should be done for a trial period of 2 years. The commission should report its findings to the committee of the next Parliament.

Not Supported

The Corruption and Crime Commission has responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission lacks an appropriate basis to request the information outlined in the recommendation and therefore does not support it. It is not the role of the Corruption and Crime Commission to oversee any financial loss incurred or recovered following a finding of serious misconduct. The Corruption and Crime Commission considers such oversight the responsibility of Ministers to monitor financial loss due to serious misconduct within their portfolios, which should form part of annual financial reporting.

As noted previously, when the Corruption and Crime Commission refers a serious misconduct allegation to an agency for action pursuant to the *Corruption, Crime and Misconduct Act 2003* sections 33(1)(c) and 40, the Corruption and Crime Commission may require the provision of information on the action taken in relation to the allegation. Requesting the information suggested in the recommendation falls outside the Corruption and Crime Commission's jurisdiction.

Further to the legislative limitations, the recommendation would result in operational delays and inefficiencies for both the Corruption and Crime Commission and relevant agencies. Making such a request to agencies to provide this information in the closure report would unnecessarily delay the submission of closure reports to the Corruption and Crime Commission (given the length of time it would take for agencies to recover or attempt to recover any financial loss).

Recommendation 11: That the Public Sector Commissioner clarify and strengthen advice provided to agencies about voluntary severance payments to public officers the subject of an allegation of serious misconduct. This should include the matters noted above in this report.

Supported

The Public Sector Commissioner will strengthen Commissioner's Instruction 12: Redeployment and Redundancy and update its guidance material.

Commissioner's Instruction 12: Redeployment and Redundancy clause 1.3(d) currently precludes an employing authority from offering voluntary severance to an employee as a means primarily of addressing disciplinary, substandard performance or ill-health issues, for which appropriate mechanisms exist elsewhere.

Recommendation 12: That the Government, to the extent necessary, amend laws to enable it to recover voluntary severance payments against public officers and former public officers found to have engaged in serious misconduct or convicted of a serious offence.

Supported in Principle

The Government supports the amendment of the *Public Sector Management Act 1994* and associated regulations to support recovery of voluntary severance payments made to a former officer where they are found to have committed serious misconduct while in office, noting that these changes will not apply to local governments, GTEs and universities.

Recommendation 13: That the Corruption and Crime Commission:

- notify the Western Australia Police Force as soon as possible of investigations that may require police resources.
- continue its practice of cooperative investigations with the Western Australia Police Force and collaborate with police as early as possible.

Supported

The Corruption and Crime Commission responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission supports recommendation 13 and advises that this practice is already implemented.

The Western Australia Police Force welcomes the Corruption and Crime Commission's commitment to promptly notify the agency of investigations that may require police resources. Police are dedicated to acting promptly and comprehensively on matters arising from Corruption and Crime Commission investigations. The Western Australia Police Force understands the importance of expeditious and thorough handling of such cases to maintain public trust and confidence in law enforcement.

Recommendation 14: That the Western Australia Police Force ensure that it adequately resources the investigation and prosecution of matters arising from Corruption and Crime Commission investigations.

Supported

The Western Australia Police Force acknowledges the significance of adequately resourcing investigations and prosecutions resulting from Corruption and Crime Commission investigations. It is committed to allocating the necessary personnel and technological resources required to investigate and prosecute these matters.

Recommendation 15: That the Corruption and Crime Commission and Western Australia Police Force enter into an MOU that sets out expectations and standards on timeliness, resourcing, disclosure and other matters to ensure the effective prosecution of matters arising from a commission investigation.

Supported in Principle

The Corruption and Crime Commission responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission is currently reviewing its MOU with the Western Australia Police Force and will endeavour to set out expectations on timeliness of the decision to recommend or prefer charges, resourcing of investigations, disclosure and other matters to ensure the effective prosecution of matters arising from Corruption and Crime Commission investigations. The Corruption and Crime Commission is cognisant that the management and effectiveness of a prosecution does not fall within its remit or control. The Western Australia Police Force is open to continuing to revisit the current MOU as appropriate.

Recommendation 16: That the Western Australia Police Force and Director of Public Prosecutions enter into an MOU, or a similar arrangement, that sets out interagency protocols and shared standards on timeliness, resources, disclosure and other matters to ensure the effective prosecution of matters.

Supported in Principle

The Director of Public Prosecutions and Western Australia Police Force are subject to legislative disclosure requirements, and there are existing agreed protocols for disclosure between the agencies which apply in all prosecutions. The agencies will assess the need for a separate MOU or other agreement regarding timeliness, resources, disclosure and other matters, in relation to complex financial crime matters and/or prosecutions which result from a Corruption and Crime Commission investigation.

Recommendation 17: That the Corruption and Crime Commission publish information on prosecutions arising from serious misconduct investigations on its website. At a minimum, information similar to that contained in appendix 6 of this report should be published.

Supported

The Corruption and Crime Commission has responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission supports recommendation 17.

Recommendation 18: That Corruption and Crime Commission reports tabled in Parliament should, as standard practice and wherever possible, formally recommend agency action to minimise misconduct risks (prevent misconduct) when the commission identifies misconduct risks.

The commission should replace its practice of making observations, suggestions, or comments on misconduct risks with formal recommendations requiring agency response.

Supported in Principle

The Corruption and Crime Commission responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission supports this recommendation in principle. The implementation of this recommendation by the Corruption and Crime Commission is dependent upon legislative change and subject to additional resourcing to enable the Corruption and Crime Commission to properly carry out the additional oversight and corruption prevention functions.

The Corruption and Crime Commission advises that it already takes the action suggested in recommendation 18 for more serious matters as part of its capacity development function. This recommendation and the proposed legislative amendment set out in recommendation 19 is indicative of the reinstatement of a standalone corruption prevention function. The proposed legislative amendment would require the Corruption and Crime Commission to assess the appropriateness of the agency action plan, and subsequently to determine the outcome of the action plan against the recommendations.

The Corruption and Crime Commission is in favour of legislative amendment clarifying the Corruption and Crime Commission's role in corruption prevention and education.

Recommendation 19: That the Attorney General amend the *Corruption, Crime and Misconduct Act 2003* to provide, or the new Act provide, a law similar to section 111E of the *Independent Commission Against Corruption Act 1988* (NSW).

Supported in Principle

Noting that the Corruption and Crime Commission already takes the action recommended in recommendation 18 for more serious matters as part of its capacity development function, the Government will consider legislative amendment to further clarify the Corruption and Crime Commission's role in corruption prevention as part of a package of reforms to modernise the *Corruption, Crime and Misconduct Act 2003*. The Government supports the Committee's Finding 35 that not having a clear misconduct prevention and education function curtails the Corruption and Crime Commission's opportunities to assist agencies to recognise and manage misconduct risks. While the Government supports the intent of the recommendation, the form of the amendment may not necessarily follow that of the NSW legislation.

Recommendation 20: That the Attorney General amend the *Corruption, Crime and Misconduct Act 2003* to provide, or the new Act provide, the Corruption and Crime Commission with a clear, rather than subordinate, misconduct prevention and education function for all agencies within the remit of the commission. This function may be shared with the Public Sector Commissioner.

Supported

The Government supports the recommendation.

Recommendation 21: That the Public Sector Commissioner require public sector agencies, after implementing their Integrity Frameworks, to complete the Public Sector Commission's Integrity Framework Maturity Self Assessment Tool on an annual basis or seek permission from the Commissioner to not complete this tool.

The committee also strongly recommends that public authorities within the remit of the Corruption and Crime Commission, that are not part of the 'public sector', including local governments, GTEs and universities, implement an integrity framework and complete the Integrity Framework Maturity Self Assessment Tool on an annual basis.

Supported in Principle

The Public Sector Commission supports amending Commissioner's Instruction 40: Ethical Foundations to require public sector agencies to complete the Integrity Framework Maturity Self Assessment tool. Agencies' completion of this tool will be monitored through the Commission's Integrity and Conduct Annual Collection.

To support the amendment to the instruction, the Public Sector Commission will update the tool's supporting information to provide additional guidance about when agencies should conduct another assessment. This will relate to each element's level of maturity and risk, rather than being time specific.

This approach provides for agencies to focus on any improvements required to lift maturity levels relevant to the 13 assessed elements. Depending on the level of risk and maturity in agencies, improvements may span more than one year to implement.

The Public Sector Commission supports public authorities outside the public sector in implementing an integrity framework and completing the tool, at intervals set by them. The Public Sector Commission has no ability to require these entities complete the tool but will monitor their implementation of integrity frameworks and completion of the tool through the Commission's Integrity and Conduct Annual Collection.

Recommendation 22: That the Public Sector Commissioner, working with the Government, establish a centralised public employment register with appropriate safeguards that records public officers who have:

- been dismissed on the grounds of misconduct
- resigned during a misconduct investigation.

The register should cover all employees employed by agencies within the remit of the Corruption and Crime Commission including local government. (See recommendation 31.)

Supported in Principle

The Public Sector Commission supports strengthening pre-employment integrity screening to enable hiring managers to have access to an applicant's misconduct history.

The Public Sector Commission is undertaking further work to scope a model of how an employment register may look and preliminary work has commenced. The preliminary work includes exploring the benefits and risks of an employment register with jurisdictions that have them in place. Other issues that will be examined include matters such as cost, privacy issues, identify verification and management and information governance concerns. The scoping process is also likely to include consultation with key stakeholders and may also consider other alternative options available to strengthen integrity pre-employment screening.

In recognition of the Public Sector Commissioner's functions under the *Public Sector Management Act 1994* this exploration is limited to public sector bodies covered by that Act (see recommendation 23).

Recommendation 23: That the Government, to the extent necessary, amend laws to enable the Public Sector Commissioner to establish the above public employment register.

Supported in Principle

The Government supports strengthening pre-employment integrity screening processes. The Public Sector Commission's jurisdiction in relation to this matter is limited to public sector bodies and employees as defined in section 3 of the *Public Sector Management Act 1994*. The Public Sector Commission does not have any involvement in the employment frameworks for those entities that fall outside the jurisdiction of the *Public Sector Management Act 1994* and does not support legislation being amended to achieve this outcome.

Recommendation 24: That the Minister for Local Government advise the Parliament what action it has taken, and proposes to take, to address the issues identified in finding 41.

Supported in Principle

The Government's major local government reform package, which was first announced in November 2021, includes proposed reforms to clarify roles and responsibilities in the *Local Government Act 1995*.

As part of these proposed reforms, the Government intends to introduce revised roles and functions for the council, mayors and presidents, and local government chief executive officers. This is intended to clarify and strengthen the division of roles and responsibilities in local government.

Council members can access information held by a local government that is relevant to the performance of their functions as a council member under the *Local Government Act 1995* or under any other written law in accordance with section 5.92 of the *Local Government Act 1995*.

The Government is also developing regulations and orders to give effect to the first tranche of local government reforms, passed by the Parliament in 2023, including revising and simplifying the integrated planning and reporting framework, introducing the publication of local government chief executive officer key performance indicators, and introducing communications agreements between councils and local government chief executive officers. These various regulatory reforms are intended to further clarify roles and responsibilities, including associated guidance material to assist with the local government sector's effective implementation of these reforms.

In line with the Local Government Regulatory Approach, the Department of Local Government, Sport and Cultural Industries undertakes targeted workshops with local government councils where there are identified governance issues, as well as other face-to-face engagement opportunities. A key part of these engagements is working with council and the local government administration to ensure they have a clear understanding of their distinct roles and responsibilities.

Recommendation 25: That the Minister for Local Government investigate and report to Parliament on the need for laws to resolve the tension around the division of the responsibilities of council and the chief executive officer.

Supported in Principle

As provided in response to recommendation 24, the Government intends to clarify the roles and responsibilities of the council and the local government chief executive officer in legislation through the ongoing delivery of local government reforms.

Recommendation 26: That the Minister for Local Government enact legislation that requires chief executive officers of local governments to act in good faith.

Noted

Existing legislation applies to local government chief executive officers to ensure they act honestly and impartially as public officers, including the application of misconduct under section 4 of the *Corruption, Crime and Misconduct Act 2023* and the application of the code of conduct for employees under section 5.51A of the *Local Government Act 1995*.

Further consideration will be given to this proposal as part of the revisions to the role and responsibilities of local government chief executive officers, and as part of the continued delivery of local government reforms.

Recommendation 27: That the Attorney General amend the *Corruption, Crime and Misconduct Act 2003* to provide, or the new Act provide, Corruption and Crime Commission officers with the power to disclose information relating to an allegation and outcome of a serious misconduct allegation to local government councils and administration, without the need for the commission to certify disclosure.

Supported

The Government supports the recommendation.

Recommendation 28: That the Minister for Local Government amend the *Local Government Act 1995*, or appropriate legislation, to provide Department of Local Government Sport and Cultural Industries officers with the power noted in recommendation 27.

Supported in Principle

The Government intends to revise the local government breach framework as part of the second tranche of local government reforms to introduce the Local Government Inspector. As part of this reform work, revisions to the confidentiality process around minor and serious breaches are being considered.

Recommendation 29: That the Minister for Local Government enact laws to provide that a local government cannot enter into a termination or resignation agreement with confidentiality clauses and/or payment above entitlements, if the chief executive officer or employee is the subject of a serious misconduct allegation or finding.

Supported in Principle

This recommendation is supported in principle. Further consideration is needed to address potential issues relating to employment law, due process, and the need to handle potentially

vexatious allegations that would need to be addressed in the development of any such legislation.

Recommendation 30: If the above recommendation is not accepted, that the Minister for Local Government:

- require local governments to inform the department when it proposes to enter into a termination or resignation agreement with a chief executive officer or employee the subject of a serious misconduct allegation or finding, whether the agreement includes confidentiality clauses, payment above entitlements or otherwise
- provide the department with the power to veto agreements on the basis that it is not in the public interest to enter into the agreement.

That legislation be amended to provide for the above.

Noted

This recommendation is not applicable, as recommendation 29 is supported in principle.

Recommendation 31: If the Government does not accept recommendation 22, the committee recommends that the Department of Local Government, Sport and Cultural Industries establish a local government employment register recording the information noted in recommendation 22 for chief executive officers and employees in the local government sector.

Noted

This recommendation is not applicable, as recommendation 22 is supported in principle.

Recommendation 32: That the Minister for Local Government ensure that proposed legislation to establish a Local Government Inspector and monitors includes robust powers to intervene and proactively work with local governments to achieve better misconduct outcomes and build integrity. Tools available should include mediation and conciliation options.

Supported in Principle

Recommendation 32 is supported in principle. The proposed amendments to the *Local Government Act 1995* include a broad range of powers for the Local Government Inspector and Monitors to intervene early and address potential dysfunction in local governments.

Recommendation 33: That the Department of Local Government, Sport and Cultural Industries, working with the Corruption and Crime Commission, Office of the Auditor General, WALGA and other entities, enhance the cross sector training and education provided to the local government sector.

Supported in Principle

The Department of Local Government, Sport and Cultural Industries supports the provision of further education and awareness raising throughout the local government sector. This work will be important with the introduction of the Local Government Inspector as part of the second tranche of local government reforms.

The Department of Local Government, Sport and Cultural Industries has existing collaborative relationships with relevant sector partners to provide education and build capability across local government. The Department of Local Government, Sport and Cultural Industries provides a range of guidance materials and capability building programs as part of its education and support function for local government. These include a series of published operational guidelines, governance workshops for local governments, early intervention programs and strategies for at-risk local governments, and webinars. For example, the Department of Local Government, Sport and Cultural Industries has worked with the Corruption and Crime Commission, OAG and other entities to deliver topics for the webinar series in 2023.

The Corruption and Crime Commission responded to this recommendation independently having regard to its statutory obligations. The Corruption and Crime Commission notes that the recommendation is reliant on legislative change as well as additional resourcing for a prevention and education function.

Recommendation 34: That the Government fund the Office of the Auditor General to expand the remit of its Forensic Audit Unit to include the local government sector. (See finding 38.)

Under Further Consideration

The Government notes this recommendation and will consider any future funding applications made by the Office of the Auditor General in relation to expanding its Forensic Audit Unit.

The Office of the Auditor General is pleased to note the Committee's findings of positive impact on the State government sector from the work of the Forensic Audit unit that was established in 2020 in response to a request from the Treasurer.

The Office of the Auditor General also believes that there would be benefits for the local government sector in expanding the remit of the Forensic Audit unit to include local governments.

The Forensic Audit unit is currently only funded for State government entities. The Office of the Auditor General is happy to work with Government to identify an appropriate level of resourcing to provide forensic audit coverage of the local government sector.