



ICAC

INDEPENDENT COMMISSION
AGAINST CORRUPTION
NEW SOUTH WALES

annual report

2017–18

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INDEPENDENT COMMISSION
AGAINST CORRUPTION
NEW SOUTH WALES

The Hon Gladys Berejiklian MP
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Parliament House
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The Hon John Ajaka MLC
President
Legislative Council
Parliament House
SYDNEY NSW 2000

The Hon Shelley Hancock MP
Speaker
Legislative Assembly
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Madam Premier
Mr President
Madam Speaker

In accordance with the requirements of the *Annual Reports (Departments) Act 1985* and the *Independent Commission Against Corruption Act 1988*, the Commission hereby furnishes to you the Commission's annual report for the year ended 30 June 2018.

The report has been prepared in accordance with the requirements of those Acts.

Pursuant to s 78(2) of the ICAC Act, it is recommended that this report be made public immediately. This recommendation allows either presiding officer of the Houses of Parliament to make the report public whether or not Parliament is in session.

Yours faithfully



The Hon Peter Hall QC
Chief Commissioner



Philip Reed
Chief Executive Officer

Chief Commissioner's foreword



I am pleased to present my inaugural annual report as Chief Commissioner of the NSW Independent Commission Against Corruption (“the Commission”). This is also the first annual report of the Commission since the new three-commissioner model was adopted following amendments to the ICAC Act in 2017. It provides a suitable opportunity not only for reflection on what has been achieved so far under the new structure, but also to explore what the Commission’s direction will be as we look to the future.

The 2017–18 year saw some impressive achievements, ranging from increasing our ongoing preliminary investigations by 150% on the previous year and increasing the number of full investigations, or operations, by 56%.

We reached more than 7,000 people with face-to-face training and anti-corruption presentations, and hosted the 6th Australian Public Sector Anti-Corruption Conference, which attracted over 500 delegates from across Australia and the world. You can read more about our achievements in the body of this report.

One area that has seen a marked change since the establishment of the three-commissioner model is public inquiries. The ICAC Act has been amended to incorporate provisions for Commission authorisation of public inquiries and for the issue of guidelines relating to their conduct. The Commission’s new model has enabled it to hold more back-to-back and even simultaneous public hearings during the year. This is an area we are keen to finesse and further explore, if we can resource it adequately.

The power of public inquiries to expose serious and systemic corruption, to raise awareness of the Commission’s work and to encourage the reporting of suspected corrupt conduct cannot be underestimated. While it is common to see an increase in reports and complaints during public inquiry periods, this was strongly demonstrated this year in relation to the Operation Estry public inquiry into allegations concerning Corrective Services NSW officers. Following our announcement in May that we would hold a public inquiry as part of Operation Estry, the Commission received 42% of all its Corrective Services NSW-related matters for the whole 2017–18 year.

While public inquiries and other core functions under our legislation have continued, I have been working with the part-time Commissioners Patricia McDonald SC and Stephen Rushton SC and our

executive to determine the future strategic direction of the Commission.

Corruption is not a stagnant phenomenon; like other misconduct and crime, it evolves and seeks new ways to infiltrate our institutions and society as a whole. One of the major challenges for agencies like the Commission is not only to keep exposing, investigating and preventing the more “traditional” forms of corruption, but also to keep up with, if not ahead of, developing trends and activities. We need to be aware of the vulnerabilities for public agencies and officials, and the practices most at risk of encountering or becoming corrupted.

This is why we have taken some new approaches for the Commission’s future direction in at least two areas; the first, is the establishment of a proactive strategic intelligence and research unit. While other commissions in Australian states have similar sections, ours is different in that it resides in both the Investigation and Corruption Prevention divisions. The purpose of this unit is to develop and implement systems, processes and methodologies that enhance our capability to identify corrupt activity and for its referral to the Investigation Division. It will also inform and guide the appropriate allocation of the Commission’s resources and the development, consistent with the Commission’s proactive approach, of methodologies that assist in identifying emerging trends and corruption risks for referral to the Corruption Prevention Division.

The second approach is via specialist corruption prevention projects. I have requested that the Corruption Prevention Division complete a special project each year that deals with a significant area of public concern. This will not be the only project that Corruption Prevention takes on during any given year, however, it is expected that it will involve a degree of external input, as well as drawing on our own information and research.

The initial project will centre on the lobbying and influencing of public officials, dealing with corruption and integrity risks associated with this area. This work will follow on from Operation Halifax, a Commission investigation into lobbying focused on corruption prevention that was completed in 2010 and resulted in some regulatory reform, although not all recommendations (some relating to transparency and recordkeeping) have been implemented. Through this new project, we will further explore the effects

of influence, vested interests and lobbying, not only involving elected officials, but also with non-elected public officials. As we have seen even this year with the Operation Dasha public inquiry concerning the former Canterbury City Council, allegations of this nature still arise and it is certainly in the public interest for the Commission to examine how corruption risks in these areas can be mitigated.

Another important development in the Commission’s new structure is the appointment of a Chief Executive Officer. We conducted an Australia-wide recruitment campaign during the 2017–18 year and, following a thorough selection process, appointed Philip Reed to the position from 2 July 2018. Mr Reed brings specialist skills and broad high-level experience to the role, and he will become an integral and valuable part of our leadership team.

On the subject of teams, I would like to acknowledge the work of the Commission’s greatest asset – its staff. The staff have worked hard to manage increased loads, and have adapted extremely well to the new structure. Not only have the other Commissioners and I been welcomed and assisted in our new roles by the staff, but we have also been very impressed by their tireless commitment to the Commission and its work.

On that note, I commend this annual report and hope that readers find it an informative and interesting review of the Commission’s 2017–18 year.



The Hon Peter Hall QC
Chief Commissioner

Chapter 1: Overview

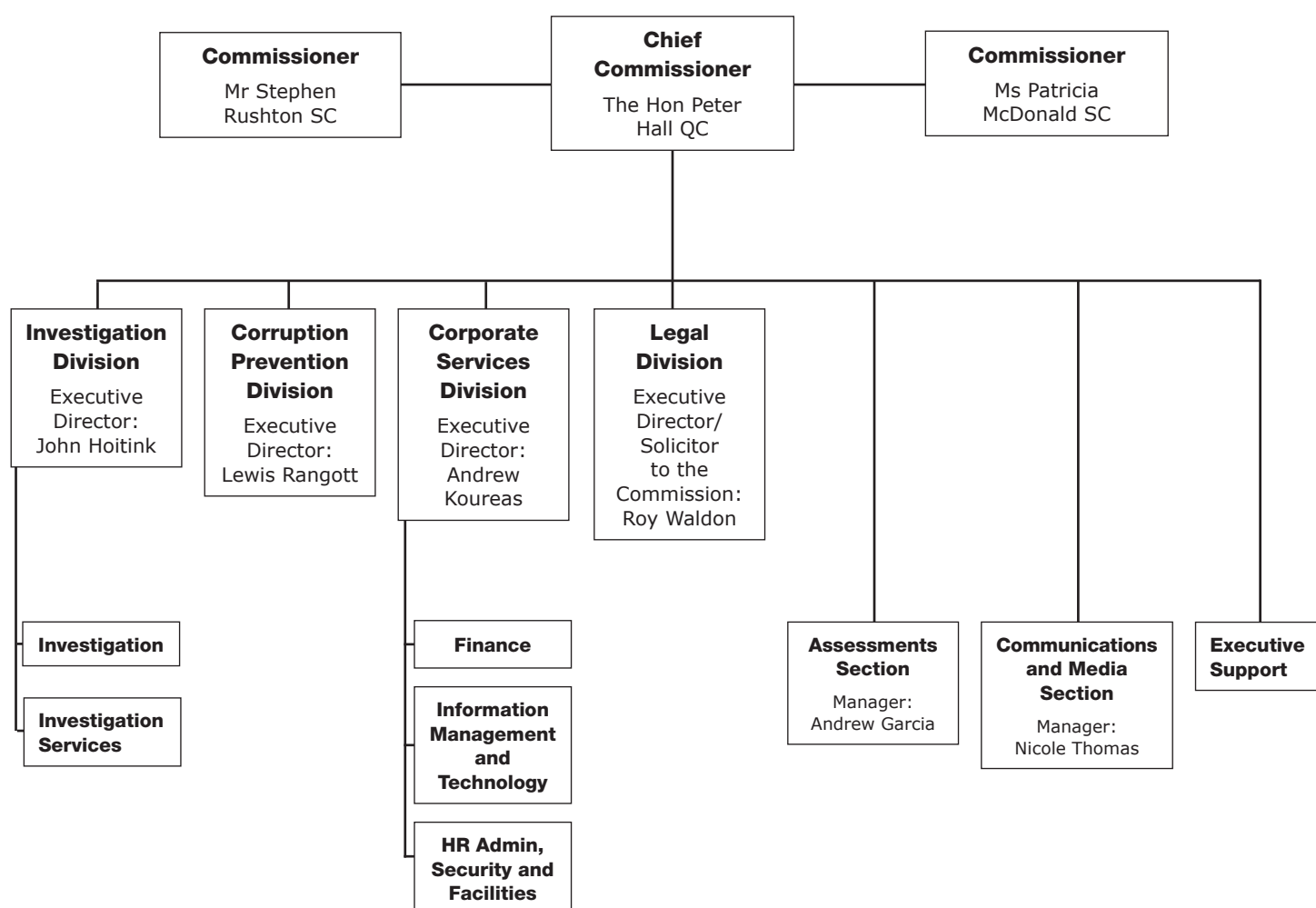
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Our mission is to
combat corruption
and improve the
integrity of the
NSW public sector.

The NSW Independent Commission Against Corruption (“the Commission”) was established as an independent and accountable body by the *Independent Commission Against Corruption Act 1988* (“the ICAC Act”) in response to community concern about the integrity of public administration in the state. The principal functions of the Commission as set out in the ICAC Act are:

- to investigate and expose corrupt conduct in the public sector
- to actively prevent corruption through advice and assistance, and
- to educate the NSW community and public sector about corruption and its effects.

Organisational chart*



* As at 30 June 2018

Structure of the ICAC

The commencement of the *Independent Commission Against Corruption Amendment Act 2016* (“the 2016 Amendment Act”) meant that a new structure was adopted during the reporting period, comprising a Chief Commissioner and two part-time Commissioners. This model replaced the previous single-Commissioner model.

The Hon Peter Hall QC was appointed Chief Commissioner for a five-year term from 7 August 2017. Patricia McDonald SC and Stephen Rushton SC were appointed part-time Commissioners, also for five-year terms, from that date.

Among other changes, the 2016 Amendment Act means that the power to conduct a public inquiry must be authorised by the Chief Commissioner and at least one of the Commissioners. The Chief Commissioner oversees the Commission’s work and ensures that it meets the objectives of, and complies with the requirements set out in, the ICAC Act, and all other relevant legislation.

Another provision of the 2016 Amendment Act is that the Chief Commissioner may appoint a Chief Executive Officer (CEO). Following a period of consideration, the Chief Commissioner made the decision and announced in March 2018 that he would appoint a CEO. After a competitive recruitment process, Philip Reed was appointed to the position commencing in the next financial year from 2 July 2018.

Prior to the appointment of the Chief Commissioner and the part-time Commissioners, the Hon Reginald Blanch AM QC was Acting Commissioner until 4 August 2017.

The roles of the Commission’s functional areas are described below.

Executive Support Section

The Executive Support Section provides administrative and paralegal support (the latter shared with the Legal Division) to the Chief Commissioner and Commissioners. It also provides secretariat services to executive management groups, and provides reception and switchboard services.

In the reporting period, the Executive Support Section had an average of 3.27 full-time equivalent (FTE) staff.

Assessments Section

The Assessments Section is the first point of contact for complaints and reports made to the Commission. Assessments receives and registers all complaints, reports (whether from external agencies or internally generated) about alleged corrupt conduct, general enquiries and feedback. It also manages and reviews matters that the Commission refers for investigation by public sector agencies under s 53 and s 54 of the ICAC Act.

The Manager of the Assessments Section during the reporting period was Andrew Garcia. In the reporting period, the Assessments Section had an average of 10.54 FTE staff.

Investigation Division

The Investigation Division comprises the investigation section and the investigation services section. The investigation section consists of three operational investigation teams. Members of this section include investigators, forensic accountants, intelligence analysts and support staff. The division’s investigation services section supports the Commission’s investigations with surveillance, forensic, technical personnel and property services.

During 2017–18, the Commission commenced preparations to establish a proactive strategic intelligence and research unit within the Investigation Division, which will be operational by the beginning of the next financial year.

The Commission takes a multidisciplinary approach to its investigation function. Investigative teams include staff from other divisions.

Following the resignation of Executive Director Sharon Loder on 30 June 2017, each of the chief investigators acted in the role until John Hoitink was appointed Executive Director of the Investigation Division from 25 September 2017. In the reporting period, the Investigation Division had an average of 44.47 FTE staff.

Corruption Prevention Division

The Corruption Prevention Division carries out the corruption prevention and educative functions described under the ICAC Act. The principal functions include examining the laws, practices and procedures of public officials, while also educating, advising and assisting public authorities and the community on ways in which corrupt conduct may be eliminated. The division's role also includes promoting the integrity and good repute of public administration.

Lewis Rangott was the Executive Director of the Corruption Prevention Division during the reporting period. In the reporting period, the division had an average of 13.61 FTE staff.

Legal Division

The Legal Division assists the Commission to perform its principal functions and to exercise its statutory powers in a lawful, effective, ethical and accountable manner by providing high-quality, accurate and timely legal services. To achieve this, a lawyer is assigned to each investigation.

Commission lawyers assist in the planning and conduct of all investigations and provide advice, as required, to other sections of the Commission. They may also act as counsel in compulsory examinations. Commission lawyers prepare briefs for and instruct counsel at public inquiries. They also assist with the preparation of investigation reports, oversee the preparation of briefs of evidence for submission to the Director of Public Prosecutions (DPP) and liaise with DPP lawyers in relation to answering requisitions for further evidence and the conduct of any prosecutions.

Roy Waldon was the Executive Director of the Legal Division and Solicitor to the Commission during the reporting period. In the reporting period, the division had an average of 10.43 FTE staff.

Corporate Services Division

The Corporate Services Division is a business partner with the operational divisions of the Commission, and is responsible for providing support services to enable the Commission to undertake its statutory functions. It provides human resources, administrative, security, facilities, financial, and information management and technology services.

The division also manages other functions, including recruitment, payroll, risk management and procurement.

Andrew Koureas was the Executive Director of the Corporate Services Division during the reporting period. In the reporting period, the division had an average of 17.55 FTE staff.

Communications and Media Section

The Communications and Media Section manages the Commission's internal and external communications functions with various interested parties, including the media, other agencies and ICAC staff via media liaison, publications and resources, corporate identity and branding, major events management, and the ICAC's internet and intranet sites.

Nicole Thomas was the Manager of the Communications and Media Section during the reporting period. In the reporting period, the section had an average of 3.91 FTE staff.

2017–18 snapshot

During 2017–18, the Commission:

- received and managed 2,751 matters, compared to 2,489 in 2016–17
- commenced 41 new preliminary investigations, compared to 27 in the previous year, and 12 new operations
- completed 32 preliminary investigations and 7 operations
- completed 72% of preliminary investigations within the target 120 days
- conducted 4 public inquiries over 47 days (compared to 2 public inquiries over 31 days in 2016–17) and 112 compulsory examinations over 66 days
- completed and furnished 3 investigation reports to Parliament
- made 25 serious corrupt conduct findings against 18 people, and recommended that the advice of the DPP be sought with respect to the prosecution of 17 people for various offences
- delivered 248 anti-corruption presentations and training workshops across the state, reaching approximately 7,100 people face-to-face, compared to 106 presentations and workshops in the previous year that reached around 2,500 face-to-face
- managed 139 requests for corruption prevention advice, compared to 105 in 2016–17, including submissions to relevant government inquiries and reviews including the Office of Local Government's review of the Model Code of Conduct for Local Councils in NSW, and the Senate Select Committee into the Political Influence of Donations
- produced a publication that provided advice and strategies on managing corruption risks in employment screening
- hosted the 6th Australian Public Sector Anti-Corruption Conference, which attracted over 500 delegates and approximately 60 speakers
- published two editions of the *Corruption Matters* e-newsletter, which reached over 735 subscribers, with readers located in Australia and overseas
- recorded close to 1 million external visitor sessions to the ICAC website
- embarked on the redevelopment of the ICAC website, which will feature improved functionality and user accessibility
- recorded 435 staff attendances at training sessions, equating to an average of four training sessions per staff member.

What we do

The Commission investigates allegations of corrupt conduct in and affecting the NSW public sector, and drives programs and initiatives to minimise the occurrence of such conduct in the state. The Commission's overarching aims are to protect the public interest, prevent breaches of public trust, and guide the conduct of public officials.

The Commission receives and analyses complaints from members of the public and public officials, and reports made by the principal officers of public sector agencies and ministers of the Crown. It has extensive powers of investigation and may conduct hearings to obtain evidence of, and to expose, serious corruption and systemic corruption. The Commission can make findings of serious corrupt conduct, may make recommendations for disciplinary action and is able to obtain the advice of the DPP with respect to prosecution of individuals.

The Commission's corruption prevention functions include providing advice and guidance via information, resources, and training to public sector agencies to address existing or potential corruption problems. It also conducts research to identify and help remedy specific areas of corruption risk.

The Commission helps organisations to identify and deal with significant corruption risks, and also provides advice and guidance to the wider community about corruption and how to report it.

The Commission is a public authority but is independent of the government of the day. It is accountable to the people of NSW through the NSW Parliament.

The Commission's *Strategic Plan 2017–2021* sets out four key result areas for 2017–18:

- exposing corruption
- preventing corruption
- accountability
- our organisation.

Each division and section develops and works to an individual annual business plan aligned with the Commission's strategic plan. During the year, each division and section reported quarterly to the Executive Management Group against its operational business plan.

The following sections specify the Commission's objectives for each result area. More detailed information and results for each key result area are provided in the chapters that follow.

Exposing corruption

The objectives in the *Strategic Plan 2017–2021* for exposing corruption are to:

- detect and investigate corrupt conduct
- identify any methods of work, practices or procedures that allow, encourage or cause the occurrence of corrupt conduct
- ensure a good practice approach for all investigations

- maintain an efficient and effective complaint-handling service
- maintain strategic alliances with other relevant agencies to optimise investigative and preventative outcomes
- maintain a proactive and reactive strategic intelligence capability.

A detailed description of Commission activities and results relating to this key result area is outlined in Chapter 2 (Assessing matters) and Chapter 3 (Investigating corruption). Table 1 sets out the key quantitative results for workload, work activity and performance for this key result area in 2017–18.

Table 1: Key quantitative results for corruption exposure activities

Measure	Target*	2017–18	2016–17	2015–16
Matters received	n/a	2,751	2,489	2,436
Average time to deal with matters (days) in Assessments Section	68	25	30	23
Preliminary investigations commenced	n/a	41	27	41
Full investigations commenced	n/a	12	10	10
Percentage of full investigations completed within 16 months	>80%	72%	89%	60%
Number of public inquiries	n/a	4	2	6
Number of public inquiry days	n/a	47	31	48
Number of compulsory examinations	n/a	112	69	65
Number of persons subject to serious corrupt conduct findings	n/a	18	11	9
Number of investigation reports to Parliament	n/a	3	5	4
Percentage of investigation reports furnished within the ICAC's target	80%	67%	0%	25%
Number of persons against whom prosecutions commenced	n/a	10	7	12
Number of persons against whom disciplinary action commenced arising from investigations	n/a	0	0	0

* For measures that reflect incoming work or activity beyond the control of the Commission, targets are not set and not applicable (n/a) appears in the column.

Preventing corruption

The objectives in the *Strategic Plan 2017–2021* for preventing corruption are to:

- encourage government to address corruption risks of state-wide significance and public concern
- ensure public authorities revise practices or procedures to reduce the risk of corrupt conduct occurring, and promote the integrity and good reputation of public administration

- raise awareness in the community of corrupt conduct and encourage reporting of corrupt conduct
- ensure good practice for all corruption prevention work.

A detailed description of Commission activities and results for this key result area is outlined in Chapter 4 (Preventing corruption). Table 2 sets out the key quantitative results for workload, work activity and performance for this key performance area in 2017–18.

Table 2: Key quantitative results for corruption prevention activities

Measure	Target	2017–18	2016–17	2015–16
Requests for corruption prevention advice	n/a	139	105	94
Rural and regional outreach visits	2	2	1	2
Training sessions delivered	40	126	74	107
Corruption prevention recommendations in investigation reports published during the period	n/a	22	21	14
Percentage of corruption prevention recommendations in investigation reports accepted in action plans as at 30 June 2017	80%	97%	100%	n/a
Percentage of public inquiries that resulted in the making of corruption prevention recommendations	90%	67%	40%	75%
Number of prevention reports published	1	1	3	1

Accountability

The objectives in the *Strategic Plan 2017–2021* for accountability are to:

- provide timely, accurate and relevant reporting to the Inspector of the ICAC and the Parliamentary Committee on the ICAC
- ensure our work complies with all relevant laws and procedures
- report publicly about the work of the Commission
- keep the public informed about the work of the Commission through the publication of its reports and by sharing current information on its website
- assist the Parliamentary Committee on the ICAC.

A detailed description of Commission activities and results for this key result area is outlined in Chapter 5 (Compliance and accountability). Table 3 sets out the key quantitative results for accountability activities in 2017–18.

Our organisation

The objectives in the *Strategic Plan 2017–2021* for our organisation are to:

- continue to develop as a learning organisation that embraces a culture of continuous improvement, excellence and sharing of knowledge
- provide a safe, equitable, productive and satisfying workplace
- be a lead agency in our governance and corporate infrastructure
- monitor our performance to ensure work quality and effective resource management.

A detailed description of Commission activities and results for this key result area is outlined in Chapter 6 (Our organisation).

Table 3: Key quantitative results for accountability activities

Measure	2017–18	2016–17	2015–16
Parliamentary Committee on the ICAC meetings	3	1	3
NSW LECC Inspector*/Commonwealth Ombudsman inspections of telecommunications intercepts and accesses, surveillance devices and controlled operation records	2	5	3
Number of reports/responses provided to the Inspector of the ICAC	22	26	54
Number of audits conducted by the Inspector of the ICAC	0	0	0
Number of assumed identity audits	1	1	1

*From 1 July 2017, the Inspector of the NSW Law Enforcement Conduct Commission (LECC) took over the NSW Ombudsman's role of inspecting the Commission's records of telephone interceptions, surveillance device warrants and controlled operations to measure compliance with statutory requirements.

Financial overview

Statement of Comprehensive Income

The Commission has achieved a Net Result of (\$1.911) million which was \$0.415 million unfavourable to budget.

Table 4: Operating Result 2017–18

	\$'000
Expenses	25,799
Revenue	23,899
Loss on Disposal	(11)
Net result	(1,911)

Table 5: Financial Position 2017–18

	\$'000
Assets	5,641
Liabilities	4,751
Net Assets	890

Revenue

The main source of revenue is appropriations (\$21.113 million, compared to \$21.103 million in the previous year including capital). Capital appropriations received, however, increased by \$0.446 million compared to the previous year. The NSW Department of Premier and Cabinet also provided grants totalling \$1.683 million. This was an increase of \$1.554 million over the previous

year, which was necessary to meet expenditure needs arising from a special investigation and increased investigation-related activities. Other revenue includes the transfer of funds from closure of the account of the Australian Public Sector Anti-Corruption Conference and acceptance by the Crown Entity of long service leave provision.

Expenses

Total expenses were \$25.799 million, representing an increase of \$4.519 million or 21.2% from the previous year. Employee-related expenses were \$17.060 million, an increase of \$3.373 million or 24.6% compared to last year. This significant variation is largely due to increased activity levels associated with investigations following the appointment of the Chief Commissioner and Commissioners. Other operating expenses were \$1.109 million (22.8%) higher than the previous year primarily due to increased legal expenses.

Assets

Assets decreased by \$1.936 million (25.5%) due largely to a significant reduction in Cash and cash equivalents and Leasehold Improvements.

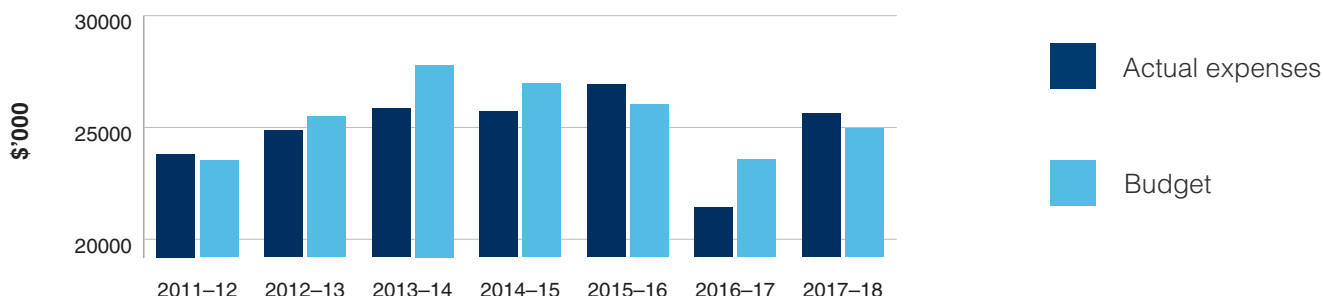
Liabilities

Total Liabilities remained largely unchanged with a small reduction of \$25,000 (0.5%). Increases to payables and employee provisions were offset by a reduction in value to the lease incentive.

Net Equity

Accumulated funds decreased by \$1.911 million reflecting the Commission's operating result.

Figure 1: Total expenditure budget and actuals



Chapter 2: Assessing matters

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All complaints and reports within the Commission's jurisdiction are reported to the Assessment Panel, which is made up of members of the Commission's senior executive. The panel's role is to make decisions about how each matter should proceed. A matter is not reported to the Assessment Panel if it is assessed as being a query only, is outside the Commission's jurisdiction or considered simply feedback. Such matters are managed within the Commission's Assessments Section.

The Commission can also take action on an "own initiative" basis. In these situations, the Assessment Panel considers recommendations from an internally generated report outlining reasons for commencing an investigation. These reports may be based on information from various sources, including information that is in the public domain or that emerges from the analysis of complaints received from the public or via reports from NSW public authorities.

Performance in 2017–18

In 2017–18, the Commission received and managed a total of 2,751 matters. This figure represents an 11% increase from the previous year (2,489 matters). In the reporting period, the average time taken to assess and close a matter was 25 days, as compared with the previous year's average of 30 days.

Achieving turnaround targets

The Assessments Section has targets for turnaround times at key stages during the complaint assessment process. Table 6 provides a number of these targets and achievements during the reporting period.

Profile of matters received

In the reporting period, the majority of the 2,751 matters that were received and assessed by the Commission came from two sources:

- people making complaints under s 10 of the ICAC Act (s 10 complaints), representing 46% of all matters
- principal officers of NSW public sector authorities and ministers, who each have a duty to report suspected corrupt conduct under s 11 of the ICAC Act (s 11 reports), representing 23% of all matters.

In 2017–18, the Commission received 1,264 s 10 complaints compared with 1,096 in the previous financial year (a 15% increase in s 10 complaints). The Commission received a relatively similar number of s 11 reports in 2017–18 (646) as it did in 2016–17 (650).

The Commission strives to be accessible to those who submit complaints and reports. It provides a number of methods for members of the public and public sector employees to contact the Commission, including in writing, by telephone or email, in person or online via a complaints form on the Commission's website at www.icac.nsw.gov.au.

In 2017–18, the methods used most frequently by individuals to contact the Commission were telephone (32%), email (23%) and the ICAC website (22%), as shown in Table 8. As a more efficient method of communication, the Commission has been encouraging principal officers to submit s 11 reports to the Commission by email or through the ICAC website, rather than by letter. This approach resulted in a decline in the proportion of matters received via letter, from 17% in 2016–17 to 12% in 2017–18.

Table 6: Some internal targets and achievements of the Assessments Section in 2017–18

Measure	Target	Achievement
Average days to present a "straightforward" matter to the Assessment Panel	28	15
Average days to present a "complex" matter to the Assessment Panel	42	34
Average days to review an s 54 report from a public authority and report a matter back to the Assessment Panel	42	18

Table 7: All matters received in 2017–18 by category, compared with the previous two years.

Category	2017–18		2016–17		2015–16	
Complaint (s 10)	1,264	46%	1,096	44%	656	27%
Report (s 11)	646	23%	650	26%	605	25%
Query*	468	17%	427	17%	385	16%
Outside jurisdiction	302	11%	246	10%	282	12%
Public interest disclosure**	–	–	–	–	220	9%
Information***	–	–	–	–	217	9%
Feedback	64	2%	60	2%	56	2%
Dissemination****	–	–	–	–	10	<1%
Intelligence report*****	–	–	–	–	2	<1%
Referrals (s 16(1))	5	<1%	7	<1%	–	–
Own initiative (s 20)	1	<1%	3	<1%	2	<1%
Referral (s 73)*****	0	0%	0	0%	1	<1%
Referral (s 13A)	1	<1%	0	0%	–	–
Total	2,751		2,489		2,436	

* The Commission has renamed the “Enquiry” category “Query”.

** Public interest disclosures are no longer reported separately; they are now included in the Complaint (s 10) and Report (s 11) categories.

*** The Information category is now included in the Complaint (s 10) category.

**** The Dissemination and Intelligence report categories are now included in the Referrals (s 16(1)) category.

***** The Referral (s 13) category has been renamed Referral (s 73).

Table 8: Methods of initial contact for all matters received in 2017–18

Method	Number of matters received	% of matters received
Telephone	887	32%
Email	628	23%
ICAC website	602	22%
Letter	317	12%
Schedule	276	10%
Visit	36	1%
Other	5	<1%

Anonymous complaints

The Commission accepts anonymous complaints. It appreciates that, in some instances, people are fearful of reprisal action and prefer to remain anonymous. Where people contacting the Commission by telephone wish to remain anonymous, the Commission provides advice about the various protections

afforded under the ICAC Act and/or the *Public Interest Disclosures Act 1994* (“the PID Act”).

In 2017–18, 22% of complaints from people (277 matters) were made anonymously. The overall proportion of anonymous complaints has remained the same since 2016–17. Of those anonymous complaints, 82 (30%) were classified as public interest disclosures (PIDs).

There are several challenges in receiving and assessing anonymous complaints. For instance, the Commission is unable to clarify the particulars of the information and notify the complainant of the outcome. Where a matter has been classified as a PID, there is the added risk that any enquiries or action taken by the Commission may inadvertently reveal the identity of the person who made the PID. To mitigate such risks, where a PID is made anonymously, any action such as the making of assessment enquiries or conducting a preliminary investigation will occur only with the approval of the Chief Commissioner or a Commissioner. In deciding whether to approve such actions, the Commission weighs the risks of exposing the discloser’s identity against the public interest in having the allegations further explored.

The limitations of anonymous complaints

In 2017, the Commission received an anonymous complaint from a member of the public, who alleged that a public official held a conflict of interest, as he was a family relative of the founders of a subcontractor organisation (company A) that was used by a contractor organisation (company B) to the relevant public authority to provide security services.

The complainant alleged the relationship was undisclosed and the public official was involved in the public authority awarding the contract. The complainant also suggested the Commission investigate whether senior public officials within the public authority were aware of the undisclosed relationship and received any financial advantage from it.

While the Commission was unable to request further details from the complainant because of their anonymity, the Commission nevertheless undertook numerous checks to assist its assessment of the information provided to determine whether the Commission would investigate.

The Commission searched open source (publicly available) information, the Commission's information holdings, law enforcement and other databases of which the Commission has access to obtain further information about the individuals and entities identified in the complaint. The Commission could not identify any connection between the public official and the founders of company A, company A itself, or company B. Further, even if a relationship existed between these entities, having regard to the position of the public official, the Commission considered it unlikely they could influence the decisions taken by company B to subcontract to Company A, or for the public authority to engage company B.

Given the Commission could not contact the complainant to obtain further details to clarify what otherwise appeared to be speculative allegations, the Commission decided not to investigate this complaint.

Complaints from the public

Under s 10 of the ICAC Act, any person may make a complaint to the Commission about a matter that concerns or may concern corrupt conduct as defined in the ICAC Act. Complaints made by employees and contractors of NSW public authorities that meet the criteria set out in the PID Act are also classified as s 10 complaints.

Many matters reported to the Commission by people are not made the subject of a formal Commission investigation, either because the matters raised are speculative or because the Commission takes the view that there is no real likelihood that corrupt conduct has occurred. Further, the Commission is required under its legislation to focus its attention on serious corrupt conduct and systemic corrupt conduct.

The Commission may refer allegations to a NSW public sector authority that is the subject of a complaint for its information, often for the authority to address a perception on the part of the complainant of unfairness or wrongdoing. Perceptions of wrongdoing are often borne, in the Commission's experience, of poor communication or consultation, or a lack of consistency or transparency on the part of public authorities. Such a referral also allows the public authority to conduct its own enquiries and report back to the Commission in the event that it finds any evidence indicative of corrupt conduct.

The case study at left is an example of the seriousness with which the Commission treats all matters it receives, even anonymous ones, in order to determine whether the Commission will investigate.

Table 9 shows the different government sectors about which allegations of corrupt conduct were made in complaints under s 10 in 2017–18.

Table 9: Complaints from people in 2017–18, showing allegations in the top five government sectors

Sector	Section 10 complaints	% of s 10 complaints
Local government	523	41%
Custodial services	110	9%
Transport, ports and waterways	86	7%
Health	83	7%
Government and financial services	82	6%

As in previous years, the sector most frequently complained about in 2017–18 was local government, with s 10 complaints relating to this sector accounting for 41% of the total volume received (compared with 40% in 2016–17). The Commission notes, however, the large number of local councils in NSW, and that over-representation of local government in the complaints statistics may be due to the high level of people's interaction with local government and the personal interest many take in the decisions of their local council.

The Commission also saw an increase in s 10 complaints concerning custodial services, possibly because of the Commission announcing a public inquiry involving this sector.

The five most frequent workplace functions about which the Commission received complaints from the public, as well as the five most frequent types of corrupt conduct alleged, are shown in tables 10 and 11 respectively.

Compared to 2016–17, the five most frequent types of corrupt conduct alleged in complaints are identical. While the percentage of complaints involving most of the top five types of corrupt conduct has risen between 2017–18 and 2016–17, of particular note is the increase in proportion of those alleging partiality (45% in 2017–18 compared with 36% in 2016–17) and the improper use or acquisition of funds or resources (18% in 2017–18 and 13% in 2016–17).

Appendix 1 provides a full breakdown of the workplace functions and types of conduct about which the Commission received s 10 complaints.

Table 10: Complaints from people in 2017–18, showing the five most frequent types of workplace functions mentioned

Workplace function	Section 10 complaints	% of s 10 complaints
Reporting, investigation, sentencing and enforcement	365	29%
Development applications and land rezoning	276	22%
Human resources and staff administration	266	21%
Allocation of funds, materials and services	238	19%
Procurement, disposal and partnerships	192	15%

Note: The top five workplace functions mentioned in s 10 complaints have remained relatively consistent and are comparable to those in 2016–17 and 2015–16.

Table 11: Complaints from people in 2017–18, showing the five most frequent types of corrupt conduct alleged

Types of corrupt conduct	Section 10 complaints	% of s 10 complaints
Partiality	564	45%
Personal interests	292	23%
Failure to perform required actions	250	20%
Improper use of records or information	238	19%
Improper use or acquisition of funds or resources	226	18%

Public interest disclosures

NSW public sector employees or contractors who report allegations of corrupt conduct about a NSW public sector authority or official may, provided they meet certain criteria, be entitled to protection under the PID Act. Under the PID Act, it is an offence to take reprisal action against someone because that person has made a PID or is believed to have made a PID.

The benefits of a close personal relationship

In 2017, the Commission received an anonymous public interest disclosure from a public official alleging that a public official had engaged in corrupt conduct when they engaged and managed a contract with an IT company on behalf of a public authority. The public official allegedly engaged the IT company to undertake private work for the public official, paid for using public money, and that the public official received cars from the IT contractor, which were leased for the public official's personal use.

Having regard to the emails supplied by the reporter and open source information, it appeared the IT company was contracted to the public authority, that the public official had some involvement in that contract, and that the IT company had connections with the types of cars described by the reporter. While there was no information available to support the allegations themselves, given its seriousness, the Commission referred the public interest disclosure to the public authority, which was well placed to consider it.

The public authority subsequently reported to the Commission that it had investigated the matter. The public authority's investigation found that the public official had a close personal relationship with the managing director of the IT company. The public official did not declare the nature and extent of this relationship to the public authority.

The investigation also found that the public official provided information about the relevant tender process to the IT company before other proponents and delayed the tender process to benefit the IT company. While there was no evidence that the public official had benefited personally from this relationship, the investigation found that the public official had used their position for the advantage of the IT company.

The public authority advised that the public official's employment had been terminated for an unrelated reason, prior to the investigation. The public official had since obtained employment with a new public authority, which was notified of the findings of the investigation.

In 2017–18, the Commission classified 744 matters as meeting the criteria in the PID Act and were complaints under s 10 of the ICAC Act (232 matters) or reports under s 11 of the ICAC Act (512 matters).

During the reporting period, 686 PIDs were finalised. The PIDs received related to corrupt conduct. Under s 25 of the PID Act, where appropriate, the Commission refers any misdirected PIDs to the relevant investigating authority.

Table 12 shows the number of allegations in the top five categories by government sector for PIDs received during the year.

Table 12: PID allegations by government sector in 2017–18

Sector	PIDs	% of PIDs
Local government	142	19%
Health	137	18%
Transport, ports and waterways	107	14%
Custodial services	87	12%
Education (except universities)	49	7%

Table 13: Types of conduct reported as PIDs in 2017–18

Types of conduct reported as PIDs	Number reported	% reported
Improper use of records or information	252	34%
Improper use or acquisitions of funds or resources	247	33%
Partiality	220	30%
Personal interests	201	27%
Intimidating or violent conduct	104	14%

Note: While there have been some changes in the order, the most significant change in 2017–18 was that intimidating or violent conduct became the fifth highest type of conduct alleged in PIDs (replacing "failure to perform required actions").

Prior to making any enquiries about PID allegations from public officials who are not under a duty to report the matter to the Commission (s 11 of the ICAC Act), the Commission seeks written authority from the complainant for his or her identity to be disclosed during any such enquiries. When consent

is not given, the Commission may, under s 22 of the PID Act, disclose confidential information if it is considered necessary to investigate a matter effectively or if it is in the public interest to do so. This will occur only with the approval of the Chief Commissioner or a Commissioner.

PIDs are received by the Commission from all levels of the NSW public sector. According to the provisions of the PID Act, both the public authority and the officer making the complaint, are responsible for ensuring that confidentiality is maintained.

Even if the allegations made are not substantiated, they may highlight system or process deficiencies, which the public authority concerned can address. Where this occurs, it can minimise corruption risks and eliminate perceptions of corruption.

The case study on page 20 is an example of a matter whereby an anonymous PID was made to the Commission and, while the Commission did not investigate it, the relevant public authority took action.

In 2017–18, the most frequent workplace function reported by way of PIDs was “human resources and staff administration”, comprising 38% of allegations (down from 50% in the previous year), followed by “allocation of funds, materials and services” with 25% (up from 17% in the previous year). “Procurement, disposal and partnerships” made up 17% of allegations in the reporting period (down from 22% the previous year).

Appendix 2 provides further information on PIDs made by public officials and the types of allegations made in PIDs.

The Commission has a policy on its intranet site relating to PIDs by its staff, and has a number of links on its website relating to such disclosures and the protections afforded to public officials under the PID Act. This information is provided to new Commission staff during their induction phase. During the reporting period, officers of the NSW Ombudsman also conducted PID refresher training to Commission staff.

Reports from public authorities and ministers

Section 11 of the ICAC Act requires principal officers of NSW public authorities to report matters to the Commission where they hold a reasonable suspicion that corrupt conduct has occurred or may occur. Principal officers include secretaries and chief executives of state government agencies, and

general managers of local councils. NSW ministers have a duty to report suspected corrupt conduct either to the Commission or to the head of an authority responsible to the minister.

Principal officers and ministers are encouraged to report suspicions of corrupt conduct promptly, as delays can impair the Commission’s ability to detect and expose corrupt activity. A prompt report means that witnesses’ recollections are fresh and there is less likelihood of evidence being compromised or lost.

When assessing an s 11 report, it assists the Commission for the head of an authority to advise on a proposed course of action, in the event that the Commission determines not to take action itself. In many instances, even if the matter is not sufficiently serious for the Commission to conduct an investigation, the Commission will ask the public authority to advise it of any disciplinary or remedial outcomes. Such information can inform trend analysis and the Commission’s corruption prevention work generally, as well as enable the Commission to track disciplinary outcomes in relation to individual public sector employees.

The case study on page 22 is an example of a matter where the principal officer of a public authority reported a matter under s 11 and the steps they took in response to the issue.

Table 14 shows the number of times allegations concerned a particular sector. The “transport, ports and waterways” sector ranked the highest, representing 19% of allegations made in s 11 reports during the reporting period. “Health” is now the second highest sector to which s 11 reports relate, replacing “Local government”.

Table 14: Section 11 reports received in 2017–18, showing the five most frequently reported government sectors

Sector	Section 11 reports	% of s 11 reports
Transport, ports and waterways	123	19%
Health	118	18%
Local government	103	16%
Custodial services	72	11%
Education (except universities)	45	7%

In relation to the workplace functions involved in the allegations reported, most s 11 reports concerned

What one email can do...

In 2018, the Commission received a report from a public authority alleging a person, or persons, engaged in conduct defrauding the public revenue of over \$90,000.

A person had sent the public authority an email, purporting to be from one of the public authority's service providers, requesting changes to the service provider's bank account details. A person sent the email directly to a public official in the public authority, from an email address similar to the name of the service provider. Within an hour of receipt, the public official forwarded the email to the public authority's finance staff, who updated the service provider's account details based on those contained in the email. The public authority did not appear to conduct a review or due diligence prior to acting upon the request.

After the public authority had paid over \$90,000 into the new account, it identified that the email did not originate from the service provider and the bank account did not belong to the service provider. The email that the person sent to the public authority, which was subsequently forwarded to the public authority's finance staff and acted upon, contained a number of errors. It contained numerous grammatical errors, and was purportedly sent from a large law firm (notwithstanding the email address was similar to the service provider) with an undeclared connection to the service provider, and referenced the change in account details to be due to high VAT charges.

The public authority took a number of steps in response. It reported the matter to its financial institution and the service provider, both of which undertook to investigate. The public authority conducted an internal investigation, reported the matter to the NSW Police and the Commission, and changed its internal processes and procedures to reduce the risk of similar incidents occurring again. The public authority also considered reporting the matter to its insurer, the Australian Federal Police, the principal officer of its cluster department, and the public authority's audit and risk committee.

The Commission determined that the public authority was dealing with the matter appropriately and that no further action was required.

"human resources and staff administration", comprising 33% (210) of s 11 reports received. This was followed by "allocation of funds, materials and services", which accounted for 27% (172).

With regard to conduct types, "improper use of records or information" was the most frequently reported, with 40% (260). This is relatively consistent with the previous year (39% in 2016–17). It was followed by "improper use or acquisition of funds or resources" at 36% (234) and "personal interests" at 26% (170).

Appendix 1 provides a full list of the workplace functions and types of conduct about which the Commission received s 11 reports.

The assessment process

The Commission's Assessments Section is responsible for conducting the initial assessment of a complaint or information to determine what action, if any, the Commission will take.

Staff analyse all matters received, taking into account:

- whether or not corrupt conduct is involved
- whether the matter is serious and/or systemic, including factors such as the seniority of public officials involved, the nature of the impugned conduct, whether it is isolated or widespread, and the potential monetary value
- whether there is a viable line of enquiry to pursue
- what information has been provided or could be obtained
- whether existing information supports the allegations
- any risks to persons or public money in the Commission acting or not acting
- any prior or current related matters.

Staff also consider whether there are trends across a particular sector or within a particular public authority. Consideration is also given to whether there are appropriate systems in place for the public authority involved to minimise opportunities for corruption. Complaints and reports that highlight corruption risk areas and trends are drawn to the attention of the Corruption Prevention Division to enable the Commission to target its work in this area (see Chapter 4).

All matters, except those that are queries, feedback or involve conduct that is outside the Commission's jurisdiction, are reported to the Assessment Panel.

The Assessment Panel comprises the manager of the Assessments Section (who acts as the panel convenor), the Chief Commissioner, the Commissioners, and the executive directors of the Commission's Investigation Division, Legal Division and Corruption Prevention Division. The panel is governed by a charter, which provides that it meets electronically twice a week, and is responsible for determining what action, if any, should be taken on every matter received. If a matter is complex or needs further enquiries before an appropriate course of action can be determined, it may be reported to the Assessment Panel on several occasions.

Reports submitted to the Assessment Panel include the allegations, supporting information, the outcome of any enquiries, an assessment of the matter, and recommendations for further action.

For each matter, the Assessment Panel considers whether it presents opportunities for identifying serious corrupt conduct and systemic corrupt conduct, whether it is being (or could be) adequately handled by another public authority and, even if corrupt conduct is not apparent, whether a public authority's systems and controls put the agency at risk of corruption. After considering a matter, the Assessment Panel makes one of four decisions, as follows.

1. Close the matter without referral

Some of the allegations that the Commission receives may not be suitable for investigation by the Commission, even if true, because they are relatively minor. Under s 12A of the ICAC Act, the Commission is required to focus its attention and resources on serious corrupt conduct and systemic corrupt conduct, as far as practicable. In addition, a large number of complaints that the Commission receives are speculative in nature and lacking specific information tending to disclose a likelihood that corrupt conduct has occurred. These matters are usually closed.

Many complainants who report matters to the Commission have expectations that their concerns will be investigated by the Commission, and managing those expectations is a key part of its role. When the Commission decides not to investigate a matter, staff explain to the complainant the reason or reasons for this decision.

In 2017–18, the Commission made 1,565 (74%) decisions to close matters and take no further action. This is a decrease from the number of similar decisions in 2016–17, where the Commission made 1,701 (84%) decisions.

2. Close the matter and refer externally

A number of the matters the Commission receives can be appropriately referred to other oversight bodies, such as the NSW Ombudsman or the NSW Office of Local Government. In addition, the Commission may appropriately refer some disciplinary or administrative matters to the public authority concerned.

In 2017–18, 227 matters were referred on this basis; up from 179 in the previous year.

3. Refer the matter internally but not investigate

The Commission may decide to carry out further work internally, in order to obtain additional information and assist its assessment of a matter. Specifically, the Commission can undertake assessment enquiries in a matter. Alternatively, it may request that a relevant public authority provide a copy of its report on a matter or require an authority to conduct an investigation and report its findings to the Commission. In addition, the Commission's Corruption Prevention Division may review the matter.

If the Commission decides that there is insufficient information to determine an appropriate course of action, assessment enquiries – usually with the public authority that is the subject of the allegations – will be conducted by the Commission and the matter re-reported to the panel. Assessment enquiries may involve contacting parties for more information, carrying out research, property or business searches, and obtaining and considering relevant policy and/or procedural documents to determine whether there are procedural deficiencies.

Where enquiries have been conducted and the Commission determines not to pursue the matter further, the material obtained can enable the Commission to provide more detailed reasons to complainants as to why a matter is not being pursued.

In 2017–18, there were 114 decisions by the Commission to conduct assessment enquiries, which is an increase from the figure of 47 reported in 2016–17.

Where an authority reported a matter under s 11 and has commenced an investigation or is preparing to embark on one, the Commission may request a copy of the report to inform the Commission's assessment. In the reporting period, the Commission made 73 requests for investigation reports from agencies, which is also an increase from 38 reported the previous year.

NGO corruption risks

In 2017, the Commission received a public interest disclosure alleging officials in a non-government organisation (NGO) had engaged in corrupt conduct by misusing NSW government grants. Specifically, the reporter alleged that officers of the NGO had used grant money for private/personal goods and services, recorded false timesheet and leave information, and that information was misused.

Having regard to the seriousness of the allegations, the seniority of the NGO officials involved, and that the Commission's investigative powers were not required to properly consider this matter, the Commission referred the allegations to the relevant public authority for investigation and to report back to the Commission under s 53 and s 54 of the ICAC Act.

The investigation revealed that the allegations made by the reporter were either untrue or could not be substantiated by the evidence, or that the conduct was permissible/reasonable. The investigation made no findings of corrupt conduct. The report did find a number of systemic weaknesses within the NGO, including a reliance on paper-based systems, poor recordkeeping, and a lack of effective governance over certain functions.

The Commission accepted the investigation report but recommended that the relevant public authority consider reviewing the governance of NGOs that receive government grants to identify whether there are any similar issues that need addressing.

Further, the Commission recommended that the public authority review the funding agreements, performance agreements and contracts that it has with NGOs, particularly in relation to the handling of complaints. The Commission also drew these matters to the attention of the chair of the NGO's board.

Alternatively, under s 53 and s 54 of the ICAC Act, the Commission has the power to require that a public authority or an appropriate oversight body conduct an investigation and report its findings to the Commission. This power is usually reserved for relatively serious matters and allows the Commission to oversee the investigation, including reviewing the investigation plan and progress reports. The Commission can determine the scope of the investigation and, in consultation with the authority, will agree on a timeframe for its completion.

The Commission refers matters under s 53 and s 54 only if it considers that the public authority will, following consultation with the public authority, be able to investigate the matter. The Commission will not make a referral if it considers the public authority might be compromised or lacks the capacity to conduct the investigation and adequately report on it. Under the ICAC Act, the Commission has powers to deal with investigations or reports by a public authority that it considers unsatisfactory.

In 2017–18, seven matters were the subject of referrals under s 53 and s 54 of the ICAC Act. This figure is relatively consistent with the number of referrals made in 2016–17 (eight referrals).

The Assessment Panel reviews the outcomes of matters referred to public authorities under s 53 and s 54 of the ICAC Act.

The case study at left is an example of a referral under s 53 and s 54 to a NSW public sector authority to conduct an investigation into allegations of corrupt conduct. Following the investigation, the Commission made recommendations to the public authority with the aim of reducing possible risks in other non-government organisations.

If a matter appears to involve mainly systemic issues rather than specific instances of corrupt conduct or the corrupt conduct has been dealt with but wider problems appear to exist, corruption prevention officers may evaluate the situation and give advice to the public authority concerned. This may involve advice on enhancing a public authority's capacity to minimise the risk of corruption, and on how to prevent the problem from happening again.

In 2017–18, there were five matters referred by the Assessment Panel to corruption prevention officers for analysis and/or advice, which is an increase from the one matter referred in 2016–17.

4. Undertake an investigation

If a matter is serious and likely to need the Commission's special powers to investigate, such as requiring the production of documents or information, executing a search warrant or conducting covert operations, the Commission will usually investigate the matter itself (see Chapter 3). These matters are referred to the Investigation Division for preliminary investigation.

Only a small number of matters with the potential to expose serious corrupt conduct and systemic corrupt conduct will meet the criteria for a full investigation. Once a decision to investigate has been made, the matter is overseen by the Investigation Management Group, which also gives direction on each investigation.

In 2017–18, 41 matters were referred to the Investigation Division for preliminary investigation, which is an increase from the 27 matters referred in the previous year.

Decisions made by the Assessment Panel in 2017–18 are shown in Table 15.

Table 15: Decisions made by the Assessment Panel in 2017–18

	Number of decisions*	% of decisions
Closed without referral	1,565	74%
Closed but referred externally	227	11%
Referred internally but not investigated	289	14%
Investigated	41	2%

Chapter 3: Investigating corruption

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A principal function of the Commission is to investigate and publicly expose serious corruption and systemic corruption with a view to educating public authorities, officials and the public and to reducing corruption in the NSW public sector. The Commission deploys overt and covert investigation techniques to detect corruption, and uses coercive powers available to the Commission under the ICAC Act and other Acts.

The Commission also has the function of investigating matters referred to it by the NSW Electoral Commission under s 13A of the ICAC Act that may involve possible criminal offences under the *Parliamentary Electorates and Elections Act 1912*, the *Election Funding, Expenditure and Disclosures Act 1981* or the *Lobbying of Government Officials Act 2011*.

Investigation challenges in 2017–18

In the reporting period, the Commission investigated a number of large and complex matters, some of which resulted in public inquiries and some of which are still in progress.

At the commencement of the reporting period, the incumbent executive director resigned to take up an opportunity with another oversight agency. The position was re-filled in September 2017.

The three-commissioner model was introduced operationally in September 2017.¹ This structure has allowed a more amplified use of the Commission's coercive powers. With this increased capability has come an increase in the number of investigations. At 30 June 2018, there were 15 ongoing preliminary investigations and 14 operations; a 150% and 56% increase respectively on the 30 June 2017 figures. The increase in workload saw the key performance indicators (KPIs) for preliminary investigations extended for eight matters (12 in total, as five matters all relate to the same topic and are being investigated under one reference).

The increased workload and extension of KPIs identified the need to review the resourcing of the Commission's investigation capabilities. A KPMG evaluation formed the platform for a successful submission to government for increased recurrent funding. Effective 1 July 2018, the Investigation

Division will increase from 44 full-time equivalent (FTE) staff members to 52.

Due to the increased workload during late 2017 leading into 2018, the Commission made representations to government for increased temporary staffing. This was granted, and nine additional investigators and two intelligence analysts were added to the Investigation Division to cope with demand.

The types of investigations being undertaken by the Commission have increased greatly in technical complexity. Information obtained by the use of coercive powers, as well as volunteered information, is generally in digital formats. This has required significant upgrading of the electronic storage capacity for the computer forensics processes. This increase in digital data has required the recruitment of an additional specialist in this field.

The Commission is continually working to improve its technical capacity to identify, capture and interpret evidence, maintain the skills and knowledge of its staff, and ensure its management and operational systems and processes are of the highest standard.

In 2017–18, the Commission undertook the following investigation systems and process improvements:

- ongoing minor changes to the operating infrastructure of Resolve, the Commission's new case management system
- continued research into the implementation of a new web-based application for the Commission's surveillance unit so as to allow more timely and efficient generation and submission of surveillance running sheets/logs, observations and imagery for the Commission's investigations
- ongoing revision of the operations manual, accessible on the Commission's intranet
- digital storage capacity upgrade.

Early in 2018, the Commission commenced preparations for the establishment of a strategic intelligence and research unit (SIRU). Under the ICAC Act, the Commission has authority to conduct investigations on its own initiative and the efforts of the SIRU will, in part, focus on its proactive investigative function. The aims of the SIRU (among others) are to:

- identify – through the use of strategic intelligence methodologies – individuals, organisations, departments or other entities who are involved either as the principal or associate of the principal, in corrupt activities, for referral to the Investigation Division

¹ Section 5 of the *Independent Commission Against Corruption Act 1988*.

- develop strategic intelligence products that will inform and guide (and in some cases recommend courses of action) the Senior Executive in the allocation of the Commission's resources
- develop strategic intelligence products as a result of research that may identify emerging trends, issues, corruption risks or threats to be referred to the Corruption Prevention Division.

The SIRU will leverage the resources of the Commission's data holdings, available open source data and strategic alliances with partner agencies in an effort to identify current and emerging behaviours that are indicative of corrupt conduct. The unit will also work with the Corruption Prevention Division on projects where proactive enquiries may identify behaviours, and/or situations that are corrupt or have the potential to develop into corrupt activities.

During the reporting period, testing of software, migration of data, benchmarking of position descriptions against state and national agencies and implementation processes were initiated. The SIRU will be operational from 1 July 2018.

How we investigate

All investigations undertaken by the Commission commence as preliminary investigations. A preliminary investigation may assist the Commission to discover or identify conduct that might be made the subject of a more complete investigation. If appropriate, a matter may then be escalated to a full investigation (known as an "operation").

After conducting a preliminary investigation into conduct that may involve possible electoral or lobbying offences referred to it by the NSW Electoral Commission, the Commission must discontinue the investigation if the conduct does not involve any possible electoral or lobbying offences and it is not related to possible corrupt conduct that the Commission is already investigating and the Commission is not otherwise authorised to investigate the conduct. If the Commission decides to escalate the preliminary investigation to a full investigation, it must provide the NSW Electoral Commission with reasons for the decision to investigate the conduct.

If it is in the public interest to do so, the Commission may decide to hold a public inquiry as part of the investigation process. The Commission also has the option of publishing a report to Parliament rather than holding a public inquiry.

Investigations may focus on both historic and current activities, and the investigation methods used may vary depending on the nature of the allegations. Investigation plans are prepared and regularly revised and assessed to determine the most appropriate investigation strategy.

The conclusion of an investigation may result in no further action or a number of different actions, including the referral of information to a public authority relevant to the exercise of its functions (such as information for disciplinary action), the dissemination of intelligence and information, the referral of a brief of evidence to the Director of Public Prosecutions (DPP) and the publication of an investigation report.

Our investigations

At the commencement of the 2017–18 reporting period, a total of six preliminary investigations and nine operations were carried over from the previous period. Forty-one new preliminary investigations and 12 new operations were commenced in 2017–18. A total of 32 preliminary investigations and seven operations were completed during the reporting period. At the end of the reporting period, there were 15 ongoing preliminary investigations and 14 operations.

The Commission has KPIs for the timeliness of its investigations. The Commission aims to complete 80% of its preliminary investigations within 120 days of the Commission decision to commence an investigation.² If a matter is escalated to an operation, the time period for completing the confidential phase of the investigation is extended to 16 months, and the Commission aims to complete 80% of matters within that period.³ If a public inquiry is held for the purpose of an investigation, the confidential phase of the investigation ends. The period of time between the commencement of the public inquiry and the publication of the investigation report is dealt with in Chapter 5.

The percentage of preliminary investigations completed by the Commission within 120 days has decreased from 83% in 2016–17 to 72% in 2017–18. The average time taken to complete preliminary investigations has also increased from 94 days in

² Decisions to conduct preliminary investigations are made by the Commission's Assessment Panel (see Chapter 2 for further information on the panel).

³ The 16-month period includes the 120-day period for a preliminary investigation. This means, in effect, that the Commission aims to complete the confidential (non-public) phase of an operation within 12 months of the date of escalation.

2016–17 to 100 days in 2017–18. This change in KPI figures from the previous reporting period is a direct result of staff numbers and increasing complexity and number of matters received by the Commission.

The percentage of operations completed within 16 months has also decreased proportionately (with preliminary investigations) from 89% in 2016–17 to 71% in 2017–18. The average time taken to complete a full investigation has increased from 396 days in 2016–17 to 524 days in 2017–18.

Table 16: Preliminary investigation statistics for 2017–18

Number current as at 1 July 2017	6
Number referred by Assessment Panel	41
Number discontinued	32
Number current as at 30 June 2018	15
Days on average taken to complete	100
Number completed within 120 days	23
% completed within 120 days	72%

Table 18: Full investigation (operation) statistics for 2017–18

Number current as at 1 July 2017	9
Number escalated from preliminary investigation	12
Number discontinued/concluded	7
Number current as at 30 June 2018	14
Days on average taken to complete	524
Number completed within 16 months	5
% completed within 16 months	71%

Use of statutory powers

Investigations may include the use of statutory powers, such as search warrants, surveillance devices, controlled operations and the interception of telecommunications. All applications for the use of statutory powers are reviewed by a Commission lawyer before final approval is given by the Executive Director, Legal, to apply for use of the power. This process is designed to ensure that all applications comply with regulatory and evidentiary requirements before being submitted to the appropriate authorities.

Table 17: Source of preliminary investigations by sector in 2017–18

Sector	Number of preliminary investigations	% of preliminary investigations
Local government	21	51%
Natural resources and environment	4	10%
Transport, ports and waterways	3	7%
Education (except universities)	3	7%
Government and financial services	3	7%
Land, property and planning	2	5%
Aboriginal affairs and services	2	5%
Law and justice	2	5%
Custodial services	1	2%
Arts and heritage	1	2%
Community and human services	1	2%

Table 19: Statutory powers used by the Commission in 2017–18, compared to the two previous years

Power	2017–18	2016–17	2015–16
Notice to produce a statement (s 21)	23	17	8
Notice to produce a document or thing (s 22)	680	499	522
Notice authorising entry to public premises (s 23)	1	0	0
Summons (s 35)	233	150	167
Arrest warrant (s 36)	0	0	0
Order for prisoner (s 39)	3	5	0
Search warrant (s 40)*	5	11	11
Controlled operations	0	0	0
Surveillance device warrants	3	0	2
Telephone interception warrants	16	5	13
Stored communications warrants	0	0	0
Telecommunications data authorities issued	289	209	266
Interviews conducted	181	110**	–

* All warrants were issued by an external authority; none was issued by the Commissioner.

** This category has been recorded since 2016–17.

Public inquiries and compulsory examinations

If the Commission determines it is in the public interest to do so, it may take evidence from witnesses in compulsory examinations. These examinations are held in private. When examinations are held in public, the evidence is generally heard before (and made available to) the public, subject to the discretion of the presiding Commissioner to suppress or restrict publication of evidence, if he or she believes it is in the public interest to do so.

The Commission can compel witnesses to answer questions and produce documents or other things when they are summoned to a compulsory examination or a public inquiry. The witness must comply with this direction regardless of whether the answers or production of the documents or other things may incriminate them. A witness, however, may object to answering the question or to producing the item. If an objection is made, the witness must still comply with the direction but neither the answer nor the item produced is admissible as evidence against the witness in any subsequent criminal or civil proceedings, other than for an offence under the ICAC Act. Also, disciplinary proceedings may be taken against a public official on the basis of a finding of corrupt conduct made by the Commission

in a report under s 74 of the ICAC Act and evidence supporting that finding, including evidence of the public official that was given under objection.

In 2017–18, the Commission conducted 112 compulsory examinations over 66 days and four public inquiries (operations Tarlo, Estry, Skyline and Dasha) over 47 days. Operations Dasha and Skyline have continued beyond the reporting period.

Investigation outcomes

The Commission is an investigative body that can make findings of corrupt conduct against public officials or other persons who engage in corrupt conduct that involves or affects, or could involve or affect, the exercise of public official functions by a public official or a public authority.

The Commission is not a court or disciplinary tribunal and does not conduct prosecutions or disciplinary proceedings as a consequence of any of its investigations. Outcomes that may result from a Commission investigation include:

- findings of serious corrupt conduct
- corruption prevention recommendations and advice
- referral of evidence to the DPP or another appropriate agency to consider action such as:

- prosecution action
- disciplinary action
- proceeds of crime action
- further investigation.

It is important to acknowledge that not every investigation will produce findings of serious corrupt conduct. An investigation is designed to determine the truth or otherwise of the allegations raised. As such, an investigation may find that there was no corrupt conduct.

Proceeds of crime referrals and other disseminations

During the reporting period, the Commission disseminated intelligence gathered in the course of its investigations to the Law Enforcement Conduct Commission, Australian Taxation Office, Office for Public Integrity (SA), Australian Criminal Intelligence Commission, NSW Police Force, Australian Federal Police, and Australian Border Force.

Improving investigative practices

National Investigations Symposium

The Commission is currently working with its partners, the NSW Ombudsman and the Institute of Public Administration Australia, to deliver the 12th National Investigations Symposium in Sydney, which will take place between 13 and 15 November 2018 at the Four Seasons Hotel.

Appendix 6 details the strategic alliances in place to optimise the Commission's investigative outcomes.

Chapter 4: Preventing corruption

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The Commission's Corruption Prevention Division primarily deals with functions relating to the examination of laws, practices and processes that may be conducive to corrupt conduct. Its role also includes promoting the integrity and good repute of public administration. The division performs this function in a number of ways, including:

- investigating matters that may have allowed, encouraged or caused corrupt conduct. This is usually accomplished by including a corruption prevention officer in the relevant investigation team
- undertaking corruption prevention projects
- providing written and face-to-face advice
- designing and delivering training, speaking engagements, educational materials and conferences.

Some of our achievements in 2017–18 are explained below.

Corruption prevention projects

Employment application fraud is a serious and widespread problem. Commission investigations have identified agencies that have failed to detect false qualifications, integrity-related issues, fictitious work histories and false references. In several of these investigations, the job applicant engaged in further corrupt conduct once they were employed, indicating that employment screening plays an essential role in preventing corruption.

Research indicates that 20–30% of candidates submit job applications that contain falsehoods. As a result, it is essential that agencies have robust checking practices in place to detect candidates that have misrepresented their job application.

As a response to these issues, in 2017–18, the Commission released its corruption prevention publication, *Strengthening employment screening practices in the NSW public sector*, which covers topics such as:

- implementing risk-based employment screening
- conducting post-employment screening
- screening non-permanent staff
- assigning responsibilities for screening
- managing employment screening implementation challenges

- improving the quality of specific checks.

Key areas where agencies need to improve their approach to employment screening include:

- using a risk-based approach to select the types of checks that are necessary to avoid excessively screening or under-screening employees
- rescreening employees throughout their tenure; for example, when there is a change in the risk-profile of the role
- ensuring that responsibilities for checks are appropriately assigned for employment screening and that there is a tone from the top that recognises the importance of screening
- conducting due diligence on third-party employment screening providers such as background screening companies and recruitment companies, and verifying that the provider has performed the required checks to the right standard
- ensuring that agencies screen all types of labour engagements thoroughly, including contingent hires.

Our advice function

The Commission provides advice on ways to prevent or combat corrupt conduct. This can include minor issues that are dealt with over the telephone or major issues requiring detailed discussions with a public authority and its officials. The advice the Commission provides by email or telephone often relates to matters such as management of conflicts of interest, gifts and hospitality, planning and development applications, procurement and tendering and the preparation of anti-corruption policies and procedures.

In 2017–18, the Commission provided advice on 139 occasions (compared with 105 in 2016–17, 94 in 2015–16 and 134 in 2014–15), including:

- NSW Treasury's new *Fraud and Corruption Control Policy* (Treasury Circular 18-02)
- Treasury's Financial Management Transformation program
- NSW Department of Planning and Environment's new model of independent hearing and assessment panels
- analysis of Australia's anti-corruption framework by visiting representatives of the Organization for Economic Co-operation and Development

- corruption prevention recommendations arising from two preliminary investigations undertaken by the Commission.

Our advice work includes making submissions to relevant government inquiries and reviews. For example, in the 2017–18 reporting period, the Commission made submissions to the Office of Local Government in relation to its review of the Model Code of Conduct for Local Councils in NSW, the Senate Select Committee into the Political Influence of Donations and a review of the *NSW Aboriginal Land Rights Act 1983*.

Education

During the year, the Commission's corruption prevention work continued to focus on assisting public sector agencies to examine the design of their operations to identify ways to create a corruption-resistant environment at a lower overall cost; the object being to equip agencies to design out corrupt opportunities and incentives from their systems.

In its education activities, the Commission's consistent message is that, if public sector agencies adopt work processes that are measured, analysed and owned by accountable individuals, both organisational performance and corruption control can be improved.

Training

In 2017–18, the Commission delivered 126 workshops to over 2,300 attendees. This was a substantial increase on the 74 workshops delivered in 2016–17. "Corruption prevention for managers" and procurement-related workshops were the most requested. All of the Commission's workshops are delivered free of charge.

The Commission maintained its commitment to serving the needs of rural and regional NSW. A total of 43 workshops were delivered outside the Sydney metropolitan area; equivalent to 34% of the total.

Of the 126 workshops delivered in 2017–18, 104 were evaluated to ensure quality. A total of 94% of participants rated these workshops as "useful" or "very useful" and 96% of participants "agreed" or "strongly agreed" that these workshops met their training needs. These evaluation results are consistent with those reported in previous years and are indicative of high participant satisfaction with the Commission's workshops.

Table 20: Number of workshops and training sessions delivered compared with previous years

Workshop/session	2017–18	2016–17	2015–16
Corruption prevention for managers	28	21	40
Corruption prevention in procurement* and contract management	59	22	34
Fact finder	5	3	4
Strategic approaches to corruption prevention senior executive workshop	12	9	4
Corruption prevention for local government operational staff	10	13	15
Corruption prevention for planning professionals	12	5	4
Corruption prevention for Local Aboriginal Land Councils	0	1	6
TOTAL	126	74	107

* Includes "Corruption prevention in procurement for managers", "Corruption prevention for procurement officers", "Corruption prevention in procurement and contract management" and "Probity in procurement".

Speaking engagements

In 2017–18, Commission officers delivered 122 speaking engagements to approximately 4,800 attendees. This is a substantial increase on recent years. The Commission attributes this to factors such as:

- interest from the local government sector regarding the outcomes of the Commission's *Investigation into the conduct of the former City of Botany Bay chief financial officer and others* (Operation Ricco)
- increased demand from local councils, many of which were being amalgamated and restructured during the previous financial year
- the release of the Commission's *Strengthening employment screening practices in the NSW public sector* publication, which was the subject of a number of speaking engagements
- additional promotion of the Commission's work.

In February and March 2018, the Commission hosted industry briefing sessions aimed at staff of the NSW public sector in corruption prevention, integrity and governance roles. This included staff working in public sector authorities, as well as private sector providers, on the NSW Government's Performance and Management Services Scheme. The briefing sessions provided participants with a summary of the Commission's key findings and observations over the previous 12 months.

Audiences for the Commission's speaking engagements include government departments and local councils, peak bodies such as Local Government Professionals Australia and the Corruption Prevention Network (CPN). The Commission is an active supporter of the CPN, a not-for-profit association committed to providing learning opportunities to individuals involved in corruption prevention and fraud control.

Large-scale corruption by a chief financial officer

In July 2017, the Commission released an investigation report which made corrupt conduct findings against 12 people, including a chief financial officer (CFO), eight council suppliers and a further three council officers. Gary Goodman, former CFO, of Bayside Council was found to have engaged in serious corrupt conduct by approving or causing payment of false invoices (at a cost of over \$5 million), soliciting payments from suppliers in return for favourable treatment and misusing council credit cards (at a cost of over \$620,000), and misusing council Cabcharge and fuel-charge cards.

The report made nine corruption prevention recommendations: eight to the council concerning improvements to internal processes and oversight, and one to the NSW Government to improve the standard of oversight and assurance for councils across the state.

One of the key corruption prevention findings from the investigation was that the council lacked fundamental controls in its operations that left it vulnerable to the large-scale corruption that Mr Goodman and others perpetrated. Further, many of the council's governance mechanisms – namely its management, internal and external audit functions and audit committee – were ineffective and failed to detect and address these persistent control failings.

The Commission recommended that the council ensure its finance, procurement and other high-risk processes be subject to appropriate role segregations and oversight, and that only appropriately skilled and qualified staff hold key financial and operational roles. It was also recommended that the council ensure that its audit functions (internal, external, and the audit committee) were operating both independently from management and effectively, and that there were robust means to ensure audit recommendations were implemented.

Bayside Council, the amalgamated council of Botany City and Rockdale City, accepted and is presently implementing all recommendations.

Partly as a result of the Commission's investigation, the NSW Government gave the NSW Audit Office responsibility for the external auditing of the local government sector. This reform should provide for greater independence and consistency of audit

ANZSOG/ICAC executive course and scholarship

The Australia and New Zealand School of Government (ANZSOG)/ICAC executive short course, titled "Strategic responses to corruption", is a four-day course that focuses on the enhancement of operational controls to prevent corruption. The course is delivered by Commission officers with ANZSOG providing administrative and promotional assistance. Under the program, 15 scholarship places are awarded, via a competitive process, to NSW public officials.

In the reporting period, the course was held in March 2018. The scholarships were awarded to applicants who were in a position to influence reform and could immediately apply the knowledge that they had obtained from the course. The course also attracted a number of fee-paying participants, including unsuccessful scholarship applicants and public officials from interstate whose agencies saw the value of the training.

Course evaluations indicated that the course was well received; for example:

- when asked how transferable the learnings from the program were to their workplace, on a 5-point scale (where 1 = not at all, and 5 = to large degree) attendees gave an average rating of 4.2

- when asked the extent to which the course's learning environment and content were stimulating (using the same rating scale), the average rating was 4.2
- when asked to rate the course overall on a 5-point scale (where 1 = poor, and 5 = excellent), the average rating was 4.3
- when asked to rate the Commission's presenters on a 5-point scale (where 1 = very poor, and 5 = very good), the average rating was 4.5.

A total of 70% of the costs for running the courses was apportioned to the Commission and 30% was apportioned to ANZSOG.

Rural and regional communities

Every year since 2001, the Commission has visited regional centres with the aim of providing corruption prevention information and advice to the wider NSW community. This initiative is known as the Rural and Regional Outreach Program.

During the reporting period, Commission officers visited the Riverina region (based in Albury) in August 2017, and the central-west region (based in Orange) in May 2018.

Outreach visits involve delivering a number of workshops to public sector agencies and hosting

Table 21: Number of speaking engagements delivered compared with previous years

Month/quarter	2017–18 corruption prevention speaking engagements		2016–17 corruption prevention speaking engagements		2015–16 corruption prevention speaking engagements	
	Number of engagements	Number addressed*	Number of engagements	Number addressed*	Number of engagements	Number addressed*
Jul–Sept 2017	19	739	6	242	17	601
Oct–Dec 2017	43	1,854	6	302	21	1,080
Jan–Mar 2018	35	1,307	6	130	15	627
Apr–Jun 2018	25	981	14	522	15	488
Total	122	4,881	32	1,196	68	2,796

* These figures do not include attendees at the APSACC, National Investigations Symposium or ANZSOG course.

a community event by the Chief Commissioner. The workshops address some specific corruption risks such as procurement, contract management and the determination of development applications. They also cover broader topics such as better practice approaches to conducting internal investigations and how public sector managers can prevent corruption in their workplaces. The Commission also visits a number of public sector agencies and schools to discuss corruption prevention issues.

Australian Public Sector Anti-Corruption Conference

The 6th Australian Public Sector Anti-Corruption Conference (APSACC) was hosted by the Commission in Sydney from 14 to 16 November 2017. The biennial conference was jointly planned with the Queensland Crime and Corruption Commission and supported by 12 other integrity agencies.

The Honourable Gladys Berejiklian MP, NSW Premier, opened the conference. Keynote speakers included Special Agent George Bokelberg of the US Federal Bureau of Investigation, the Honourable Mark Wolf, United States District Judge, and Esther George, lead consultant of the Global Prosecutors E-Crime Network.

Over 500 people attended APSACC 2017 and heard from more than 60 presenters. The program covered a range of sectors, including local government, policing, health, non-government organisations and a session on international perspectives. A series of presentations dedicated to recent case studies was very popular, as were presentations on data analytics, planning and development, and behavioural economics. In addition to our international presenters, the conference featured speakers from anti-corruption and integrity agencies across Australia.

Six workshops were also held in conjunction with the conference. In addition to hosting and organising the conference, 10 Commission staff, including the Chief Commissioner either spoke or facilitated workshops.

The 7th APSACC will be held in Melbourne in 2019.

Wash through jobs

In August 2017, the Commission made public its corrupt conduct findings against Les Reynolds, a project manager at Corrective Services NSW (CSNSW) and Khader Ghamrawi, the principal of G&S Building Group Pty Ltd ("G&S") a supplier of minor capital works to CSNSW. The Commission found that Mr Reynolds:

- accepted \$24,000 in cash from Mr Ghamrawi
- agreed to accept a further \$95,000 at a future time
- accepted free services from Mr Ghamrawi to install a swimming pool (valued at between \$40,000 and \$50,000).

The Commission found that Mr Reynolds used his position to recommend that CSNSW work be allocated to G&S and to influence others to engage G&S. On some occasions, G&S was engaged as a subcontractor at the direction of a CSNSW officer. One contractor described this as a "wash through job", meaning that it simply passed on the cost of the G&S invoice along with a management fee. The Commission noted that these wash through jobs had the potential to conceal the true amount of work going to companies like G&S, thereby encouraging corruption.

The report also found that four other public officials, including an assistant commissioner, had engaged G&S to complete work on their private residences without making any disclosure of actual or perceived conflict of interest. The Commission did not find that this was corrupt but recommended that the practice be prohibited in cases where the officer has relevant procurement responsibilities.

The Commission made 13 corruption prevention recommendations, most of which were directed at improving the procurement and asset management processes within CSNSW.

Chapter 5: Compliance and accountability

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The ICAC Act provides the Commission with extensive statutory powers. In addition to powers under the ICAC Act, Commission officers can:

- apply for telecommunications interception warrants and stored communications warrants, and obtain access to existing and prospective telecommunications data under the *Telecommunications (Interception and Access) Act 1979*
- obtain approval under the *Law Enforcement (Controlled Operations) Act 1997* for the conduct of operations that would otherwise be unlawful
- obtain authorisation to use false identities under the *Law Enforcement and National Security (Assumed Identities) Act 2010*
- apply for warrants to use listening devices, tracking devices, optical surveillance devices and/or data surveillance devices under the *Surveillance Devices Act 2007*.

The Commission has a compliance framework to ensure that it complies with relevant legislative requirements and does not abuse these powers.

The Commission's compliance framework

The Commission's compliance framework consists of internal and external accountability systems. Internal accountability systems include:

- strict procedural requirements for the exercise of all statutory powers
- the Investigation Management Group (IMG) to oversee investigations
- the Prevention Management Group (PMG) to oversee Commission corruption prevention activities
- the Executive Management Group (EMG) to oversee corporate governance and budgeting, and provide overall strategic direction
- the Audit and Risk Committee to provide independent assistance to the Commission by overseeing and monitoring the Commission's governance, risk and control frameworks
- the Work Health and Safety Committee to monitor and review the Commission's policies and regulatory requirements relating to health and safety in the workplace

- the Access and Equity Committee to oversee equal employment opportunity issues, plans, policies and procedures.

The two main external accountability bodies for the Commission are the Parliamentary Committee on the ICAC and the Inspector of the ICAC. The Commission is also externally accountable for its work through:

- accounting to the NSW Treasury and the Auditor General for the proper expenditure of funds
- inspection by the NSW Ombudsman of records of telecommunications interceptions, controlled operations and the use of surveillance devices
- inspection by the Commonwealth Ombudsman of records relating to stored communications warrants, preservation notices and access to telecommunications data
- reporting to the NSW Attorney General and the judge who issued the warrant for each surveillance device warrant
- compliance with access to information and privacy laws, with exemption for certain operational matters
- requirements for annual reporting, including those in the ICAC Act.

In some cases, the Commission's actions are reviewable by the NSW Supreme Court to ensure proper exercise of its functions and powers.

Section 20(5) of the ICAC Act requires the Commission to provide reasons to complainants and those who report possible corrupt conduct under s 11 of the ICAC Act for its decisions to discontinue or not commence an investigation and to inform each such person of the reasons for its decisions.

Pursuant to s 31B of the ICAC Act, the Commission has also issued procedural guidelines relating to the conduct of public inquiries to members of staff of the Commission and counsel appointed to assist the Commission. These guidelines are published on the Commission's website and made available to witnesses and their legal representatives appearing in public inquiries. The guidelines provide guidance on the following aspects of the conduct of public inquiries:

- the investigation of evidence that might exculpate affected persons
- the disclosure of exculpatory and other relevant evidence to affected persons

- the opportunity to cross-examine witnesses as to their credibility
- providing affected persons and other witnesses with access to relevant documents and a reasonable time to prepare before giving evidence
- any other matter the Commission considers necessary to ensure procedural fairness.

Other ways in which the Commission demonstrates accountability to the community include conducting public inquiries, posting public inquiry transcripts and relevant exhibits on the Commission's website, and publishing investigation reports and other material prepared by the Commission.

Internal governance

Legal review

All applications for the exercise of statutory powers under the ICAC Act or other legislation are reviewed by a Commission lawyer to ensure they meet relevant regulatory and Commission requirements. Applications are then reviewed by the Executive Director, Legal.

If approved by the Executive Director, Legal, applications for the exercise of powers under the ICAC Act and some other statutes are submitted to a Commissioner for final approval. Applications for surveillance device warrants are considered by judges of the NSW Supreme Court. Applications for telecommunications interception warrants and stored communications warrants are usually made to judicial members of the Administrative Appeals Tribunal (Commonwealth).

The Executive Director, Legal, audits the Commission's assumed identity records as required under the *Law Enforcement and National Security (Assumed Identities) Act 2010*. In 2017–18, the Commission authorised one new assumed identity and revoked one assumed identity authority. One assumed identity authority was varied. Assumed identities were granted and used by Commission officers in surveillance operations on people of interest in Commission investigations and to maintain covert arrangements. The audit was conducted in November 2017. Records of all audited files complied with the relevant legislative requirements.

Executive Management Group

The EMG comprises the Chief Commissioner, the part-time Commissioners and all executive directors (in future this will also include the Chief Executive Officer). It usually meets fortnightly and is responsible for:

- reviewing and recommending:
 - strategic and business plans
 - risk management
 - policies, procedures and delegations
 - codes of conduct
 - the overall management framework
- considering and determining corporate-wide management commitment to:
 - corporate governance
 - management of information systems
 - human resources
 - finance and general administration
 - communication and marketing
- overseeing major corporate projects by:
 - approving and overseeing projects
 - determining the appropriate level of progress reporting required for each project
 - ensuring effective administration and management of organisational resources
 - making decisions on a suitable course of action when a project is delayed or new information is revealed
 - endorsing strategic directions and broad operational priorities
 - ensuring that Commission staff comply with the policies relating to project planning and management.

Investigation Management Group

The IMG comprises the Chief Commissioner, the part-time Commissioners, the Executive Director, Investigation, the Executive Director, Legal and the Executive Director, Corruption Prevention (in future this will also include the Chief Executive Officer). It oversees Commission investigations, preparation of investigation reports, preparation of briefs of evidence for submission to the DPP, and the progress of criminal prosecutions arising from Commission investigations. The IMG meets monthly. The functions of the IMG include:

- considering and reviewing the business case for an investigation, the scope and focus of exposure and corruption prevention activities
- making or endorsing key decisions made in the course of an investigation, including decisions about investigation priorities and key strategies and results
- monitoring the delivery of investigation products and results, including public inquiries, investigation reports, briefs of evidence, the implementation of agency corruption prevention implementation and action plans, and the progress of criminal prosecutions arising from investigations
- assessing the benefits of a Commission investigation and considering post operational assessments.

Prevention Management Group

Members of the PMG are the same as for the EMG. It usually meets monthly. Its functions include selecting, approving and overseeing corruption prevention projects and ensuring the quality and content of these publications.

Operations Manual and Policy Frameworks

The Commission's Operations Manual sets out procedures for the exercise of relevant statutory powers. The procedures must be followed by Commission officers both in applying to exercise a particular power and in exercising that power. The procedures ensure that all relevant legislative requirements are identified and addressed.

The Operations Manual is updated to reflect changes to legislation. Any changes to the Operations Manual must be approved by the EMG.

The Commission has an Investigation Policy Framework document that establishes the framework and the minimum standards for how the Commission performs its investigation function. The Commission also has a Corruption Prevention Policy Framework document that establishes the standards for how the Commission performs its corruption prevention function.

External governance

Parliamentary Committee on the ICAC

The Parliamentary Committee on the ICAC ("the Parliamentary Committee") is the means by which the Commission is accountable to the NSW Parliament. It was established by resolution on 6 April 1989 and was re-established on 2 June 2015.

The functions of the committee are set out in s 64 of the ICAC Act. They are to:

- monitor and review the exercise by the Commission and the Inspector of the ICAC of the Commission's and Inspector's functions
- report to both Houses of Parliament, with such comments as it thinks fit, on any matter appertaining to the Commission or the Inspector of the ICAC or connected with the exercise of its functions to which, in the opinion of the committee, the attention of Parliament should be directed
- examine each annual and other report of the Commission and of the Inspector of the ICAC and report to both Houses of Parliament on any matter appearing in, or arising out of, any such report
- examine trends and changes in corrupt conduct, and practices and methods relating to corrupt conduct, and report to both Houses of Parliament any change that the committee thinks desirable to the functions, structures and procedures of the Commission and the Inspector of the ICAC
- enquire into any question in connection with its functions referred to it by both Houses of Parliament, and report to both Houses of Parliament on that question.

The committee cannot investigate a matter relating to particular conduct, reconsider a decision by the Commission to investigate, not to investigate or discontinue an investigation, or reconsider any findings, recommendations, determinations or other decisions of the Commission in relation to a particular investigation or complaint.

The Parliamentary Committee consists of members of Parliament, selected from both the Legislative Assembly and Legislative Council. As of 30 June 2018, the members of the Parliamentary Committee were:

- Damien Tudehope MLA (chair)
- Geoffrey Provest (deputy chair)

- Ron Hoenig MLA
- the Hon Kevin Humphries MLA
- the Hon Trevor Khan MLC
- Paul Lynch MLA
- Tania Mihailuk MLA
- Reverend the Hon Fred Nile MLC
- Mark Taylor MLA
- the Hon Lynda Voltz MLC.

On 15 September 2017, Chief Commissioner Hall QC and Commissioners McDonald SC and Rushton SC gave evidence before the committee for the purposes of the committee's inquiry into protections for people who make voluntary disclosures to the Commission.

On 16 November 2017, the committee's report on this inquiry was tabled in Parliament. It contained 10 recommendations. The recommendations mainly address ways to enhance protections for people who make voluntary disclosures to the Commission. It was also recommended that the Commission examine whether more could be done to deter people from making false complaints, including whether the ICAC Act should be amended to provide that it is an offence for a person to disclose or threaten to disclose to a third party or parties that they have made or intend to make a disclosure to the Commission.

On 18 April 2018, the NSW Government provided its response to the committee's recommendations. The response noted that the government supports providing protections to people who make voluntary disclosures to the Commission in appropriate circumstances and that, in doing so, it is important to continue to protect individuals from reputational damage arising from the public exposure of vexatious and untrue allegations. The response also noted that some of the committee's recommendations may lead to overlap with the public interest disclosure regime under the *Public Interest Disclosures Act 1994* and that the government is reviewing that Act with a view to preparing a Bill to reform the public interest disclosure regime. As part of the Public Interest Disclosures Steering Committee the Commission is being consulted on those reforms.

On 21 September 2017, the Committee's report *Review of the 2014–2015 and 2015–2016 Annual Reports of the ICAC Inspector* was tabled in Parliament. That report contained three recommendations:

1. The Commissioners develop procedural fairness guidelines for the conduct of public inquiries as required by the ICAC Act.
2. The Commission develops a formal policy for advising people subject to an investigation, at the earliest opportunity, where they will not be the subject of adverse findings.
3. That the Inspector of the ICAC and the Commission review the memorandum of understanding between the Inspector and the Commission as soon as practicable.

On 16 February 2018, the Chief Commissioner wrote to the committee chair advising that:

1. The Commissioners had developed procedural fairness guidelines for the conduct of public inquiries as required by s 31B of the ICAC Act and they had been tabled in both Houses of Parliament on 13 February 2018 and published on the Commission's website.
2. In March 2017, the Commission had adopted a procedure for advising people who were aware they were subject to an investigation, the result of that investigation.
3. A new memorandum of understanding between the Commission and the Inspector of the ICAC was entered into on 2 November 2017.

On 20 November 2017, Chief Commissioner Hall QC, Commissioner McDonald SC and other Commission officers gave evidence for the purpose of the Committee's review of the 2014–2015 and 2015–2016 annual reports of the Commission. The Committee tabled its report for that inquiry on 13 March 2018. The report contained two recommendations:

1. That in its future annual reports, the Commission include details about the number of inquiries it has commenced on its own initiative versus the number activated on the basis of complaints or notifications of alleged corrupt conduct.
2. That in its future annual reports, the Commission publish the number of unauthorised disclosures of confidential information that have been made in the course of Commission investigations and the details of any action the Commission has taken in response.

The Commission will continue to report in its annual reports the number of inquiries commenced on its own initiative and the number of inquiries arising from complaints or notifications. An unauthorised disclosure of information by an officer of the Commission

would give rise to an internal investigation by the Commission or an investigation by the Inspector of the ICAC. The Commission will continue to report in its annual reports details of any internal investigations and reports made by the Inspector.

On 8 March 2018, the Parliamentary Committee commenced its review of the 2016–17 annual reports of the Commission and the Inspector of the ICAC. On 1 June 2018, Chief Commissioner Hall QC, Commissioner Rushton SC and other Commission officers gave evidence to the Committee. The Committee's report on this inquiry is to be tabled.

Inspector of the ICAC

Bruce McClintock SC was appointed the Inspector of the ICAC effective from 1 July 2017.

The principal functions of the Inspector of the ICAC are set out in s 57B of the ICAC Act. Those functions are to:

- audit the operations of the Commission for the purpose of monitoring compliance with the law of NSW
- deal with (by reports and recommendations) complaints of abuse of power, impropriety and other forms of misconduct on the part of the Commission or officers of the Commission
- deal with (by reports and recommendations) conduct amounting to maladministration (including delay in the conduct of investigations and unreasonable invasions of privacy) by the Commission or officers of the Commission
- assess the effectiveness and appropriateness of the procedures of the Commission relating to the legality or propriety of its activities.

The Inspector of the ICAC has extensive powers. These include the power to:

- investigate any aspect of the Commission's operations or any conduct of officers of the Commission
- require Commission officers to supply information or produce documents or other things relating to the Commission's operations or conduct of Commission officers
- require Commission officers to attend before the Inspector of the ICAC to answer questions or produce documents or other things relating to the Commission's operations or the conduct of Commission officers

- investigate and assess complaints about the Commission or Commission officers
- recommend disciplinary action or criminal prosecution against Commission officers.

On 2 November 2017, the Commission and the Inspector of the ICAC entered into a new memorandum of understanding. It sets out arrangements for liaison between the Commission and the Inspector concerning referral of matters, access to information and points of contact between the Commission and the Inspector's office.

During the reporting period, the Inspector of the ICAC published the following reports pursuant to s 57B and s 77A of the ICAC Act:

- Report and Supplementary Report concerning a complaint by Mr John Atkinson about the Conduct of ICAC in Operation Jasper (12 April 2018)
- Report Concerning a Complaint by Mr Jeffrey McCloy about the Conduct of the ICAC in Operation Spicer (12 April 2018)
- Report concerning a complaint by NuCoal Resources Ltd about the conduct of the ICAC in Operation Acacia (13 June 2018)
- Report concerning a complaint by Mr Murray Kear about the conduct of the ICAC in Operation Dewar (13 June 2018)
- Report concerning a complaint by Mr John McGuigan, Mr Richard Poole, Cascade Coal Pty Ltd, Mount Penny Coal Pty Ltd and Glendon Brook Coal Pty Ltd about the conduct of the Independent Commission Against Corruption in Operation Jasper 18/05 (26 June 2018).

These reports can be accessed from the Inspector's website at www.oicac.nsw.gov.au.

In each case, the Inspector was of the opinion that the complaints which were the subject of the report did not amount to abuse of power, impropriety or other forms of misconduct or maladministration as those terms are used in s 57B of the ICAC Act. Accordingly, each complaint was dismissed.

The Auditor General

The *Public Finance and Audit Act 1983* requires the Commission to keep books and records in relation to the Commission's operations and to prepare a financial report for each financial year. This Act requires the Commission to submit the financial report to the Auditor General and to the NSW Premier, as the minister responsible for the Commission. The financial report must:

- be prepared in accordance with Australian Accounting Standards
- comply with any written directions of the Treasurer as to form and content
- exhibit a true and fair view of the Commission's financial position and performance.

The Auditor General is required to audit the Commission's financial report. Details of the Commission's financial report and the Auditor General's audit are contained in this annual report.

Inspector of the Law Enforcement Conduct Commission

The Inspector of the Law Enforcement Conduct Commission (LECC Inspector) inspects the Commission's records of telecommunications interceptions, surveillance device warrants, and controlled operations to measure compliance with statutory requirements.

The LECC Inspector inspected the Commission's telecommunications interception records in July 2017 and June 2018. The LECC Inspector found that all relevant records were maintained to the required standards and were compliant with legislative requirements.

The LECC Inspector did not inspect the Commission's surveillance device records in the reporting period.

As the Commission did not authorise or undertake any controlled operations in 2017–18, it was not necessary for the LECC Inspector to inspect the Commission's controlled operations records.

The Commonwealth Ombudsman

The Commonwealth Ombudsman can inspect the Commission's records relating to stored communications warrants, preservation notices and access to telecommunications data.

On 7 August 2017, the Commonwealth Ombudsman reported on the inspection of the Commission's stored communications records for the period 1 July 2015 to 30 June 2016. The Commonwealth Ombudsman found that the Commission was compliant with the relevant legislative requirements.

On 25 June 2018, the Commonwealth Ombudsman reported on the inspection of the Commission's telecommunications data records for the period

1 July 2016 to 30 June 2017. The Commonwealth Ombudsman found that, in one instance, it appeared that a prospective authorisation was notified to the incorrect carrier. As a result, the carrier provided the Commission with telecommunications data unrelated to the service number specified on the authorisation. The Commonwealth Ombudsman noted that this issue was promptly identified by the Commission and remedial action was taken by revoking the authorisation and destroying the telecommunications data sessions incorrectly provided by the carrier.

On 21 June 2018, the Commonwealth Ombudsman wrote to the Chief Commissioner to advise that an inspection of stored communications and telecommunications data records for the period 1 July 2018 to 30 June 2019 would not be undertaken. In coming to that decision, the Commonwealth Ombudsman advised that he had given consideration to the Commission's preliminary data regarding the use of stored communications and telecommunications data powers, as well as the findings from previous inspections.

Principal legal changes

As reported in last year's annual report, the *Independent Commission Against Corruption Amendment Act 2016* ("the Amendment Act") was passed by both Houses of Parliament in that reporting year but none of the provisions had commenced. The Amendment Act commenced on 7 August 2017. The principal amendments:

- restructured the Commission so that it now consists of a Chief Commissioner and two part-time Commissioners
- provide that the powers of the Commission are exercisable by any Commissioner, but the exercise of the Commission's power to conduct a public inquiry must be authorised by the Chief Commissioner and at least one other Commissioner
- provide for the appointment, by the Chief Commissioner, of a Chief Executive Officer who has responsibility for the day-to-day management of the Commission
- require the Commission to issue guidelines to its staff and Counsel Assisting to ensure procedural fairness during public inquiries
- require the Commission (and the Inspector of the ICAC) to give a person an opportunity to respond

before including an adverse finding or adverse opinion about the person in a report and to include in the report a summary of the substance of any response that the person requests be included

- permit the Commission to exercise certain investigative powers after referring a matter to the DPP or Electoral Commission if requested to do so by the DPP or Electoral Commission
- provide that a non-publication order made by the Commission will not prevent the making of a complaint to the Inspector of the ICAC, the disclosure of information to the Inspector or the disclosure of information to the DPP.

The Hon Peter Hall QC was appointed Chief Commissioner for a five-year term from 7 August 2017. Patricia McDonald SC and Stephen Rushton SC were appointed part-time Commissioners, also for five-year terms, from that date. After a competitive recruitment process, Philip Reed was appointed to the position of Chief Executive Officer commencing in the next reporting period.

The Independent Commission Against Corruption Regulation 2010 was repealed on 1 September 2017 by virtue of s 10(2) of the *Subordinate Legislation Act 1989*. It has been replaced by the Independent Commission Against Corruption Regulation 2017, which commenced on 1 September 2017. No significant changes were made.

Litigation

The Commission was involved in the following active litigation matters during the reporting period.

1. In March 2018, Nick Petroulias commenced proceedings in the High Court seeking an order restraining the Commission from conducting its Operation Skyline public inquiry and declarations that the ICAC Act is invalid as being repugnant to Chapter III of the Commonwealth Constitution and the decision to hold a public inquiry was ultra vires and/or in jurisdictional error.

On 26 March 2018, the High Court (Bell J) refused to grant an interlocutory injunction and remitted the balance of the proceedings to the Supreme Court.

On 5 July 2018, orders were made in the Supreme Court dismissing the matter and awarding costs to the Commission.

2. In March 2018, Knightsbridge North Lawyers Pty Ltd commenced proceedings in the NSW Supreme Court against the Commission seeking declarations that the Commission's decision to conduct the Operation Skyline investigation was infected by jurisdictional error and the decision to hold a public inquiry was invalid and a nullity. Orders were also sought to restrain the Commission from continuing to investigate and from conducting a public inquiry.

On 23 March 2018, the Supreme Court (Fagan J) dismissed the summons with costs. The plaintiff appealed to the NSW Court of Appeal.

On 26 March 2018, White JA refused an application for an injunction. On 21 May 2018, by consent, the Court of Appeal proceedings were dismissed, with no orders as to costs.

3. In December 2017, Charif Kazal commenced proceedings in the NSW Supreme Court against the Commission, former Commissioner, the Hon David Ipp AO QC, and the State of NSW. The claim is for unspecified damages and various declarations on the basis that the Commission's December 2011 Operation Vesta report was ultra vires, the finding of corrupt conduct against Mr Kazal was not made according to law and the finding that he gave false evidence was not made according to law.

Notices of motion were filed by the defendants seeking to have the proceedings dismissed or the statement of claim struck out. The Commission also filed a notice of motion seeking to have the plaintiff's Notice to Produce set aside. The notices of motion were heard on 26 April 2018 before Davies J. Judgment is reserved.

4. On 31 July 2017, Sandra, Michelle and Jessica Lazarus commenced proceedings in the NSW Supreme Court against the Commission and a Commission officer, essentially seeking various orders for removal of the Commission's Operation Charity report and damages of \$247 million (for each defendant) arising from the Commission's decision to not engage a handwriting expert during the course of the Operation Charity investigation.

On 15 February 2018, the defendants' notice of motion seeking the statement of claim be dismissed or, in the alternative, struck out, was heard before Walton J. Judgment was delivered on 28 June 2018 dismissing the proceedings.

5. On 13 July 2017, Sandra and Michelle Lazarus commenced proceedings in the NSW Supreme Court against the Commission, the Director of Public Prosecutions, the District Court of NSW and the Local Court of NSW. They primarily seek to have their convictions for criminal offences arising from the Commission's Operation Charity investigation quashed.

The matter was set down for hearing on 9 April 2018 but the hearing date was vacated on the Lazarus' application. The matter has been listed for directions.

6. On 26 June 2017, Sandra, Michelle and Jessica Lazarus commenced proceedings in the NSW Supreme Court against a Commission officer, the Commission, the DPP, the Local Court of NSW and the District Court of NSW. The plaintiffs sought various orders with respect to the Commission's Operation Charity investigation, the commencement and conduct of criminal proceedings against Sandra and Michelle Lazarus arising from that investigation and the quashing of the criminal proceedings.

The defendants filed a notice of motion seeking orders that the proceedings be dismissed. On 23 August 2017, the notice of motion was heard by Wilson J. On 24 August 2017, Wilson J gave judgment dismissing the proceedings.

7. On 27 January 2017, Craig Walker commenced proceedings in the NSW Supreme Court against the Commission, the Government Service of NSW Transit Authority, NSW Roads and Maritime Services and the NSW Department of Premier and Cabinet. The proceedings, in so far as they related to the Commission, concerned the Commission's decision to not investigate a complaint made by Mr Walker.

A notice of motion was filed on behalf of the defendants seeking orders that the proceedings be summarily dismissed or, in the alternative, the statement of claim be struck out in its entirety. On 7 November 2017, the notice of motion was heard by Harrison J. On 14 November 2017, Harrison J gave judgment dismissing the proceedings.

8. On 9 July 2015, Edward Obeid Senior, Moses Obeid, Paul Obeid and Edward Obeid Junior filed a statement of claim in the Supreme Court claiming declarations that certain Commission officers engaged in misfeasance in public office, that certain reports issued by the

Commission were ultra vires, were not made according to law and were a nullity (reports for operations Indus, Jasper, Meeka and Cabot, and Cyrus) and an order permanently restraining the Commission from issuing reports on operations Credo and Spicer. The plaintiffs also claimed general damages, aggravated damages, special damages and exemplary damages. The Commission was subsequently joined as a party and proceedings were discontinued against four of the named Commission officers.

On 11 December 2015, an amended statement of claim was filed confining the claims to Operation Jasper.

The principal claims against Commission investigators were that they committed misfeasance in public office when executing a search warrant by causing the videotaping of two documents, which, the plaintiffs alleged, were outside the scope of the search warrant.

On 27 September 2016, the NSW Supreme Court dismissed the plaintiffs' claims (*Edward Moses Obeid & Ors v David Andrew Ipp & Ors* [2016] NSWSC 1376).

On 23 December 2016, the plaintiffs filed a notice of appeal in relation to the decision concerning the Commission and two Commission officers.

On 21 June 2017, proceedings against the Commission were discontinued.

Notices of contention were filed on behalf of the two Commission officers. They essentially disputed the findings that the two documents were not covered by the search warrant, that they appreciated at the time the documents were not covered by the warrant and that they acted in excess of power and knew at the time they were so acting.

The appeal was heard between 4 and 6 September 2017. On 12 April 2018, the Court of Appeal (Bathurst CJ, Beazley P and Leeming J) dismissed the appeal (*Obeid v Lockley* [2018] NSWCA 71).

The Obeids have applied for special leave to appeal to the High Court.

Complaints against Commission officers

Complaints concerning the misconduct of Commission officers may be made directly to the Inspector of the ICAC or to the Commission. The Commission's memorandum of understanding with the Inspector of the ICAC provides that the Commission will notify the Inspector of complaints against Commission officers that come within the Inspector's functions. The Inspector may decide to investigate complaints directly or ask the Commission to undertake an investigation and report its findings to him or her.

The Executive Director, Legal, is responsible for advising the Chief Commissioner with respect to complaints of misconduct dealt with by the Commission.

In 2017–18, the Commission received and investigated two matters concerning the conduct of Commission officers.

The first matter involved an allegation from an applicant for a position with the Commission whose application was culled by the selection panel for the position. The applicant was concerned that a Commission officer, who was a member of the panel, may have allowed their personal dislike for the applicant to interfere with the assessment of the application. As a result of an internal investigation, the allegation was dismissed.

The second matter involved an allegation that a Commission officer may have breached s 111 of the ICAC Act in providing information concerning the progress of an investigation to a NSW Government department that had an interest in the investigation. After preliminary investigation, it was determined that the officer had not engaged in any misconduct.

The Inspector of the ICAC was fully informed about both matters at the time they arose, the conclusions reached by the Commission and the bases for those conclusions.

Privacy and personal information

The *Privacy and Personal Information Protection Act 1998* ("the PPIP Act") provides for the protection of "personal information" and for the protection of the privacy of individuals generally.

The PPIP Act sets out a number of information protection principles. They apply to the Commission only in connection with the exercise by the Commission of its administrative and educative functions.

As required by the PPIP Act, the Commission has a privacy management plan. The plan sets out how the Commission complies with the principles and requirements of the PPIP Act and, in so far as the Commission holds any health information, the *Health Records and Information Privacy Act 2002*. The plan can be accessed from the Commission's website at www.icac.nsw.gov.au or by contacting the Commission directly.

The Commission operated in accordance with its privacy management plan in the reporting period.

No reviews were required or conducted under Part 5 of the PPIP Act during the reporting period.

Access to information

The *Government Information (Public Access) Act 2009* ("the GIPA Act") facilitates public access to information held by government agencies, including the Commission.

The GIPA Act requires agencies to make "open access information" publicly available on an agency's website. The Commission's open access information is available from its website at www.icac.nsw.gov.au.

The GIPA Act provides for the making of access applications for information held by an agency. The GIPA Act provides, however, that a valid access application cannot be made for access to information held by the Commission relating to its corruption prevention, complaint-handling, investigative or report-writing functions. It also provides that it is to be conclusively presumed that there is an overriding public interest against disclosure of other information, the disclosure of which is prohibited by the ICAC Act.

Section 125 of the GIPA Act requires agencies to report on the agency's obligations under the GIPA Act. The Commission's report is set out in Appendix 8.

Report publicly about the work of the Commission

Section 76 of the ICAC Act requires the Commission to report on its operations for each year ending on 30 June and to furnish that report to the Presiding Officer of each House of Parliament.

The section provides that the report shall include the following:

- a description of the matters that were referred to the Commission
- a description of the matters investigated by the Commission
- the time interval between the lodging of each complaint and the Commission deciding to investigate the complaint
- the number of complaints commenced to be investigated but not finally dealt with during the year
- the average time taken to deal with complaints and the actual time taken to investigate any matter in respect of which a report is made
- the total number of compulsory examinations and public inquiries conducted during the year
- the number of days spent during the year in conducting public inquiries
- the time interval between the completion of each public inquiry conducted during the year and the furnishing of a report on the matter
- any recommendations for changes in the laws of the state, or for administrative action, that the Commission considers should be made as a result of the exercise of its functions
- the general nature and extent of any information furnished under the ICAC Act by the Commission during the year to a law enforcement agency
- the extent to which its investigations have resulted in prosecutions or disciplinary action in that year
- the number of search warrants issued by authorised officers and the ICAC Commissioner respectively
- a description of its activities during that year in relation to its educating and advising functions.

This information is included in this publication.

In addition to its annual report, the Commission also publishes its investigation reports and a number of

corruption prevention and research publications. These are all available from the Commission's website at www.icac.nsw.gov.au.

Public inquiries

During the reporting period, four public inquiries were continued or commenced.

Operation Tarlo is an investigation primarily into the conduct of Eman Sharobeem, then chief executive officer of the Immigrant Women's Health Service and the Non-English Speaking Housing Women's Scheme Inc, and her use of the resources of those bodies. The public inquiry, which commenced in May 2017, concluded in July 2017. Submissions have been received and the Commission's report is being prepared.

Operation Skyline is an investigation concerning the Awabakal Local Aboriginal Land Council, including whether any public official acted dishonestly and/or in breach of their duty as a board member in relation to a scheme involving proposals from 2014 to 2016 for the sale and development of properties owned by the land council. The public inquiry commenced on 27 March 2018 and continued until 13 April 2018. It recommenced on 14 May 2018 and continued to 17 May 2018, at which time it was adjourned to a date in July.

Operation Estry is an investigation into whether, in 2014, Corrective Services NSW officers dishonestly exercised their official functions in relation to an assault on a prisoner. The public inquiry commenced on 21 May 2018 and concluded on 5 June 2018.

Operation Dasha is an investigation into whether certain former Canterbury City Council public officials, including councillors and others, acted corruptly in relation to, among other matters, planning proposals and/or applications under the *Environmental Planning and Assessment Act 1979* concerning properties in the Canterbury City Council local area. The public inquiry commenced on 16 April 2018 and continued to 27 April 2018. It recommenced on 13 June 2018.

Investigation reports

Under the ICAC Act, the Commission is required to prepare reports on matters referred by both Houses of the NSW Parliament and on matters involving public inquiries. The Commission can also produce public reports without conducting a public inquiry. These reports are furnished to the Presiding Officer

of each House of Parliament who arrange for the reports to be tabled in Parliament. Each Presiding Officer has the discretion to make Commission reports public immediately on presentation.

In 2017–18, the Commission furnished three investigation reports to the Presiding Officers. All were immediately made public.

The time interval between the completion of the relevant public inquiry and the furnishing of the report are set out in the table below.

Other publications

The Commission published its *Annual Report 2016–2017* on 19 October 2017.

In February 2018, the Commission published a corruption prevention report *Strengthening employment screening practices in the NSW public sector* and the Commissioners' s 31B procedural guidelines relating to public inquiries.

The Commission also met its target of producing two editions of the *Corruption Matters* e-newsletter. This publication raises awareness in the public sector

and the wider community about corruption-related matters and the Commission's activities.

During the reporting period, the number of external visitor sessions on the Commission's website at www.icac.gov.au was 961,137.

Corrupt conduct findings and recommendations for prosecution/disciplinary action

The Commission refers briefs of evidence to the DPP for consideration of prosecution action. The DPP then advises the Commission whether prosecution proceedings are warranted.

In 2017–18, the Commission made 25 findings of serious corrupt conduct against 18 people. The Commission also recommended the advice of the DPP be obtained in relation to the prosecution of 17 people for various criminal offences. The Commission did not make any recommendations to a relevant public sector agency that disciplinary action be taken against a person.

Appendix 7 provides further details on the progress of prosecutions resulting from Commission investigations.

Table 22: Time interval between completion of each public inquiry and furnishing of the report – s 76(2)(ba)(vi) of the ICAC Act

Public inquiry	Date public inquiry complete*	Date investigation report furnished to Presiding Officers	Days from end of public inquiry to furnishing of report**
Investigation into the conduct of the former City of Botany Bay Council chief financial officer and others (Operation Ricco) (16 days)	15/5/17	26/7/17	72
Investigation into the conduct of a former NSW Department of Justice officer and others (Operation Artek***)	18/7/17	3/8/17	16
Investigation into dealings between Australian Water Holdings Pty Ltd and Sydney Water Corporation and related matters (Operation Credo) (22 days)	25/2/16	3/8/17	525****

* The Commission considers a public inquiry to be complete as at the date of receipt of final submissions from parties who are granted leave to appear at the public inquiry.

** The corporate goal is two months (60 days), where the duration of the public inquiry was five or less days and three months (90 days) otherwise.

*** There was no public inquiry for this matter but submissions were made.

**** Completion of this report was delayed for various reasons. These reasons are set out in the foreword to the investigation report.

Chapter 6: Our organisation

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In 2017–18, the Commission employed an average of 104.96 full-time equivalent (FTE) staff across its eight functional areas.

At the end of the reporting period, of the 118 staff (head count) working at the Commission, 101 were employed on a permanent basis, nine on a temporary basis, one casual employee, and seven (including the Chief Commissioner and Commissioners) were employed in contract positions equivalent to the NSW Senior Executive Bands (see Appendix 9 for further information).

HR and administration

Policies and procedures

The Commission is committed to good governance and complying with the ICAC Award, legislative requirements and NSW public sector conditions of employment. To enhance the Commission's governance and performance, there is an ongoing review and update of Commission-wide policies aligned with the Commission's Compliance Monitoring Register. The Audit and Risk Committee (ARC) periodically monitors this register.

All updated policies are endorsed by the Commission's Executive Management Group (EMG) of which the Chief Commissioner and Commissioners are members.

The following policies were the subject of review during the reporting period:

- Breastfeeding Policy
- Bullying and Harassment Prevention Policy
- Code of Conduct
- Conflicts of Interest Policy
- Equal Employment Opportunity and Anti-Discrimination Policy
- Extended Leave Policy
- External Requests for Training and Speaking Engagements
- Family and Community Services Leave and Carers' Leave Policy
- Flexible Work Arrangements Policy
- Fraud and Corruption Control Policy
- Information Management and Technology Policy and Procedures
- Intellectual Property Management Policy
- Media Policy
- Observance of Essential Religious Duties and Cultural Obligations Policy
- Permanent Employment Policy
- Probation and Probation Review Policy
- Recruitment, Selection and Induction Policy

Table 23: Average full-time equivalent (FTE) staff numbers by division/section

Division/Section	2017–18	2016–17	2015–16	2014–15
Executive	1.18	1	4.9	8.8
Communications & Media	3.91	3.97	3.2	n/a
Executive support	3.27*	2.53*	–	–
Corporate Services	17.55	18.34	17.6	19.0
Corruption Prevention	13.61	11.61	17.0	20.2
Legal	10.43	8.78	10.7	10.8
Investigation	44.47	41.84	48.2	49.3
Assessments	10.54	10	12.7	14.2
Total	104.96	98.07	114.3	122.3

* This section, which was previously counted as part of the Executive, is now counted separately from that unit.

- Unsatisfactory Performance, Misconduct and Serious Offences Policy
- Work Related Grievance Handling Policy

Learning and development

The Commission is committed to the ongoing development of its staff and increasing its organisational capability by creating a learning environment accessible to all staff. During the reporting period, learning and development opportunities were made available to staff in order to maintain or increase their skills to build high performance. Learning and development is aligned to the Commission's performance management system, an individual's performance agreement and position capabilities, and organisational and industry changes.

The Commission's learning environment addresses six core streams of skill and knowledge development: (1) information technology (IT), (2) risk management, (3) project management, (4) organisational management, (5) leadership and management, and (6) technical skills.

Staff participated in learning activities that addressed:

- WHS
- skills for workplace contact officers
- prevention of harassment and bullying
- IT
- recruitment and merit selection
- corruption prevention
- investigation and surveillance
- minute-taking
- contract management
- procurement
- employment and administrative law.

The Chief Commissioner has initiated a new Professional Development Program for Commission staff. The program entails a series of seminars at which staff and speakers from outside the Commission are invited to address topics of relevance to the work of the Commission. The topics chosen are directly relevant to the ways in which the Commission exercises its jurisdiction in accordance with accepted principles and state-of-the-art practices followed and applied by other Australian law enforcement agencies. To date, the following seminars have been held with a high level of staff participation:

- integrity principles that underpin the work of the Commission and other similar integrity/anti-corruption agencies and the way in which those principles are protected and advanced by the work of such agencies
- disclosure, electronic service of briefs, and Early Appropriate Guilty Pleas (EAGP) reform.

Staff also attended a range of conferences and seminars, including the Australian Public Sector Anti-Corruption Conference, Government Solicitors Conference, Corruption Prevention Network Forum, Independent Broad-based Anti-corruption Commission Conference, Certified Practising Accountants Congress, Australian and New Zealand Intelligence Forum, and the UNSW Law Society Public Interest Career Network.

In total, during 2017–18, there were 435 staff attendances at learning activities, which equates to an average of four training sessions for each staff member.

During the reporting period, development opportunities arose for staff to undertake higher duties and temporary appointments within the Commission. One staff member from the Investigation Division also undertook a secondment to NSW Police, which has resulted in a promotion to a management position within NSW Police. Eligible staff were also supported by the Commission's studies assistance program.

Conditions of employment and movement in salaries and allowances

The ICAC Award sets out the conditions of employment for Commission staff. In line with award conditions, a 2.5% increase for non-executive staff became effective at the beginning of the first full-pay period from 1 July 2017. The increase also applied to some of the award allowances, including the Associate Allowance, the Community Language Allowance and the First Aid Allowance. As in the past, ICAC Award increases have followed the Crown Employees (Public Sector 2015) Award.

At the time of submitting the annual report, the Commission was still awaiting advice with respect to the senior executive staff Statutory and Other Offices Remuneration Tribunal (SOORT) pay determination.

Industrial relations

The Commission is strongly committed to consultation on industrial issues to ensure issues are addressed

and resolved quickly and effectively. There are no issues to report during the reporting period.

Staff performance management

The Commission has a structured performance management system based on position accountabilities and corporate objectives that are drawn from the Commission's strategic and business plans.

Core performance accountabilities addressed in performance agreements include quality, operational effectiveness, people and communication, and growth.

Performance agreements set the framework for ongoing and regular feedback and communication between managers and staff. All permanent and temporary staff are the subject of a performance agreement and review based on an annual cycle.

The performance management system aligns with the financial year, with new performance agreements developed in July and reviews undertaken in June. It also addresses incremental salary progression.

Both staff and management complete and review performance agreements online through the Commission's Employee Self Service (ESS) system.

Performance agreements contain a learning and development component, which addresses corporate, positional and individual learning needs.

Risk management

The Commission's Risk Management Policy and Toolkit guides the Commission throughout all elements of its approach to develop effective and integrated risk management processes. The management of risk within the Commission, in conjunction with other Commission and NSW Government directions, policies and procedures, is integral to achieving the Commission's key strategic outcomes.

The Commission's risk-related policies and procedures provide for monitoring mechanisms and compliance. The Risk Register records information about identified risks and processes to modify risk to acceptable levels, and the Risk Management Plan identifies the strategy, activities and resources responsible for implementing and maintaining risk management. The Commission's Crisis Management Plan provides guidance for the management of Commission business following a critical incident.

The ARC and the EMG oversee the risk management processes. The ARC also monitors the implementation of any recommendations made by the Commission's independent internal auditors in their annual review, the NSW Auditor General and other management reviews.

A new governance and compliance position was established during the reporting period. The role is responsible for leading and coordinating activities related to corporate governance and planning, including ethical frameworks and risk management, to ensure the Commission meets its legislative and other compliance obligations. The position also provides HR policy advice and a high-quality secretariat service to the Audit and Risk Committee.

In 2017–18, the Commission conducted risk assessments for all public inquiries to determine risks associated with witnesses and the level of security services required.

The Commission continues to focus on the importance of its site security as part of its risk management strategy. The Commission's physical security measures are continually reviewed and updated to meet its specific security requirements. The Commission's integrated electronic access control and electronic surveillance security system has been rigorously maintained to ensure optimum efficiency. Special constables from the NSW Police continue to oversee onsite security.

Hazard and injury reports

During the reporting period, four hazard reports were lodged and the identified risks were mitigated. Four workplace injuries were also reported, and steps were taken to address any identified cause, including adding anti-slip strips to a ramp and provision of specialised desk equipment.

Table 24: Hazards reported and risks controlled

Reporting period	Number of hazards reported	Risks controlled to an acceptable level
2014–15	2	Yes
2015–16	1	Yes
2016–17	2	Yes
2017–18	4	Yes

Personnel security

Prior to being employed or engaged by the Commission, all personnel undergo a rigorous security clearance process. The Commission adopts a vetting process involving a regime of background checks and analysis to make suitability assessments of personnel. The vetting process is one of the risk management strategies to support the integrity and confidentiality of Commission operations and activities.

In the 2017–18 reporting period, 54 security checks were conducted on personnel as part of its employment screening regime.

All Commission staff are briefed on security and risk management issues at the commencement of their employment. The Commission's intranet hosts relevant information on security and risk management to promote security awareness among its staff and enhance the security profile of the Commission. Periodic reminders and refreshers are issued to staff on security and risk management.

Other internal committees

The Commission continues to support operational and corporate committees to ensure that it maintains and improves its internal governance infrastructure. The role of the three principal internal governance committees – the Investigation Management Group, the Executive Management Group, and the Prevention Management Group – is to assist the Commission to meet its compliance and accountability obligations, as outlined in Chapter 5.

The Commission has in place a range of internal management and staff committees to facilitate good governance. These committees meet on a regular basis, in line with each committee's terms of reference.

Health and Safety Committee

The Commission's Health and Safety Committee is a mechanism for consultation on health, safety and relevant risk matters between senior management and employees. The committee is also responsible for advising on access and equity issues within the Commission. The committee reviews policies, practices and plans associated with health and safety, access and equal employment opportunity. It also conducts regular workplace inspections and facilitates the resolution of safety issues. During 2017–18, the committee reviewed and updated its Health, Safety and Equity Charter, which was endorsed by the Executive Management Team.

Members of the committee during the reporting period are recorded in Appendix 11.

Audit and Risk Committee

The primary aim of the ARC is to provide independent assistance to the Commission by overseeing and monitoring the Commission's governance, risk and control frameworks, and its external accountability requirements. The committee also monitors progress on agreed management actions arising out of recommendations made by the Commission's independent internal auditor.

In 2017–18, the internal auditor conducted a review of investigation and related resource requirements across all functional areas to assist the Commission in preparing its business case for additional recurrent funding. The internal auditor also commenced a review of the Commission's risk management framework to identify key areas for improvement.

Five meetings were held by the ARC during the year. Effective from 1 July 2018, the Commission appointed an independent member to replace Paul Apps, who had reached the maximum allowable tenure (eight years) on the committee.

Insurance activities

The NSW Treasury Managed Fund provides insurance cover for all of the Commission's activities. These include workers compensation, motor vehicle, public liability, property and miscellaneous claims. During the reporting period, the workers compensation deposit premium decreased by \$19,530 (18%), while the remaining deposit premiums also decreased by \$12,880 (24%).

Information management and technology

Information technology upgrades

In the reporting period, IT service upgrades were completed for forensics storage and security for internet access. Projects were also initiated for disaster recovery relocation, email security, live video streaming for hearings, covert staff file access, electronic forms and an upgrade of the website. These projects are scheduled to be completed prior to 2019.

Internal Audit and Risk Management Attestation Statement for the 2017–2018 Financial Year for the Independent Commission Against Corruption

I, Philip Reed, Chief Executive Officer of the Independent Commission Against Corruption (ICAC), am of the opinion that the ICAC has internal audit and risk management processes in place that are compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core requirements		Compliant, non-Compliant
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the "model charter"	compliant
Audit and Risk Committee		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	compliant
3.3	The Audit and Risk Committee has a charter that is consistent with the content of the "model charter"	compliant

Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair – Robert Smith (appointed 1 September 2016 to 31 August 2020)
- Independent Member – Paul Raymond Apps (re-appointed from 21 June 2014 to 20 June 2018)
- Independent Member – David Roden (appointed 1 September 2016 to 31 August 2020).



Philip Reed
Chief Executive Officer
Independent Commission Against Corruption
23 August 2018

Information security

The Commission is strongly committed to information security and, to this end, has continuously and successfully maintained and complied with its annual external audit accreditation to the Australian Standard AS/NZS ISO 27001:2013, which is an internationally recognised standard for information and asset security management.

In 2017–18, a number of initiatives were undertaken to address audit findings and replacement of the infrastructure technology providing access to and from the internet.

The NSW Government has now established the Office of the Chief Information Security Officer and this initiative has seen increased activity in providing reporting and accountability for cyber security.

Disaster recovery

Relocation of the Disaster Recovery Data Centre was planned for 2017–18, as NSW Police advised the Commission that it was closing down the current location. This work has been delayed and is now expected to be completed in July and August 2018, which includes a full disaster recovery test. Testing during the reporting period was restricted to systems that had undergone changes in 2017–18.

Application services

The Application Services Group has continued a number of initiatives, providing in-house applications development while also providing continued improvement to the case management application.

New projects

Funding has been sought and approved for a number of projects in 2018–19. These projects include digital storage replacement, print services replacement, network security replacement, mobile telephone contract and device upgrades, laptop refresh and development of electronic forms.

Digital Information Security Annual Attestation Statement for the 2017–2018 Financial Year for NSW Independent Commission Against Corruption

I, Philip Reed, Chief Executive Officer, am of the opinion that the NSW Independent Commission Against Corruption had an Information Security Management System in place during the 2017–2018 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the NSW Independent Commission Against Corruption are adequate.

There is no agency under the control of the NSW Independent Commission Against Corruption which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.

The NSW Independent Commission Against Corruption has maintained compliance with *ISO 27001 Information technology – Security techniques – Information security management systems – Requirements* and independently reviewed by SAI Global Ltd during the 2017–2018 financial year.



Philip Reed
Chief Executive Officer
Independent Commission Against Corruption
23/08/2018

Financials

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INDEPENDENT COMMISSION
AGAINST CORRUPTION
NEW SOUTH WALES

Statement by Chief Executive Officer

In accordance with section 45F of the *Public Finance and Audit Act 1983* ("the Act"), I state that:

- (a) the accompanying financial statements in respect of the year ended 30 June 2018 have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Act and Regulation 2015.
- (b) the financial statements exhibit a true and fair view of the financial position, financial performance and cash flows of the Independent Commission Against Corruption.
- (c) I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'Philip Reed', written over a light blue horizontal line.

Philip Reed
Chief Executive Officer
14/09/2018



INDEPENDENT AUDITOR'S REPORT

Independent Commission Against Corruption

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Independent Commission Against Corruption (the Commission), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Commission in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

The Chief Executive Officer's Responsibilities for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Commission will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Commission carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Dominika Ryan
Director, Financial Audit Services

17 September 2018
SYDNEY

Statement of comprehensive income for the year ended 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Expenses excluding losses				
Employee related	2(a)	17,060	16,452	13,687
Operating expenses	2(b)	5,976	3,799	4,867
Depreciation and amortisation	2(c)	2,763	3,045	2,726
Total expenses excluding losses		25,799	23,296	21,280
Revenue				
Appropriations	3(a)	21,113	21,357	21,103
Sale of goods and services	3(b)	–	–	92
Grants and contributions	3(c)	1,683	–	129
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	819	418	(772)
Other revenue	3(e)	284	25	77
Total Revenue		23,899	21,800	20,629
Loss on disposal	4	(11)	–	(3)
Net result		(1,911)	(1,496)	(654)
Total other comprehensive income		–	–	–
Total comprehensive income		(1,911)	(1,496)	(654)

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Assets				
Current Assets				
Cash and cash equivalents	5	84	626	302
Receivables	6	517	1,171	499
Total Current Assets		601	1,797	801
Non-Current Assets				
Receivables	6	80	–	82
Property, plant and equipment	7			
– Leasehold improvements		2,608	2,218	3,626
– Plant and equipment		815	1,036	1,056
Total property, plant and equipment		3,423	3,254	4,682
Intangible assets	8	1,537	1,271	2,012
Total Non-Current Assets		5,040	4,525	6,776
Total Assets		5,641	6,322	7,577
Liabilities				
Current Liabilities				
Payables	9	533	601	342
Provisions	10	1,818	1,625	1,497
Other	11	567	354	567
Total Current Liabilities		2,918	2,580	2,406
Non-Current Liabilities				
Provisions	10	1,100	2,402	1,072
Other	11	733	–	1,298
Total Non-Current Liabilities		1,833	2,402	2,370
Total Liabilities		4,751	4,982	4,776
Net Assets		890	1,340	2,801
Equity				
Accumulated funds		890	1,340	2,801
Total Equity		890	1,340	2,801

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2018

	Accumulated Funds \$'000
Balance at 1 July 2017	2,801
Net result for the year	(1,911)
Other comprehensive income	–
Total other comprehensive income	–
Total comprehensive income for the year	(1,911)
Balance at 30 June 2018	890
Balance at 1 July 2016	3,455
Net result for the year	(654)
Other comprehensive income	–
Total other comprehensive income	–
Total comprehensive income for the year	(654)
Balance at 30 June 2017	2,801

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2018

	Notes	Actual 2018 \$'000	Budget 2018 \$'000	Actual 2017 \$'000
Cash flows from operating activities				
Payments				
Employee related		15,900	16,305	16,319
Other		7,167	4,243	6,178
Total Payments		23,067	20,548	22,497
Receipts				
Appropriations	3(a)	21,113	21,357	20,987
Sale of goods and services		–	–	93
Grants and contributions	3(c)	1,683	–	129
Debtors – redundancy program		–	–	1,281
Other		985	498	680
Total Receipts		23,781	21,855	23,170
Net cash flows from operating activities		714	1,307	673
Cash flows from investing activities				
Purchases of property, plant, equipment and intangibles		932	870	583
Other		–	390	–
Net cash flows from investing activities		932	1260	583
Net cash flows from financing activities		–	–	–
Net increase/(decrease) in cash		(218)	47	90
Opening cash and cash equivalents		302	579	212
Closing cash and cash equivalents	5	84	626	302

The accompanying notes form part of these financial statements.

Notes to and forming part of the financial statements for the year ended 30 June 2018

1. Statement of Significant Accounting Policies

a. Reporting entity

The Independent Commission Against Corruption ("the Commission") is constituted by the *Independent Commission Against Corruption Act 1988*. The main objective of the Commission is to minimise corrupt activities and enhance the integrity of NSW public sector administration.

The Commission is a NSW government entity. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

These financial statements report on all the operating activities under the control of the Commission.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Chief Executive Officer on 14 September 2018.

b. Basis of preparation

The Commission's financial statements are general purpose financial statements that have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (that include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983 and Regulation 2015*.

The Commission's property, plant and equipment are made up of non-specialised assets with short useful lives and are recognised at depreciated historical cost. Other financial statement items are prepared in accordance with the historical cost convention.

Judgments, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Going concern

The Commission is a "going concern" public sector entity. The Commission will receive a Parliamentary appropriation and government grants as outlined in the NSW Budget Papers for 2018–19 on an 'as needs' basis from the Crown Entity.

The closing cash balance is as a result of NSW Treasury's cash management reforms outlined in Circular 15-01 Cash Management – Expanding the Scope of the Treasury Management system which

requires all non-restricted cash and cash equivalents in excess of a readily assessable short term level to be held within the Treasury Banking System. The closing cash balance at 30 June 2018 is lower than the agreed "cash buffer" of \$530,000 due to unanticipated increased operational activities.

c. Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d. Insurance

The Commission's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies. The expense (premium) is determined by the fund manager based on past claim experience.

e. Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.

f. Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

i. Parliamentary appropriations and contributions

Except as specified below, parliamentary appropriations and contributions from other bodies (including grants donations) are recognised as income when the Commission obtains control over the assets comprising the appropriations/contributions.

Control over appropriations and contributions is normally obtained upon the receipt of cash.

Notes to and forming part of the financial statements for the year ended 30 June 2018

Unspent appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund. The liability is disclosed in Note 11 as part of "Current liabilities—Other". The amount will be repaid and the liability will be extinguished next financial year.

ii. Grants and contributions

Grants and contributions from other bodies (including grants from the NSW Department of Premier and Cabinet) are recognised as income when the Commission obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

g. Assets

Property, plant and equipment

i. Acquisitions of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, that is deferred payment amount, effectively discounted over the period of credit.

ii. Capitalisation thresholds

The Commission's capitalisation threshold for property, plant and equipment and intangible assets is \$10,000. This means that all property, plant and equipment and intangible assets costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) are capitalised.

iii. Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material.

Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost is also fair value.

iv. Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write-off the depreciable amount of each asset as it is consumed over its useful life to the Commission.

All material identifiable components of assets are depreciated separately over their shorter useful lives. The useful life of the various categories of non-current assets is as shown in the table below.

v. Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

	Gross value measurement bases	Depreciation method	Depreciation life in years	Depreciation life in years
Asset category			2017–18	2016–17
Computer hardware	Purchase price	Straight-line	4	4
Plant and equipment	Purchase price	Straight-line	5	5

Leasehold improvement assets are depreciated on a straight-line basis at the lesser of six years or the lease term.

Notes to and forming part of the financial statements for the year ended 30 June 2018

vi. Leased assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

The Commission has no finance lease arrangements. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

vii. Intangible assets

The Commission recognises intangible assets only if it is probable that future economic benefits will flow to the Commission and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Commission's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Commission's intangible assets, that is, computer software, are amortised using the straight-line method over four years.

viii. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, de-recognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ix. Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

x. De-recognition of financial assets and financial liabilities

A financial asset is de-recognised when the contractual rights to the cash flows from the financial assets expire or if the Commission transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where the Commission has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Commission has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Commission's continuing involvement in the asset.

A financial liability is de-recognised when the obligation specified in the contract is discharged or cancelled or expires.

h. Liabilities

i. Payables

These amounts represent liabilities for goods and services provided to the Commission and

	Gross value measurement bases	Amortisation method	Amortisation life in years	Amortisation life in years
Asset category			2017–18	2016–17
Software	Purchase price	Straight-line	4	4

Notes to and forming part of the financial statements for the year ended 30 June 2018

other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ii. Employee benefits and other provisions

(a) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits), and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service.

As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that the use of an approach using nominal annual leave plus annual leave on the nominal liability using 7.9% (8.9%: 2017) of the nominal value of annual leave can be used to approximate the present value of the annual leave liability.

The Commission has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

(b) Long service leave and superannuation

The Commission's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Commission accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue items described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSW TC 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (that is, Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (that is, State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers compensation insurance premiums and fringe benefits tax.

iii. Other provisions

Other provisions exist when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

(a) Make-good provision

The Commission has a present legal obligation to make good its current accommodation premises at 255 Elizabeth Street Sydney, when the current lease agreement terminates on 15 October 2020.

The Commission has recognised a provision for make good because it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

During 2016–17, the Commission reviewed its make-good provision as the previous one was based on an estimate provided by NSW Government Property at the commencement of the lease in 2014. A revised estimate was provided by Schiavello Construction

Notes to and forming part of the financial statements for the year ended 30 June 2018

(NSW) Pty Ltd and the make-good provision has been adjusted accordingly.

As the effect of the time value of money is material, provisions are discounted at 2.16%, (2017: 2.18%) which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

(b) Lease incentive provision

The Commission received a lease incentive of \$3.405M as part of the new lease agreement for 255 Elizabeth Street, Sydney. The amount of \$3.405M was used to fit out the office premises prior to September 2014.

A provision has been made in the financial statements to recognise a lease incentive liability for the duration of the lease term of six years. At the same time, an equivalent lease incentive abatement amount is recognised as an offset against rental expenses.

i. Fair value hierarchy

As disclosed in Note 1(g), the Commission holds non-specialised assets with short useful lives and these are measured at depreciated historical cost as a surrogate for fair value. Consequently there are no further disclosures made in relation to the AASB 13 fair value hierarchy.

j. Equity and reserves

Accumulated funds

The category "Accumulated Funds" includes all current and prior period retained funds.

k. Trust funds

Section 47 Seizure pursuant to warrant – special provisions, of the *Independent Commission Against Corruption Act 1988*, ensures that property seized as a result, is retained by the Commission for the duration of the investigation. Note 18(a) shows the financial position of the special account created for this purpose.

The Commission receives monies in a trustee capacity for the Australian Public Sector Anti-Corruption Conference 2017 (APSACC 2017), as set out in Note 18(b).

Further to the completion of APSACC 2017 financial transactions, KPMG was commissioned to audit the financial statements in May 2018.

Upon the receipt of a satisfactory audit report from KPMG, the Commission returned the seed funding

and a half share of the surplus to the Crime and Corruption Commission (QLD) – see note 18(b)(i).

l. Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budget amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements is explained in Note 14.

m. Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

n. Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017–18

The accounting policies applied in 2017–18 are consistent with those of the previous financial year.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards represent some of the new standards not yet applied and hence not yet effective.

AASB 16 *Leases* will have application from 1 January 2019. The standard introduces a new approach to lease accounting that requires a lessee to recognise assets and liabilities for the rights and obligations created by leases. The Commission believes that the application of this standard will likely have a significant transitional impact as a result of all leases, except short term (<12 months) and low value, brought on balance sheet.

AASB 15, AASB 2014-5, AASB 2015-8 and AASB 2016-3, *Revenue from Contracts with Customers*, has application from 1 January 2019. The Commission believes this standard will impact on the timing recognition of certain

Notes to and forming part of the financial statements for the year ended 30 June 2018

revenues given the core principle of the new standard requires revenue to be recognised when the goods or services are transferred to the customer at the transaction price as opposed to stage of completion of the transaction. The model features a contract-based five-step analysis of transactions to determine whether how much and when revenue is recognised.

AASB 2014-7 *Amendments to various Australian Accounting Standards* as a result of the changes from AASB 9 (December 2014) and will have application from 1 January 2018 and comprise changes to improve and simplify the approach for classification and measurement of financial assets.

The new AASB 9 *Financial Instruments*, includes revised guidance on the classification and measurement of financial assets and supersedes AASB 9 (December 2009) and AASB 9 (December 2010). The change is not expected to materially impact the financial statements.

AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*, AASB 2016-8 *Australian Implementation Guidance for Not-for-Profit Entities* and AASB 1058 *Income of Not-for-profit Entities*. The change is not expected to materially impact the financial statements.

Notes to and forming part of the financial statements for the year ended 30 June 2018

2. Expenses excluding losses

	2018 \$'000	2017 \$'000
(a) Employee-related expenses		
Salaries and wages (including annual leave)	14,112	12,680
Superannuation – defined benefit plans	149	164
Superannuation – defined contribution plans	1,035	943
Long service leave	750	(1,026)
Workers compensation insurance	103	108
Payroll tax and fringe benefits tax	911	818
Employee-related expenses	17,060	13,687
(b) Other operating expenses include the following:		
Advertising and publicity	123	14
Auditor's remuneration		
– audit of the financial statements	37	45
Bad debts	–	17
Books and subscriptions	128	192
Cleaning	75	89
Consultants	18	13
Contract security services	209	210
Contractors	–	124
Courier and freight	1	1
Electricity	107	101
External legal fees	1,013	307
Fees for services	344	307
Insurance	43	52
Maintenance	606	471
Minor computer equipment/licences	98	95
Operating lease rental expense		
– minimum lease payments	1,973	1,900
Postal and telephone	145	124
Printing	21	27
Stores and specialised supplies	54	44
Telecommunications	62	92
Training	176	138
Transcript fees	119	71
Travelling, air fares, subsistence, taxi and vehicle rental	132	48
Other	492	385
	5,976	4,867

Notes to and forming part of the financial statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
(c) Depreciation and amortisation expense		
Depreciation		
Leasehold improvements	1,083	1,078
Computer equipment	494	516
Plant and equipment	107	199
	1,684	1,793
Amortisation		
Software	1,079	933
Total depreciation and amortisation	2,763	2,726

3. Revenue

	2018 \$'000	2017 \$'000
(a) Appropriations and Transfers to the Crown Entity		
Summary of compliance with financial directives		
	Appropriation	Expenditure
Original Budget Appropriation		
– Appropriation Act	21,357	21,113
Total Appropriations/Expenditure/Net Claim on Consolidated Fund (includes transfer payments)		
Appropriation drawn down*		21,103
Liability to Consolidated Fund		–
Appropriations (per Statement of Comprehensive Income)	21,113	21,103
Comprising:		
Recurrent	20,097	20,533
Capital	1,016	570

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

* The Commission received approval to carry over \$244,000 of the capital component of the appropriation to 2018–19 due to unanticipated delays in 2017–18.

Notes to and forming part of the financial statements for the year ended 30 June 2018

	2018 \$'000	2017 \$'000
(b) Sale of goods and services		
Corporate Services Support – Health Care Complaints Commission	–	92
(c) Grants and contributions		
Operating grant from the Department of Premier and Cabinet	1,683	129
(d) Acceptance by the Crown Entity of employee benefits and other liabilities		
The following liabilities and/or expenses have been assumed by the Crown Entity:		
Superannuation – defined benefit	149	164
Long service leave provision	662	(945)
Payroll tax	8	9
	819	(772)
(e) Other revenue		
APSACC 2017 – receipts and seed funding	239	–
Treasury Managed Fund Hindsight Adjustment	41	71
Other – miscellaneous	4	6
	284	77

4. Gain/(loss) on disposal

Plant and computer equipment	(11)	(3)
Written-down value of assets disposed	(11)	(3)
Loss on disposal of Plant, Property and Equipment	(11)	(3)

5. Current assets – cash and cash equivalents

Cash at bank and on hand	84	302
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For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and short-term deposits.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	84	302
Closing cash and cash equivalents (per statement of cash flows)	84	302

Notes to and forming part of the financial statements for the year ended 30 June 2018

6. Current/Non-current assets – receivables

	2018 \$'000	2017 \$'000
GST	256	184
Prepayments – Current	256	314
Other receivables – debtors	5	1
	517	499
Prepayments – Non-current	80	82
Total Current/Non-current assets – receivables	597	581

The Commission expects to receive all amounts due, therefore, no allowance for impairment of receivables has been raised. Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 16.

7. Non-current assets – property, plant and equipment

	Leasehold improvements \$'000	Plant and equipment \$'000	Computer equipment \$'000	Work in progress \$'000	Total \$'000
At 1 July 2017 – fair value					
Gross carrying amount	6,391	1,521	2,734	–	10,646
Accumulated depreciation and impairment	(2,765)	(1,214)	(1,985)	–	(5,964)
Net carrying amount	3,626	307	749	–	4,682
At 30 June 2018 – fair value					
Gross carrying amount	6,456	1,484	2,843	131	10,914
Accumulated depreciation and impairment	(3,848)	(1,262)	(2,381)	–	(7,491)
Net carrying amount	2,608	222	462	131	3,423

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Leasehold improvements \$'000	Plant and equipment \$'000	Computer equipment \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2018					
Net carrying amount at start of year	3,626	307	749	–	4,682
Additions	65	33	207	131	436
Disposals	–	(11)	–	–	(11)
Depreciation expense	(1,083)	(107)	(494)	–	(1,684)
Net carrying amount at end of year	2,608	222	462	131	3,423

Notes to and forming part of the financial statements for the year ended 30 June 2018

	Leasehold improvements \$'000	Plant and equipment \$'000	Computer equipment \$'000	Work in progress \$'000	Total \$'000
At 30 June 2016 – fair value					
Gross carrying amount	5,892	1,545	2,539	190	10,166
Accumulated depreciation and impairment	(1,688)	(1,115)	(1,487)	–	(4,290)
Net carrying amount	4,204	430	1,052	190	5,876
At 30 June 2017 – fair value					
Gross carrying amount	6,391	1,521	2,734	–	10,646
Accumulated depreciation and impairment	(2,765)	(1,214)	(1,985)	–	(5,964)
Net carrying amount	3,626	307	749	–	4,682

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the prior reporting period is set out below.

	Leasehold improvements \$'000	Plant and equipment \$'000	Computer equipment \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2017					
Net carrying amount at start of year	4,204	430	1,052	190	5,876
Additions	500	48	35	–	583
Disposals	–	–	(3)	–	(3)
Transfer to/(from) other asset classes	–	28	181	(190)	19
Depreciation expense	(1,078)	(199)	(516)	–	(1,793)
Net carrying amount at end of year	3,626	307	749	–	4,682

8. Intangible assets

	Software \$'000	Work in progress \$'000	Total \$'000
At 1 July 2017			
Cost (gross carrying amount)	5,276	–	5,276
Accumulated amortisation and impairment	(3,264)	–	(3,264)
Net carrying amount	2,012	–	2,012
At 30 June 2018			
Cost (gross carrying amount)	5,400	480	5,880
Accumulated amortisation and impairment	(4,343)	–	(4,343)
Net carrying amount	1,057	480	1,537

Notes to and forming part of the financial statements for the year ended 30 June 2018

	Software \$'000	Work in progress \$'000	Total \$'000
Year ended 30 June 2018			
Net carrying amount at start of year	2,012	-	2,012
Additions	124	480	604
Disposals	-	-	-
Transfer to/(from) other asset classes	-	-	-
Amortisation	(1,079)	-	(1,079)
Net carrying amount at end of year	1,057	480	1,537
At 1 July 2016			
Cost (gross carrying amount)	4,535	260	4,795
Accumulated amortisation and impairment	(2,331)	-	(2,331)
Net carrying amount	2,204	260	2,464
At 30 June 2017			
Cost (gross carrying amount)	5,276	-	5,276
Accumulated amortisation and impairment	(3,264)	-	(3,264)
Net carrying amount	2,012	-	2,012
Year ended 30 June 2017			
Net carrying amount at start of year	2,204	260	2,464
Additions	481	-	481
Disposals	-	-	-
Transfer to/(from) other asset classes	260	(260)	-
Amortisation	(933)	-	(933)
Net carrying amount at end of year	2,012	-	2,012

9. Current liabilities – payables

	2018 \$'000	2017 \$'000
Accrued salaries, wages and on-costs	54	43
Accrued expenses – other operating expenses	479	151
Creditors	-	149
	533	342

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 16.

Notes to and forming part of the financial statements for the year ended 30 June 2018

10. Current/Non-current liabilities – provisions

	2018 \$'000	2017 \$'000
Current		
Employee benefits and related on-costs		
Annual leave expected to be settled in the next 12 months is \$750,000		
Annual leave (includes annual leave loading)	1,120	921
Annual leave on-cost	87	62
Payroll tax on annual leave, long service leave (and fringe benefits tax payable)	253	222
Long service leave on-cost	358	292
	1,818	1,497
Non-current		
Employee benefits and related on-costs		
Long service leave on-costs	31	25
Provision for payroll tax on long service leave	17	15
Make good provision	1,052	1,031
	1,100	1,071
Aggregate employee benefits and related on-costs		
Provision – current	1,818	1,497
Provision – non-current	48	40
Accrued salaries, wages and on-costs (Note 9)	54	43
	1,920	1,580

Movements in provisions (other than employee benefits)

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

2018	“Make good” provision \$'000
Carrying amount at the beginning of the financial year	1,031
Additional provisions recognised	21
Amounts used	–
Carrying amount at the end of the financial year	1,052

Notes to and forming part of the financial statements for the year ended 30 June 2018

11. Current/Non-current liabilities – other

	2018 \$'000	2017 \$'000
Current liabilities		
Lease incentive	567	567
Total Current liabilities – other	567	567
Non-current liabilities		
Lease incentive	733	1,298
Total Non-current liabilities – other	733	1,298

12. Commitments for expenditure

	2018 \$'000	2017 \$'000
Operating lease commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	2,752	2,851
Later than one year and not later than five years	3,648	6,235
Total (including GST)	6,400	9,086

The total “operating lease commitments” above includes potential input tax credits of \$581,820 (2017:\$630,531.50) that are expected to be recoverable from the ATO. The operating lease commitments represent the six-year lease for new office accommodation at 255 Elizabeth Street, Sydney, motor vehicle leases and miscellaneous information technology leases as at 30 June 2018.

13. Contingent liabilities and contingent assets

The Commission has contingent liabilities estimated at \$143,000 representing potential legal expenses for which the Crown Solicitor is acting on behalf of the Commission as at 30 June 2018.

The Commission has no contingent assets.

Notes to and forming part of the financial statements for the year ended 30 June 2018

14. Budget review

Net result

The actual net deficit of (\$1,911,000) was higher than budget by (\$415,000) primarily due to:

– Expenses

The Commission's total expenditure was higher than budget by (\$2,503,000) comprising of an unfavourable employee expenses variance of (\$608,000) and other operating expenses with an unfavourable variance of (\$2,177,000), offset by a favourable variance in depreciation of \$282,000.

The unfavourable employee-related expenses variance is attributable to additional FTEs recruited to maintain the increased level of operations (including public hearings) during the 2017–18 financial year. The increase in operating expenses included all expenditure lines but offset by grants from the Department of Premier and Cabinet (DPC) totalling \$1,683,000.

– Revenue

The Commission's total revenue was higher than budget by \$2,099,000 due to grants received from the DPC of \$1,683,000 and Acceptance by Crown Entity of employee benefits of \$401,000. The original budget does not include the DPC grants and an unanticipated increase in the extended leave consequential on-costs.

The Commission also received seed funding and a half share of the net surplus from APSACC 2017 of \$238,000 as set out in the APSACC 2017 joint venture agreement between the Crime and Corruption Commission (QLD) and the Commission.

Capital

Appropriations was \$244,000 lower than budget due to the approved carry over of this amount to the 2018–19 financial year.

Total property assets and liabilities

Plant and equipment assets were higher than budget by approximately \$169,000 due to an increase in capital expenditure spending.

Current liabilities was higher than budget due to increased accrued legal expenditure and increased FTEs and associated increase in employee benefits.

Non-current liabilities was higher than budget due to increased FTEs and associated increase in employee benefits.

Cash flows

The Commission's cash balance of \$84,000 is lower than budget as at 30 June 2018 due to increased operation levels during 2017–18 and a reduction in creditors.

15. Reconciliation of cash flows from operating activities to net result

	2018 \$'000	2017 \$'000
Net cash used on operating activities	714	673
Depreciation and amortisation	(2,763)	(2,726)
Decrease/(increase) in provisions and other liabilities	216	1,192
Increase/(decrease) in prepayments and other assets	16	(1,409)
(Increase)/decrease in payables	(83)	1,619
Written down value of asset disposed	(11)	(3)
	(1,911)	(654)

Notes to and forming part of the financial statements for the year ended 30 June 2018

16. Financial instruments

The Commission's principal financial instruments are outlined below. These financial instruments arise directly from the Commission's operations or are required to finance the Commission's operations. The Commission does not enter into or trade financial instruments, including derivative instruments, for speculative purposes.

The Commission's main risks arising from financial instruments are outlined below, together with the Commission's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees on policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Commission, to set risk limits and controls, and to monitor risks. From time to time, compliance with policies is reviewed by the Audit and Risk Committee/ internal audit.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
Class:			2018 \$'000	2017 \$'000
Cash and cash equivalents	5	N/A	84	302
Receivables ¹	6	Receivables at amortised cost	5	1

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
Class:			2018 \$'000	2017 \$'000
Payables ²	9	Financial liabilities measured at amortised cost	480	211

Notes

1. Excludes statutory receivables and prepayments (not within scope of AASB 7).

2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

(b) Credit risk

Credit risk arises when there is the possibility of the Commission's debtors defaulting on their contractual obligations, resulting in a financial loss to the Commission. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Commission, including cash and receivables. No collateral is held by the Commission. The Commission has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

Receivables – trade debtors

The Commission's debtors are predominantly other government agencies holding leave balances of officers transferring to the Commission. All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis.

Notes to and forming part of the financial statements for the year ended 30 June 2018

(c) Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its payment obligations when they fall due. The Commission continuously manages risk through monitoring future cash flows to ensure adequate holding of liquid assets.

During the current and prior year no assets have been pledged as collateral. The Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the head of an authority (or a person appointed by the head of an authority) may automatically pay the supplier simple interest. No interest was applied during the year.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Commission has no exposure to market risk as it does not have borrowings or investments. The Commission has no exposure to foreign currency risk and does not enter into commodity contracts.

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

17. Related party disclosures

Compensation for the entity's key management personnel, comprising members of the Executive Management Group (EMG), is as follows:

	2018 \$'000	2017 \$'000
Short-term employee benefits		
Salaries	2,617	2,021
Other monetary allowances	7	27
Non-monetary benefits	—	—
Other long-term employee benefits	44	—
Post-employment benefits	170	—
Termination benefits	33	130
	2,871	2,178

During the year the Commission did not enter into transactions with key management personnel, their close family members and the members of its controlled entities.

Notes to and forming part of the financial statements for the year ended 30 June 2018

Transactions with other entities that are controlled/jointly controlled/ significantly influenced by NSW Government during 2017–18 were:	2018 \$'000	2017 \$'000
NSW Government Property (accommodation at 255 Elizabeth Street, Sydney)	2,287	2,310
NSW Police	201	210
	2,488	2,520

18. Trust funds

	2018 \$'000	2017 \$'000
(a) S 47 Division 4A of the ICAC Act 1988		
Opening balance as at 1 July 2017	15	40
Deposits	95	–
Less:		
Payments	–	(25)
Total as at 30 June 2018	110	15
(b) APSACC 2017		
Opening balance as at 1 July 2017	108	224
Deposits	765	13
Less:		
Payments	(471)	(129)
Total as at 30 June 2018	402	108
Surplus distribution and seed funding reimbursement		
(i) to Crime and Corruption Commission (QLD)	(164)	–
(ii) to ICAC (NSW)	(238)	–

19. Events after balance date

There have not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

(END OF AUDITED FINANCIAL STATEMENTS)

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Appendix 1 – Complaints profile

Table 25: Government sectors that were subject to matters received in 2017–18

Government sector	Section 10 complaints (s 10s)		Section 11 reports (s 11s)		Other types of matters (OMs)		Total for all matters	
	Number of s 10s	% of s 10s	Number of s 11s	% of s 11s	Number of OMs	% of OMs	Number of matters	% of matters
Local government	523	41%	103	16%	2	29%	628	33%
Transport, ports and waterways	86	7%	123	19%	0	0%	209	11%
Health	83	7%	118	18%	0	0%	201	10%
Custodial services	110	9%	72	11%	0	0%	182	9%
Education (except universities)	62	5%	45	7%	0	0%	107	6%
Natural resources and environment	75	6%	20	3%	0	0%	95	5%
Government and financial services	82	6%	10	2%	1	14%	93	5%
Law and justice	77	6%	13	2%	0	0%	90	5%
Community and human services	66	5%	13	2%	0	0%	79	4%
Land, property and planning	40	3%	3	<1%	0	0%	43	2%
Emergency services	18	1%	19	3%	0	0%	37	2%
Universities	17	1%	19	3%	0	0%	36	2%
Aboriginal affairs and services	20	2%	8	1%	0	0%	28	1%
Arts and heritage	14	1%	8	1%	1	14%	23	1%
Policing	21	2%	0	0%	0	0%	21	1%
Energy	10	1%	1	<1%	0	0%	11	1%
Tourism, sport, recreation and gaming	6	<1%	3	<1%	0	0%	9	<1%
Consumer and trade	9	1%	0	0%	0	0%	9	<1%
Employment and industrial relations	2	<1%	0	0%	0	0%	2	<1%
Parliament	2	<1%	0	0%	0	0%	2	<1%
Other - unspecified	11	1%	0	0%	0	0%	11	1%

Note: Percentages may not add to 100% because a matter may relate to more or less than one sector.

Table 26: Workplace functions applicable to matters received in 2017–18

Function	Section 10 complaints (s 10s)		Section 11 reports (s 11s)		Other types of matters (OMs)		Total for all matters	
	Number of s 10s	% of s 10s	Number of s 11s	% of s 11s	Number of OMs	% of OMs	Number of matters	% of matters
Human resources and staff administration	266	21%	210	33%	1	14%	477	25%
Reporting, investigation, sentencing and enforcement	365	29%	70	11%	2	29%	437	23%
Allocation of funds, materials and services	238	19%	172	27%	1	14%	411	21%
Development applications and land rezoning	276	22%	26	4%	2	29%	304	16%
Procurement, disposal and partnerships	192	15%	100	15%	1	14%	293	15%
Issue of licences or qualifications	35	3%	36	6%	0	0%	71	4%
Policy development and information processing	33	3%	23	4%	0	0%	56	3%
Electoral and political activities	45	4%	1	<1%	2	29%	48	3%
Processing of electronic and cash payments	7	1%	21	3%	1	14%	29	2%
Miscellaneous functions	187	15%	154	24%	1	14%	342	18%

Note: Percentages may not add to 100% because a matter may relate to more or less than one workplace function.

Table 27: Types of corrupt conduct alleged in matters received in 2017–18

Conduct	Section 10 complaints (s 10s)		Section 11 reports (s 11s)		Other types of matters (OMs)		Total for all matters	
	Number of s 10s	% of s 10s	Number of s 11s	% of s 11s	Number of OMs	% of OMs	Number of matters	% of matters
Partiality	564	45%	107	17%	1	14%	672	35%
Improper use of records or information	238	19%	260	40%	2	29%	500	26%
Personal interests	292	23%	170	26%	1	14%	463	24%
Improper use or acquisition of funds or resources	226	18%	234	36%	2	29%	462	24%
Failure to perform required actions not already listed	250	20%	63	10%	1	14%	314	16%
Intimidating or violent conduct	180	14%	63	10%	0	0%	243	13%
Bribery, secret commissions and gifts	93	7%	46	7%	1	14%	140	7%
Corrupt conduct related to investigations or proceedings	112	9%	12	2%	2	29%	126	7%
Other corrupt conduct	137	11%	60	9%	1	14%	198	10%
No corrupt conduct alleged in matter	38	3%	0	0%	0	0%	38	2%

Note: Percentages may not add to 100% because allegations may involve more than one type of corrupt conduct or allegations of corrupt conduct may not be made.

Appendix 2 – Public interest disclosures

Table 28: Number of public officials who made a PID in 2017–18

Type of PID	Number of PIDs	Number of public officials*	PIDs finalised**
PIDs made by public officials in performing their day-to-day functions as public officials	0	0	0
PIDS made under a statutory or legal obligation (other than those made by public officials performing their day-to-day functions)	512	150	456
All other PIDs	232	117	230
Total	744	267	686

Note: In a reporting period, a PID may be made anonymously or made by multiple individuals, and one individual may make multiple PIDs.

* As one public official may make multiple PIDs, and PIDs may be made anonymously, the number of public officials may be smaller than the number of PIDs.

** Some of these PIDs were made prior to the start of the 2017–18 financial year.

Table 29: Types of allegations made in PIDs

Type of PID	Type of allegation					Total
	Corrupt conduct	Maladministration	Serious and substantial waste of public money	Government information contravention	Local government pecuniary interest contraventions	
PIDs made by public officials in performing their day-to-day functions as public officials	0	0	0	0	0	0
PIDS made under a statutory or legal obligation (other than those made by public officials performing their day-to-day functions)	512	0	0	0	0	512
All other PIDs	232	0	0	0	0	232
Total	744	0	0	0	0	744

Appendix 3 – Statutory reporting

Table 30: Reports under s 76(2) of the ICAC Act

76(2)(ba)(i)	The time interval between the lodging of each complaint and the Commission deciding to investigate the complaint	See Table 31 for details
76(2)(ba)(ii)	Number of complaints where investigations were commenced but were not finalised in 2017–18	8
76(2)(ba)(iii)	Average time to deal with complaints	41 days
76(2)(ba)(iii)	Actual time to investigate any matters in which a report is made	See Table 32 for details
76(2)(ba)(iv)	Total number of compulsory examinations during 2017–18	112
76(2)(ba)(iv)	Total number of public inquiries during 2017–18	4
76(2)(ba)(v)	Number of days spent during 2017–18 in conducting public inquiries	47
76(2)(ba)(vi)	Time interval between the completion of each public inquiry conducted during 2017–18 and the furnishing of a report on the matter	See Table 22 (Chapter 5) for details

Report under s 76(2)(d) of the ICAC Act

In 2017–18, the Commission furnished information to the following agencies:

- Australian Taxation Office
- Australian Transaction Reports and Analysis Centre
- The Office for Public Integrity (South Australia)
- Law Enforcement Conduct Commission
- Centrelink
- NSW Police Force.

The general nature and extent of information furnished was as follows:

- intelligence and information disseminations relevant to the functions of the above agencies as those functions concern the enforcement of the laws of the Commonwealth, a state or a territory.

Table 31: Time interval between lodging of each complaint and the Commission deciding to investigate the complaint – s 76(2)(ba)(i) of the ICAC Act

Date matter received	Date decided to investigate	Time interval (days)
17/04/2018	14/06/2018	58
22/03/2018	4/05/2018	43
7/02/2018	8/03/2018	29
9/02/2018	20/02/2018	10
10/01/2018	24/01/2018	14
1/12/2017	22/12/2017	21
17/10/2017	20/12/2017	64
6/10/2017	3/11/2017	28
27/09/2017	20/12/2017	84
12/09/2017	20/12/2017	99
11/09/2017	20/12/2017	100
4/09/2017	20/12/2017	107
11/08/2017	27/10/2017	77
28/07/2017	22/08/2017	25
19/06/2017	19/07/2017	30
18/05/2017	14/07/2017	56
10/04/2017	19/07/2017	100
12/01/2017	7/07/2017	176

Note: The Commission may seek further information or conduct preliminary enquiries before deciding to commence an investigation.

Table 32: Actual time taken to investigate any matter in respect of which a report is made – s 76(2)(ba)(iii) of the ICAC Act

Date referred for investigation	Date investigation completed	Time taken to investigate (days)
3/08/2017	1/09/2017	29
2/06/2017	27/03/2018	298
16/08/2016	4/08/2017	353
17/05/2017	9/10/2017	145
18/08/2017	4/12/2017	108
30/08/2017	4/05/2018	247
12/10/2017	4/05/2018	204
29/07/2015	4/05/2018	1010
9/11/2017	7/06/2018	210
22/12/2016	27/07/2017	217
16/08/2016	4/08/2017	353
17/05/2017	9/10/2017	145
18/08/2017	4/12/2017	108
13/12/2017	5/04/2018	113

Note: These figures relate only to matters reported under s 11 of the ICAC Act.

Appendix 4 – Outcomes of matters

Table 33: Other outcomes for matters closed during 2017–18

Agency outcomes	Section 10 matters	Section 11 matters	Total
Disciplinary action proposed by the public authority	1	8	9
Disciplinary action taken by the public authority – Dismissal	3	41	44
Disciplinary action taken by the public authority – Counselling	4	36	40
Disciplinary action taken by the public authority – Resignation	3	34	37
Disciplinary action taken by the public authority – Other	4	60	64
Systemic issues addressed by the public authority	2	16	18
Systemic issues identified by the public authority	2	10	12
No action or further action warranted by the public authority	28	69	97

Appendix 5 – Adoption of corruption prevention recommendations

In framing corruption prevention recommendations, the Commission's focus is to work with the agency to ensure that the recommendations made in the Commission's report address both the corruption risk and the business priorities of the subject agency. In accordance with s 111E(2) of the ICAC Act, the Commission considers plans of action proposed by agencies and monitors the level of acceptance of corruption prevention recommendations in the

agency's plan of action. It also ensures that agencies report on the implementation of their plans of action.

Table 34 shows the adoption of corruption prevention recommendations in agency plans of action submitted during 2017–18. Table 35 shows the receipt of reports on implementation of agency action plans.

Table 34: Adoption of corruption prevention recommendations in agency plans of action 2017–18

Public inquiry	Agency	Number of recommendations	Date action plan received	Adopted as described in the report	Adopted in an alternative way	Partially adopted	Not adopted	% partially adopted	% fully adopted
Artek	Department of Justice	13	November 2017	13	–	–	–	–	100%
Ricco	Bayside Council	8	October 2017	8	–	–	–	–	100%
	Office of Local Government	1	October 2017	–	–	1	–	100%	–
Scania	Penrith City Council	2	September 2017	2	–	–	–	–	100%
	Environment Protection Authority	10	September 2017	7	3			30%	70%
	NSW Government	3	July 2018 *	2	–	–	1	–	66%

* The recommendations were accepted but the advice was received after the end of the financial year.

Table 35: Agency reports on the implementation of action plans received in 2017–18

The Commission seeks reports on the implementation of agency plans of action. If plans are not fully implemented at 12 months, a further 24-month report is sought. Proactive agencies can submit a final report at any stage including when the plan of action is submitted.

Public inquiry	Agency	Date action plan received	Date report due	Date report received	Type of report received (interim or final)
Scania	Penrith City Council	September 2017		September 2017	Final report received (plan of action was also final report)
Yancey	NSW Department of Justice	March 2017	March 2018	March 2018	Interim (12-month report received)
Jarah	Ausgrid	September 2015	September 2017	October 2017	Final report received
Vika	Rural Fire Service	March 2016	March 2018	March 2018	Final report received

Appendix 6 – Strategic alliances to optimise investigative outcomes

There is a constant need to monitor and keep up with the ever-changing investigation environment. For this reason, it is important to maintain ongoing liaison with other law enforcement agencies, and to participate in various forums and interagency committees to enhance the currency of the Commission's investigation techniques and processes. The Commission is a member of the following committees and forums.

Australia and New Zealand Counter Terrorism Committee, Surveillance Capability Forum (ANZCTC)

This group provides a forum for law enforcement, intelligence and integrity agencies to discuss their respective agency's surveillance capabilities, emerging technology and methodologies. A Commission officer attended a meeting of this group from 13 to 15 June 2018. In September 2017, a Commission officer attended the ANZCTC Surveillance Team Leader Skills Enhancement Course.

Interagency Technical Group and Special Networks Committee

The Interagency Technical Group provides an opportunity for telecommunications interception agencies to seek common ground in delivery standards and monitoring telecommunications interception. The Special Networks Committee is a forum for interception agencies to discuss the capability of telecommunications interception and any related contractual issues. Commission officers attended meetings of both committees on 8 and 9 May 2018.

Interception Consultative Committee

This committee is a source of advice to agencies concerning telecommunications interception legislation and information requests to telecommunications service providers. While Commission officers did not attend meetings during the reporting period, the Commission took part in online forums where advice had been provided.

Joint User Group

This group provides a forum for investigation agencies utilising the same brand as the Commission's telecommunications interception system. Commission officers attended meetings of this group on 10 May 2018. Between 20 and 22 November 2017, three Commission officers attended a national conference held by the manufacturer of the Commission's telecommunications interception system.

SEDNode User Forum

SEDNode is a secure information system used by law enforcement and anti-corruption agencies to receive telecommunications data from providers. The Commission subscribes to the SEDNode system. The SEDNode User Forum was established to keep members updated with system enhancements, functionality and new members. A Commission officer took part in teleconferences of this group on 2 August, 30 August and 27 September 2017, and 9 May and 6 June 2018.

Appendix 7 – Prosecution and disciplinary action in 2017–18 arising from ICAC investigations

Table 36: Progress of prosecution matters in 2017–18

The date the investigation report was published is in brackets.

“Crimes Act” refers to the *Crimes Act 1900* (NSW), while the “ICAC Act” refers to the *Independent Commission Against Corruption Act 1988* (NSW).

Investigation into corrupt conduct involving alleged fraud on two Sydney hospitals (Operation Charity) (August 2011)

Sandra Lazarus	
Offences recommended for Director of Public Prosecutions (DPP) consideration	Section 300(1) Crimes Act (make and use false instrument) and s 178BB Crimes Act (obtain valuable thing by false or misleading statement).
DPP advice	On 22 February 2013, the DPP advised there was sufficient evidence to prosecute Ms Lazarus for 42 s 300(1) offences and 16 s 178BB offences.
Status	<p>On 27 November 2014, Sandra Lazarus was found guilty of 16 s 178BB Crimes Act offences and 27 s 300(1) Crimes Act offences. She was found not guilty of a further 15 s 300(1) Crimes Act offences. Her matter was adjourned to 27 April 2015 for sentence.</p> <p>On 5 February 2015, Sandra Lazarus commenced proceedings by summons in the Supreme Court seeking judicial review of the magistrate's decision. Garling J dismissed the summons on 16 April 2015 and ordered her to pay the Crown's costs.</p> <p>On 27 April 2015, Sandra Lazarus was sentenced in the Local Court to an aggregate term of 21 months imprisonment with a non-parole period of 16 months. The same day, she filed a notice of appeal to the District Court against her conviction and sentence.</p> <p>On 12 May 2015, Sandra Lazarus filed a notice of intention in the Court of Appeal to appeal against the 16 April 2015 decision of Garling J.</p> <p>On 15 May 2015, Sandra Lazarus filed a further summons seeking a review of the magistrate's decision to convict her. A further summons was filed on 20 July 2015, seeking to have her convictions set aside and the proceedings against her struck out. Hulme J dismissed both of these summonses on 2 December 2015 as abuses of process.</p> <p>On 15 December 2015, Sandra Lazarus' application for leave to appeal against Garling J's decision was heard in the Court of Appeal. Sandra Lazarus did not appear that day and sought an adjournment by email. Having concluded that the appeal had no realistic prospects of success, the Court of Appeal refused leave and ordered Sandra Lazarus to pay the Crown's costs.</p> <p>Thereafter, Sandra Lazarus filed a number of notices of motion in the District Court seeking an order that the criminal proceedings against her be stayed (her sister Michelle Lazarus joined in these motions in relation to her own separate convictions). The motions were heard on 16 November 2015 and 24 June 2016. On 19 August 2016, Zahra DCJ of the District Court declined to stay the proceedings.</p> <p>On 24 November 2016, Sandra Lazarus and Michelle Lazarus filed a further joint summons in the Court of Appeal seeking judicial review of Zahra DCJ's decision of 19 August 2016. That appeal challenged the validity of the <i>Independent Commission Against Corruption (Validation) Act 2015</i>. The Court of Appeal dismissed the summons on 7 March 2017.</p> <p>On 20 June 2017, the appeal against conviction was dismissed.</p> <p>On 13 December 2017, sentence was confirmed but the non-parole period was varied to 13 months. The sentence is stayed by virtue of s 69C(2)(a) of the <i>Supreme Court Act 1970</i> due to separate civil proceedings brought by Sandra and Michelle Lazarus in July 2017 in the Court of Appeal seeking, among other things, the quashing of their convictions. That matter is listed for further directions on 25 July 2018.</p>

Michelle Lazarus	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 22 February 2013, the DPP advised there was sufficient evidence to prosecute Ms Lazarus for seven s 87 offences.
Status	<p>On 23 May 2014, Michelle Lazarus was convicted in the Local Court of seven s 87 ICAC Act offences. On 14 July 2014, she was sentenced to nine months imprisonment, wholly suspended. The same day, she filed a notice of appeal to the District Court against her conviction and sentence.</p> <p>On 23 February 2015, Michelle Lazarus commenced proceedings by summons in the Supreme Court seeking judicial review of the magistrate's decision. Garling J dismissed the summons on 21 August 2015, and Michelle Lazarus was ordered to pay the Crown's costs.</p> <p>Michelle Lazarus filed an application for leave to appeal against the decision of Garling J. The application was heard by the Court of Appeal on 14 March 2016. The application was refused, and Michelle Lazarus was ordered to pay the Crown's costs.</p> <p>Thereafter, Michelle Lazarus filed a number of notices of motion in the District Court seeking an order that the criminal proceedings against her be stayed (her sister Sandra Lazarus joined in these motions in relation to her own separate convictions). The motions were heard on 16 November 2015 and 24 June 2016. On 19 August 2016, Zahra DCJ declined to stay the proceedings.</p> <p>On 24 November 2016, Michelle Lazarus and Sandra Lazarus filed a further summons in the Court of Appeal seeking judicial review of Zahra DCJ's decision of 19 August 2016. That appeal challenged the validity of the <i>Independent Commission Against Corruption (Validation) Act 2015</i>. On 7 March 2017, the Court of Appeal dismissed the summons.</p> <p>On 19 July 2017, her appeals against conviction and sentence were dismissed for want of prosecution and her Local Court sentence was confirmed. The sentence is stayed by virtue of s 69C(2)(a) of the <i>Supreme Court Act 1970</i> due to separate civil proceedings brought by Sandra Lazarus and Michelle Lazarus in July 2017 in the Court of Appeal seeking, among other things, the quashing of their convictions. That matter is listed for further directions on 25 July 2018.</p>

Investigation into the conduct of officers of the Wagonga Local Aboriginal Land Council and others (Operation Petrie) (September 2012)

Ronald Medich	
Offences recommended for DPP consideration	Section 249F Crimes Act (aiding and abetting corrupt practices).
DPP advice	On 16 January 2013, briefs of evidence were sent to the DPP.
Status	Awaiting DPP advice.

Ron Mason	
Offences recommended for DPP consideration	Section 249B(1) Crimes Act (corruptly receiving a benefit) and the common law offence of misconduct in public office.
DPP advice	On 16 January 2013, briefs of evidence were sent to the DPP.
Status	Awaiting DPP advice.

Ken Foster	
Offences recommended for DPP consideration	Section 249B(1) Crimes Act (corruptly receiving a benefit) and the common law offence of misconduct in public office.
DPP advice	On 16 January 2013, briefs of evidence were sent to the DPP.
Status	Awaiting DPP advice.

Vanessa Mason	
Offences recommended for DPP consideration	Section 249B(1) Crimes Act (corruptly receiving a benefit) and the common law offence of misconduct in public office.
DPP advice	On 16 January 2013, briefs of evidence were sent to the DPP.
Status	Awaiting DPP advice.

Investigation into allegations that a manager at the University of Technology, Sydney (UTS) solicited and accepted money, gifts and other benefits from UTS contractors (Operation Stark) (March 2013)

Nabil Faysal	
Offences recommended for DPP consideration	Section 249B(1) Crimes Act (corruptly receiving a benefit).
DPP advice	On 24 September 2014, the DPP advised there was sufficient evidence to charge Mr Faysal with nine s 249B(1) offences and 11 s 178BB Crimes Act offences (obtain valuable thing by false or misleading statement).
Status	On 10 December 2014, upon his return to Australia from Qatar, Mr Faysal was charged with nine s 249B(1) Crimes Act offences and 11 s 178BB offences. On 16 June 2016, Mr Faysal was found guilty of all offences. On 14 September 2016, Mr Faysal was sentenced to 12 months imprisonment with a non-parole period of six months. He was also ordered to pay a pecuniary penalty to the state of NSW. He lodged an all grounds appeal. On 31 July 2017, Mr Faysal withdrew his appeal against conviction. On 31 October 2017, his appeal against severity was dismissed.

Investigation into the conduct of Ian Macdonald, Ronald Medich and others (Operation Jarilo) (July 2013)

Ian Macdonald	
Offences recommended for DPP consideration	Section 249B(1) Crimes Act (corruptly receiving a benefit) and the common law offence of misconduct in public office.
DPP advice	On 22 May 2018, the DPP advised there was insufficient evidence to prosecute.
Status	The Commission has accepted the advice of the DPP.

Ronald Medich	
Offences recommended for DPP consideration	Section 249B(2) Crimes Act (corruptly giving a benefit).
DPP advice	On 22 May 2018, the DPP advised there was insufficient evidence to prosecute.
Status	The Commission has accepted the advice of the DPP.

Investigation into the conduct of Moses Obeid, Eric Roozendaal and others (Operation Indus) (July 2013)

Moses Obeid	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 8 September 2016, the DPP advised that there was sufficient evidence to charge Moses Obeid with 16 s 87(1) ICAC Act offences.
Status	Hearing to commence on 3 September 2018.

Rocco Triulcio	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 8 September 2016, the DPP advised that there was sufficient evidence to charge Rocco Triulcio with 18 s 87(1) ICAC Act offences.
Status	Hearing to commence on 3 September 2018.

Investigation into the conduct of Ian Macdonald, Edward Obeid Senior, Moses Obeid and others (Operation Jasper) (July 2013)

Ian Macdonald	
Offences recommended for DPP consideration	Common law offence of conspiracy to defraud or commit misconduct in public office.
DPP advice	On 17 July 2015, the DPP advised that it filed a Court Attendance Notice for the common law offence of conspiracy to commit misconduct in public office.
Status	Trial to commence on 13 May 2019.

Edward Obeid Snr	
Offences recommended for DPP consideration	Criminal offences of conspiracy to defraud, or aiding and abetting or conspiracy to commit the offence of misconduct in public office.
DPP advice	On 17 July 2015, the DPP advised that it filed a Court Attendance Notice for the common law offence of conspiracy to commit misconduct in public office.
Status	Trial to commence on 13 May 2019.

Moses Obeid	
Offences recommended for DPP consideration	Criminal offences of conspiracy to defraud, or aiding and abetting or conspiracy to commit the offence of misconduct in public office.
DPP advice	On 17 July 2015, the DPP advised that it filed a Court Attendance Notice for the common law offence of conspiracy to commit misconduct in public office.
Status	Trial to commence on 13 May 2019.

Travers Duncan	
Offences recommended for DPP consideration	Section 192E Crimes Act (obtain financial advantage by deception) and s 184(1) <i>Corporations Act 2001</i> .
DPP advice	Briefs of evidence were sent to the DPP between 31 March and 10 July 2014.
Status	The Commission is awaiting the DPP's decision on whether to commence proceedings.

John McGuigan	
Offences recommended for DPP consideration	Section 192E Crimes Act (obtain financial advantage by deception) and s 184(1) <i>Corporations Act 2001</i> .
DPP advice	Briefs of evidence were sent to the DPP between 31 March and 10 July 2014.
Status	The Commission is awaiting the DPP's decision on whether to commence proceedings.

John Atkinson	
Offences recommended for DPP consideration	Section 192E Crimes Act (obtain financial advantage by deception) and s 184(1) <i>Corporations Act 2001</i> .
DPP advice	Briefs of evidence were sent to the DPP between 31 March and 10 July 2014.
Status	The Commission is awaiting the DPP's decision on whether to commence proceedings.

Richard Poole	
Offences recommended for DPP consideration	Section 192E Crimes Act (obtain financial advantage by deception).
DPP advice	Briefs of evidence were sent to the DPP between 31 March and 10 July 2014.
Status	The Commission is awaiting the DPP's decision on whether to commence proceedings.

John Kinghorn	
Offences recommended for DPP consideration	Section 184(1) <i>Corporations Act 2001</i> .
DPP advice	Briefs of evidence were sent to the DPP between 31 March and 10 July 2014.
Status	The Commission is awaiting the DPP's decision on whether to commence proceedings.

Investigation into the conduct of Ian Macdonald, John Maitland and others (Operation Acacia) (August 2013)

Ian Macdonald	
Offences recommended for DPP consideration	Common law offence of misconduct in public office.
DPP advice	On 5 November 2014, the DPP advised there was sufficient evidence to prosecute Mr Macdonald for two offences of misconduct in public office.
Status	<p>On 30 March 2017, following a trial in the Supreme Court of NSW before Adamson J, a jury returned verdicts of guilty in relation to both offences.</p> <p>On 2 June 2017, Adamson J in the Supreme Court of NSW sentenced Mr Macdonald to full-time imprisonment for a period of 10 years, commencing on 26 May 2017 and expiring on 25 May 2027, with a non-parole period of seven years, commencing 26 May 2017 and expiring 25 May 2024. The sentence imposed for each offence was eight and seven years respectively.</p> <p>On 28 June 2017, Mr Macdonald filed a notice of intention to appeal his conviction and sentence.</p>

John Maitland	
Offences recommended for DPP consideration	Section 178BB Crimes Act (obtain valuable thing by false or misleading statement), common law offence of accessory before the fact to misconduct in public office, offences under s 112(2) ICAC Act (contravening a non-publication direction), s 87(1) ICAC Act (false or misleading evidence), and s 184(1) <i>Corporations Act 2001</i> .
DPP advice	<p>On 2 September 2014, the DPP advised there was sufficient evidence to prosecute Mr Maitland for an s 87 ICAC Act offence.</p> <p>On 5 November 2014, the DPP advised there was sufficient evidence to prosecute Mr Maitland for two offences of accessory before the fact to misconduct in public office.</p> <p>On 17 July 2015, the DPP advised there was sufficient evidence to prosecute Mr Maitland for five s 178BB Crimes Act offences.</p>
Status	<p>On 21 December 2015, Mr Maitland was convicted of the s 87 offence. On 7 March 2016, he was placed on a good behaviour bond for two years and ordered to pay a fine of \$3,000. He appealed. On 13 October 2016, the District Court dismissed the appeal.</p> <p>On 30 March 2017, following a trial in the Supreme Court of NSW before Adamson J, a jury returned verdicts of guilty in relation to two offences of accessory before the fact to misconduct in public office.</p> <p>On 2 June 2017, Adamson J in the Supreme Court of NSW sentenced Mr Maitland to full-time imprisonment for a period of six years, commencing on 26 May 2017 and expiring on 25 May 2023, with a non-parole period of four years, commencing 26 May 2017 and expiring 25 May 2021. The sentence imposed for each offence was five and four years respectively.</p> <p>On 22 June 2017, Mr Maitland filed a notice of intention to appeal his conviction and sentence.</p> <p>The matters relating to the s 178BB charges were set down for trial in the District Court on 6 September 2017. On 25 September 2017, the District Court ordered a permanent stay of proceedings.</p>

Craig Ransley	
Offences recommended for DPP consideration	Section 178BB Crimes Act (obtain valuable thing by false or misleading statement) and s 184(1) <i>Corporations Act 2001</i> .
DPP advice	<p>On 17 July 2015, the DPP advised there was sufficient evidence to prosecute Mr Ransley for two s 178BB Crimes Act offences.</p> <p>On 14 December 2016, the DPP advised there was sufficient evidence to prosecute Mr Ransley for an s 87 ICAC Act offence (false or misleading evidence).</p> <p>On 27 February 2018, the DPP advised there was sufficient evidence to prosecute Mr Ransley for a second s 87 ICAC Act offence.</p>
Status	<p>On 27 November 2017, Mr Ransley was found not guilty of the s 178BB Crimes Act offences.</p> <p>On 20 March 2018, Mr Ransley was found not guilty of the first s 87 ICAC Act offence.</p> <p>On 5 March 2018, the DPP withdrew the second s 87 ICAC Act offence.</p>

Investigation into the conduct of the Hon Edward Obeid MLC and others concerning Circular Quay Retail Lease Policy (Operation Cyrus) (June 2014)

Edward Obeid Snr	
Offences recommended for DPP consideration	Common law offence of misconduct in public office.
DPP advice	On 19 November 2014, the DPP advised there was sufficient evidence to proceed with one offence of misconduct in public office.
Status	<p>On 19 March 2015, the DPP presented an ex officio indictment before the District Court. The DPP also sought and obtained the permission of the Chief Justice of the Supreme Court to have the matter removed to the NSW Supreme Court.</p> <p>On 28 June 2016, following a Supreme Court trial, the jury returned a verdict of guilty.</p> <p>On 15 December 2016, Mr Obeid was sentenced to imprisonment for a period of five years in total, with a non-parole period of three years.</p> <p>Mr Obeid lodged an appeal against his conviction and sentence. On 13 September 2017, the NSW Court of Criminal Appeal dismissed the appeal.</p> <p>On 11 October 2017, Mr Obeid filed an application for special leave to appeal to the High Court. On 23 March 2018, the application was dismissed by the High Court.</p>

Investigation into the conduct of certain City of Ryde councillors and others (Operation Cavill) (June 2014)

Ivan Petch	
Offences recommended for DPP consideration	Two common law offences of misconduct in public office, five s 87 ICAC Act offences (false or misleading evidence), one s 249K Crimes Act offence (making an unwarranted demand with menaces with the intention of influencing the exercise of a public duty), and s 96E <i>Election Funding, Expenditure and Disclosures Act 1981</i> ("the EFED Act") offences (accepting an indirect campaign contribution).
DPP advice	On 15 April 2015, the DPP advised there was sufficient evidence to proceed with one offence of misconduct in public office, six s 87 ICAC Act offences, two s 249K Crimes Act offences, two s 96E(2) EFED Act offences and two s 96H(2) EFED Act offences.
Status	<p>On 8 June 2017, Mr Petch was committed for trial on one s 249K Crimes Act offence. Six s 87 ICAC Act offences were also sent to the Sydney District Court.</p> <p>All matters for trial on 24 September 2018.</p>

Investigation into the conduct of a RailCorp manager and a Housing NSW employee (Operation Spector) (October 2014)

Joseph Camilleri	
Offences recommended for DPP consideration	Section 249B(1) Crimes Act (corruptly receiving a benefit).
DPP advice	On 2 February 2016, the DPP advised there was sufficient evidence to proceed with one offence of misconduct in public office.
Status	On 4 October 2016, Mr Camilleri was committed to the Sydney District Court. The matters were set down for trial on 3 October 2017. On that date, the DPP sought leave to withdraw the charges. The court granted leave.

Jessica Camilleri	
Offences recommended for DPP consideration	Section 351A Crimes Act (recruiting a person to carry out a criminal activity).
DPP advice	On 2 February 2016, the DPP advised there was sufficient evidence to proceed with three s 254(b)(ii) Crimes Act offences (using false document) and one common law offence of inciting a crime by inciting Joseph Camilleri to destroy documents that relate to the Commission's investigation in contravention of s 88(2)(a) ICAC Act.
Status	On 6 October 2017, Ms Camilleri pleaded guilty. For hearing on disputed facts in December 2018.

Investigation into allegations that an Ausgrid engineer corruptly solicited and accepted benefits from Ausgrid contractors and subcontractors (Operation Jarah) (June 2015)

Phillip Cresnar	
Offences recommended for DPP consideration	Section 249B Crimes Act (corrupt commissions or rewards), s 89(a) ICAC Act (attempt to procure the giving of false testimony), and s 87 ICAC Act (false or misleading evidence).
DPP advice	On 18 July 2017, the DPP advised there was sufficient evidence to proceed with six s 249B Crimes Act offences, one s 87 ICAC Act offence and one s 89 ICAC Act offence.
Status	On 22 May 2018, Mr Cresnar pleaded not guilty. For committal hearing on 8 August 2018.

Dennis Twomey	
Offences recommended for DPP consideration	Offences under s 249B Crimes Act (corrupt commissions or rewards) and s 114(1) ICAC Act (disclosing information about a Commission summons).
DPP advice	On 18 July 2017, the DPP advised there was sufficient evidence to proceed with one s 249B Crimes Act offence.
Status	On 23 May 2018, Mr Twomey pleaded guilty. For sentence 12 July 2018.

Eamon Burke	
Offences recommended for DPP consideration	Offences under s 249B(2) Crimes Act (corrupt commissions or rewards) and s 112 ICAC Act (disclosing information about attendance at a compulsory examination).
DPP advice	On 18 July 2017, the DPP advised there was sufficient evidence to proceed with one s 249B Crimes Act offence.
Status	On 29 May 2018, Mr Burke was sentenced to a 12-month intensive corrections order.

Patrick Miskelly	
Offences recommended for DPP consideration	Section 249B(2) Crimes Act (corrupt commissions or rewards).
DPP advice	On 18 July 2017, the DPP advised there was sufficient evidence to proceed with one s 249B Crimes Act offence.
Status	For committal on 8 August 2018.

John Madden	
Offences recommended for DPP consideration	Section 249B(2) Crimes Act (corrupt commissions or rewards).
DPP advice	On 18 July 2017, the DPP advised there was sufficient evidence to proceed with one s 249B Crimes Act offence.
Status	On 7 June 2018, Mr Madden pleaded guilty. Listed for 7 August 2018 for intensive correction order assessment.

Fergal McGann	
Offences recommended for DPP consideration	Section 249B(2) Crimes Act (corrupt commissions or rewards).
DPP advice	On 18 July 2017, the DPP advised there was sufficient evidence to proceed with one s 249B Crimes Act offence.
Status	On 7 June 2018, Mr McGann pleaded guilty. Listed for 7 August 2018 for intensive correction order assessment.

Investigation into the conduct of a university manager and others in relation to false invoicing (Operation Misto) (June 2015)

Brett Roberts	
Offences recommended for DPP consideration	Section 178BA Crimes Act (obtain money by deception), s 300 Crimes Act (using a false instrument), s 192E Crimes Act (fraud), s 344A Crimes Act (attempt), s 254 Crimes Act (using a false document), and s 87 ICAC Act (false or misleading evidence).
DPP advice	On 2 March 2017, the DPP advised there was sufficient evidence to proceed with four s 192E Crimes Act offences, four s 192G Crimes Act offences (making a false or misleading statement), one s 254 Crimes Act offence (use false document to influence the exercise of public duty) and three s 87 ICAC Act offences.
Status	On 17 August 2017, Mr Roberts pleaded guilty to two s 192E Crimes Act offences and two s 87 ICAC Act offences. For sentence on 25 July 2018.

Christopher Killalea	
Offences recommended for DPP consideration	Section 178BA Crimes Act (obtain money by deception), s 192E Crimes Act (fraud) and s 254 Crimes Act (using a false document).
DPP advice	On 2 March 2017, the DPP advised there was sufficient evidence to proceed with three s 192E Crimes Act offences and one s 254 Crimes Act offence.
Status	On 17 August 2017, Mr Killalea pleaded guilty to two s 192E Crimes Act offences. For sentence on 25 July 2018.

Investigation into the conduct of officers of the NSW Rural Fire Service and others (Operation Vika) (December 2015)

John Hacking	
Offences recommended for DPP consideration	Section 249B(1) Crimes Act (corrupt commissions), s 192E Crimes Act (fraud) and s 159 Crimes Act (larceny by a person in the public service).
DPP advice	On 7 June 2016, the DPP advised there was sufficient evidence to proceed with 14 s 249B(1) Crimes Act offences, two s 192G Crimes Act offences (dishonestly making statements), one s 249C(1) Crimes Act offence (misleading document), one s 193B(1) Crimes Act offence (dealing with proceeds of crime), three s 159 Crimes Act offences (larceny by a person in the public service) and two s 80(c) ICAC Act offences (making false statement).
Status	Mr Hacking pleaded guilty to 12 s 249B(1) Crimes Act offences and two s 159 Crimes Act offences. On 25 August 2017, he was sentenced to an aggregate term of two years imprisonment to be served by way of an intensive corrections order.

Scott Homsey	
Offences recommended for DPP consideration	Section 249B(2) Crimes Act (corrupt commissions or rewards), s 192E Crimes Act (fraud), s 87 ICAC Act (false evidence) and s 80(c) ICAC Act (make false statement).
DPP advice	On 21 December 2017, the DPP advised there was sufficient evidence to proceed with 12 s 249B(2) Crimes Act offences, three s 192G Crimes Act offences (making a misleading statement), one s 87 ICAC Act offence and three s 80(c) ICAC Act offences.
Status	For mention in July 2018.

Gay Homsey	
Offences recommended for DPP consideration	Section 249F(1) Crimes Act (aiding and abetting a corrupt commission) and s 87 ICAC Act (false or misleading evidence).
DPP advice	On 21 December 2017, the DPP advised there was sufficient evidence to proceed with four offences of being an accessory before the fact to an offence under s 249B(2) of the Crimes Act and one s 87 ICAC Act offence.
Status	For mention in July 2018.

Investigation into the conduct of a TAFE NSW ICT manager (Operation Sonet) (March 2016)

Ronald Cordoba	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud), s 80 ICAC Act (obstruction of Commission) and s 87 ICAC Act (false evidence).
DPP advice	On 7 June 2016, the DPP advised there was sufficient evidence to proceed with 51 s 192E Crimes Act offences, one s 80(c) ICAC Act offence and one s 87 ICAC Act offence.
Status	On 11 July 2017, Mr Cordoba pleaded guilty to two s 192E Crimes Act offences and one s 87 ICAC Act offence. Listed for sentence on 20 April 2018 but adjourned to 6 June 2018 to determine Mr Cordoba's application for plea reversal on one s 192E offence. Mr Cordoba failed to appear on 6 June 2018 and a warrant was therefore issued for his arrest.

Investigation into the conduct of a Mine Subsidence Board district manager (Operation Tunic) (March 2016)

Darren Bullock	
Offences recommended for DPP consideration	Offences under s 249B(1) Crimes Act (corrupt commissions), s 253 Crimes Act (forgery), s 254 Crimes Act (using false document), s 351A Crimes Act (recruiting person to engage in criminal activity) Crimes Act, s 87 ICAC Act (false evidence), s 88(2)(a) ICAC Act (destroy document) and s 89(a) ICAC Act (procure false evidence).
DPP advice	On 9 August 2016, briefs of evidence were provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Investigation into the conduct of a University of Sydney ICT manager (Operation Elgar) (May 2016)

Balu Moothedath	
Offences recommended for DPP consideration	Offences under s 87 ICAC Act (false evidence) and s 89 ICAC Act (attempt to procure false evidence).
DPP advice	On 3 February 2017, the DPP advised against charging until such time as certain witnesses become available.
Status	Matter on hold.

Investigation into NSW Liberal Party electoral funding for the 2011 state election campaign and other matters (Operation Spicer) (August 2016)

Samantha Brooks	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 5 December 2017, the DPP advised there was insufficient evidence to prosecute.
Status	The Commission has accepted the DPP's advice.

Andrew Cornwall	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 20 February 2017, a brief of evidence was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Timothy Gunasinghe	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 20 February 2017, a brief of evidence was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

William Saddington	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 20 February 2017, a brief of evidence was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Timothy Koelma	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 20 February 2017, a brief of evidence was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Christopher Hartcher	
Offences recommended for DPP consideration	Section 117 Crimes Act (larceny).
DPP advice	On 20 February 2017, a brief of evidence was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Joseph Tripodi	
Offences recommended for DPP consideration	Common law offence of misconduct in public office.
DPP advice	On 20 February 2017, a brief of evidence was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Investigation into the conduct of a senior officer of the NSW Department of Justice and others (Operation Yancey) (November 2016)

Anthony Andjic	
Offences recommended for DPP consideration	Section 192E(1) Crimes Act (fraud), s 192G Crimes Act (false or misleading statement), conspiracy to commit an offence under s 192G Crimes Act and s 87 ICAC Act.
DPP advice	On 21 April 2017, briefs of evidence were provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Shadi Chacra	
Offences recommended for DPP consideration	Section 192E Crimes Act (fraud), s 192G Crimes Act (false or misleading statement) and s 193B(2) Crimes Act (money laundering).
DPP advice	On 21 April 2017, briefs of evidence were provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Fayrouz Hammoud	
Offences recommended for DPP consideration	Section 192E Crimes Act (fraud), s 192G Crimes Act (false or misleading statement) and s 193B(2) Crimes Act (money laundering).
DPP advice	On 21 April 2017, briefs of evidence were provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Fatima Hammoud	
Offences recommended for DPP consideration	Section 193C(2) Crimes Act (dealing with property suspected of being proceeds of crime), conspiracy to commit an offence under s 192G Crimes Act (false or misleading statement), and s 87 ICAC Act (false or misleading evidence).
DPP advice	On 21 April 2017, briefs of evidence were provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Hakime Hammoud	
Offences recommended for DPP consideration	Section 87 ICAC Act (false evidence).
DPP advice	On 21 April 2017, a brief of evidence was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Investigation into the conduct of a Casino Boolangle Local Aboriginal Land Council CEO and administrative officer (Operation Nestor) (February 2017)

Linda Stewart	
Offences recommended for DPP consideration	Section 192E Crimes Act (fraud) or, in the alternative, s 156 Crimes Act (larceny by a clerk of servant).
DPP advice	On 7 December 2017, the DPP advised there was sufficient evidence to proceed with 21 s 192E Crimes Act offences, 12 s 253 Crimes Act offences (forgery) and 11 s 192G Crimes Act offences (making a false statement).
Status	On 20 February 2018, Ms Stewart was served with court attendance notices for the offences recommended by the DPP. Proceedings to be discontinued due to Ms Stewart's death.

Veronica Skinner	
Offences recommended for DPP consideration	Section 192E Crimes Act (fraud) or, in the alternative, s 156 Crimes Act (larceny by a clerk of servant).
DPP advice	On 7 December 2018, the DPP advised there was sufficient evidence to prosecute Ms Skinner for two s 192E Crimes Act offences and two s 253 Crimes Act offences.
Status	The Commission is attempting to locate Ms Skinner to serve court attendance notices.

Investigation into the conduct of a Regional Illegal Dumping Squad officer and others (Operation Scania) (June 2017)

Craig Izzard	
Offences recommended for DPP consideration	Offences under s 249B(1) Crimes Act (corrupt commissions or rewards) and the common law offence of misconduct in public office.
DPP advice	On 8 September 2017, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Nosir Kabite	
Offences recommended for DPP consideration	Offences under s 249B(1) Crimes Act (corrupt commissions or rewards) and aiding and abetting the common law offence of misconduct in public office.
DPP advice	On 8 September 2017, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Ibrahim Beydoun	
Offences recommended for DPP consideration	An offence under s 249B(2) Crimes Act (corrupt commissions or rewards).
DPP advice	On 8 September 2017, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Investigation into the conduct of the former City of Botany Bay Council chief financial officer and others (Operation Ricco) (July 2017)

Gary Goodman	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud), s 178BB Crimes Act (obtain valuable thing by false or misleading statement) and s 249B Crimes Act (corrupt commissions or rewards).
Status	Mr Goodman died on 21 November 2017 and therefore no brief was sent to the DPP.

Keith Mark	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud).
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Aleksa Subeski	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud).
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Zoran Gajic	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud) and s 249B(2) Crimes Act (corrupt commissions or rewards).
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Sam Alexander	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud) and s 87 ICAC Act (false evidence).
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Marny Baccam	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud) and s 87 ICAC Act (false evidence).
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Malcolm Foo	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud), s 249B(2) Crimes Act (corrupt commissions or rewards) and s 87 ICAC Act (false evidence).
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Siddik Hussein	
Offences recommended for DPP consideration	Offences under s 192E Crimes Act (fraud).
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Suman Mishra	
Offences recommended for DPP consideration	Offence under s 87 ICAC Act (false evidence).
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Lorraine Cullinane	
Offences recommended for DPP consideration	Common law offence of misconduct in public office.
DPP advice	On 16 March 2018, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Investigation into the conduct of a former NSW Department of Justice officer and others (Operation Artek) (August 2017)

Leslie Reynolds	
Offences recommended for DPP consideration	Offences under s 249B(1) Crimes Act (corrupt commissions or rewards) or common law offence of misconduct in public office and s 87 ICAC Act (false evidence).
DPP advice	On 23 August 2017, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Khader Ghamrawi	
Offences recommended for DPP consideration	Offences under s 249B(1) Crimes Act (corrupt commissions or rewards) or aiding and abetting the common law offence of misconduct in public office.
DPP advice	On 23 August 2017, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Samantha Boyle	
Offences recommended for DPP consideration	Offences of being an accessory after the fact to an offence under s 249B(1) of the Crimes Act (corrupt commissions or rewards) and an offence under s 87 ICAC Act (false evidence).
DPP advice	On 23 August 2017, brief was provided to the DPP.
Status	The Commission is awaiting the DPP's advice.

Investigation into dealings between Australian Water Holdings Pty Ltd and Sydney Water Corporation and related matters (Operation Credo) (August 2017)

Gilbert Brown	
Offences recommended for DPP consideration	Common law offence of misconduct in public office.
DPP advice	On 12 January 2018, brief was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Anthony Kelly	
Offences recommended for DPP consideration	Common law offence of misconduct in public office.
DPP advice	On 12 January 2018, brief was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Edward Obeid Snr	
Offences recommended for DPP consideration	Common law offence of misconduct in public office.
DPP advice	On 12 January 2018, brief was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Joseph Tripodi	
Offences recommended for DPP consideration	Common law offence of misconduct in public office.
DPP advice	On 12 January 2018, brief was provided to the DPP.
Status	The Commission is attending to DPP requisitions.

Table 37: Progress of disciplinary matters in 2017–18

There were no matters in 2017–18 in relation to which the Commission was of the opinion that consideration should be given to the taking of action against any person for a specified disciplinary offence pursuant to s 74A(2)(b) of the ICAC Act, or the taking of action against any person as a public official on specified grounds, with a view to dismissing, dispensing with the services of, or otherwise terminating the services of the public official pursuant to s 74A(2)(c) of the ICAC Act.

Appendix 8: Report on the ICAC's obligations under the *Government Information (Public Access) Act 2009*

Section 125 of the *Government Information (Public Access) Act 2009* ("the GIPA Act") requires an agency to prepare an annual report on the agency's obligations under the GIPA Act. The Government Information (Public Access) Regulation 2009 sets out what must be included in the report. This appendix contains the information required to be reported by the ICAC.

Section 7(3) of the GIPA Act provides that an agency must, at intervals of not more than 12 months, review its program for the release of government information to identify the kinds of government information held

by the agency that should, in the public interest, be made publicly available and that can be made publicly available without imposing unreasonable additional costs on the agency. During the reporting period, the Commission conducted one such review.

The Commission also reviewed its information guide.

The Commission received three valid access applications during the reporting period.

Tables 38–45 provide statistical information about access applications – clause 7(d) and Schedule 2.

Table 38: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	3	1	0	0	0	0

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table 39.

Table 39: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	3	1	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

* A "personal information application" is an access application for personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

Table 40: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (s 41 of the GIPA Act)	0
Application is for excluded information of the agency (s 43 of the GIPA Act)	3
Application contravenes restraint order (s 110 of the GIPA Act)	0
Total number of invalid applications received	3
Invalid applications that subsequently became valid applications	0

Table 41: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the GIPA Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table 42.

Table 42: Other public interest considerations against disclosure: matters listed in table to s 14 of the GIPA Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table 43: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	3
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	3

Table 44: Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under s 93 of GIPA Act	0	0	0
Review by ADT/NCAT	0	0	0
Total	0	0	0

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table 45: Applications for review under Part 5 of the GIPA Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see s 54 of the GIPA Act)	0

Appendix 9 – Chief executive officer and executive officers

During the reporting period, the Hon Reginald Blanch AM QC was appointed Acting Commissioner from 1 December 2016 until 4 August 2017.

Mr Blanch's conditions of employment were outlined in his instrument of appointment, and his salary was paid in line with the determination provided by the Statutory and Other Offices Remuneration Tribunal (SOORT) for puisne judges.

The Hon Peter Hall QC was appointed to the newly created position of Chief Commissioner, commencing on 7 August 2017.

The Chief Commissioner's salary is calculated at 160% of the remuneration of a NSW Supreme Court puisne judge. The total annual remuneration package for Mr Hall is \$724,784.

There were also two newly created positions of part-time Commissioners during the reporting period. Patricia McDonald SC and Stephen Rushton SC were appointed as Commissioners, commencing on 7 August 2018.

The remuneration paid to the Commissioners is the Attorney's rates for Senior Counsel, which is subject to an annual cap of \$353,552. A request to increase this cap for Commissioner McDonald was approved by the Premier to address unforeseen operational requirements during 2017–18.

Executive management

In 2017–18, the Commission's Executive Management Team consisted of:

- the Hon Reginald Blanch AM QC, Commissioner (until 4 August 2017), BA/LLB (University of NSW)
- the Hon Peter Hall QC, Chief Commissioner (commencing 7 August 2017), BA/LLM (University of Sydney)
- Patricia McDonald SC, Commissioner (commencing 7 August 2017), BEc (Hons) LLB (Hons) (University of Sydney), BCL (Hons) (Oxford University)
- Stephen Rushton SC, Commissioner (commencing 7 August 2017), BA/LLB (University of Sydney)
- John Hoitink, Executive Director, Investigation, Executive Masters of Public Administration MPA (University of Sydney)
- Andrew Koureas, Executive Director, Corporate Services, BCom, MCom (University of NSW), LLB (University of Technology, Sydney), FCPA
- Lewis Rangott, Executive Director, Corruption Prevention BEc (University of NSW), MCom (University of Sydney)
- Roy Waldon, Executive Director, Legal and Solicitor to the Commission, LLB Hons (University of Tasmania).

The percentage of total employee-related expenditure in the reporting period that relates to senior executives compared with the percentage at the end of the previous year was 11.62% in June 2017 and 13.6% in June 2018.

Table 46: Band and gender of senior executives

Band	2017–18		2016–17	
	Male	Female	Male	Female
Chief Commissioner	1	0	0	0
Commissioner	1	1	1	0
Band 4	0	0	0	0
Band 3	0	0	0	0
Band 2	0	0	0	0
Band 1	4	0	3	1
Totals	6	1	4	1

Table 47: Remuneration of senior executives

Band level	Range (\$)	Average Remuneration	
		2017–18 (\$)	2016–17 (\$)
Chief Commissioner	\$724,784	\$724,784	\$0
Commissioner	\$353,552	\$353,552	\$707,104
Band 4	\$463,551–\$535,550	\$0	\$0
Band 3	\$328,901–\$463,550	\$0	\$0
Band 2	\$261,451–\$328,900	\$0	\$0
Band 1	\$183,300–\$261,450	\$235,813	\$233,162

Note: Commission executive staff employed at the equivalent of the Senior Executive Band level.

Table 48: Number of female executive staff at 30 June 2018 compared to previous years

Year	Number
2017–18	1
2016–17	1
2015–16	2
2014–15	3

Appendix 10 – Workforce diversity

The Commission recognises that a diverse workforce will add value to its effective service delivery and is committed to ensuring workforce diversity is integrated into the Commission's strategic workforce planning. A workplace built on diverse people drives creativity and innovation.

The Commission endeavours to diversify its workforce and initiate inclusive work practices. It provides flexible work arrangements for its employees and promotes this availability through its recruitment campaigns.

The Commission continues to identify ways to streamline recruitment processes and provide its employees with opportunities for mobility, career development and learning and skills development.

Key objectives of the Commission's *Strategic Plan 2017–2021* are to:

- continue to develop as a learning organisation that embraces a culture of continuous improvement, excellence and sharing of knowledge
- provide a safe, equitable, productive and satisfying workplace
- be a lead agency in our governance and corporate infrastructure
- monitor our performance to ensure work quality and effective resource management.

Workforce diversity achievements in 2017–18 were as follows:

- inclusion of workforce diversity as part of everyday Commission business
- wider use of recruitment sites and social media to attract a larger pool of applicants
- promotion of a flexible work environment to potential applicants
- dedicated recruitment campaign to attract female applicants
- provision of flexible work practices to support staff
- promotion of major events, such as the National Aborigines and Islanders Day Observance Committee (NAIDOC) and International Day of People with a Disability

- equitable practices for training and development opportunities.

Key workforce diversity strategies proposed for 2018–19 are to:

- include workforce diversity as part of everyday Commission business
- review the Commission's workforce diversity data against government benchmarks
- promote workplace inclusion as the responsibility of all staff
- provide support to staff through flexible work practices
- promote major cultural and diversity events
- identify and provide relevant training to management and staff.

Disability Inclusion Action Plan

The Commission supports employees living with a disability as well as those with whom the Commission engages in the broader community. The Disability Inclusion Action Plan sets out the actions the Commission is taking, and will take, to support people living with a disability and aims to improve the delivery of accessible and inclusive services, facilities and employment.

During 2017–18, the following actions were undertaken:

- provision of an accessible and inclusive environment to staff and visitors on Commission premises
- regular ergonomic assessments and adjustments for employees
- provision of a 24/7 Employee Assistance Service to support mental health issues for employees
- actions to ensure compliance with relevant access and inclusion standards relating to upgrades to Commission premises
- wider use of recruitment sites and social media to attract a larger pool of applicants
- provision of flexible work practices to staff
- needs of people living with a disability addressed during the provision of external services provided to the broader community
- allocation of financial and people resources to implement the strategies and actions identified in the Disability Inclusion Action Plan.

Multicultural Policies and Services Program

The Commission is committed to equitable access to Commission services and programs. The Commission's Multicultural Policies and Services Program (MPSP) is the mechanism for how the Commission is planning effectively for people of culturally and linguistically diverse backgrounds. Information brochures on what the Commission does and how to report corruption are available in 13 community languages.

The following initiatives were undertaken in 2017–18:

- review and update of the Commission's bilingual skills directory
- promotion of multilingual resources through the Commission's website and information brochures
- promotion of the days of religious significance for 2018, as advised by Multicultural NSW
- use of interpreter services to assist clients from non-English-speaking backgrounds when needed (during the reporting period, the Commission used external interpreting services 11 times in the languages of Arabic, Slovakian, Italian and Chinese).

The following initiatives will be undertaken in 2018–19:

- review and implementation of MPSP actions
- review of the Commission's bilingual skills directory
- promotion of the Community Language Allowance Scheme (CLAS) to encourage staff nominations
- use of external interpreter services to assist clients from non-English-speaking backgrounds when needed
- promotion of days of religious significance for 2018–19.

Table 49: Workplace diversity in 2017–18

Remuneration level of substantive position	Total staff (men, women & unspecified)*	Respondents*	Men*	Women*	Unspecified gender*	Aboriginal & Torres Strait Islanders*	People from racial, ethnic, ethno-religious minority groups*	People whose language first spoken as a child was not English*	People with a disability*	People with a disability requiring work-related adjustment*
\$0 – \$46,945	0	0	0	0	0	0	0	0	0	0
\$46,945 – \$61,658	0	0	0	0	0	0	0	0	0	0
\$61,658 – \$68,929	4	4	1	3	0	1	1	0	0	0
\$68,929 – \$87,225	17	17	4	13	0	0	5	4	1	0
\$87,225 – \$112,797	30	28	10	20	0	0	9	6	4	2
\$112,797 – \$140,996	42	39	27	15	0	0	10	7	5	2
\$140,996 > (non-SES)	19	19	8	11	0	0	2	2	0	0
\$140,996 > (SES)	7	6	6	1	0	0	1	1	0	0
Total	119	113	56	63	0	1	28	20	10	4

* Please note that this table also includes one casual employee who is not counted in the Workforce Profile Report.

Appendix 11 – Work health and safety

A key objective of the Commission's *Strategic Plan 2017–2021* is to provide a safe, equitable, productive and satisfying workplace. The Commission is committed to protecting the health and safety of its staff and other people on its premises by eliminating or minimising risks arising from work or workplaces.

Work health and safety (WHS) principles are incorporated into all facets of business planning and operational activities.

In 2017–18, the Commission implemented the following initiatives:

- review and update of the Health and Safety Committee Charter
- the provision of a flu vaccine program for all interested staff
- appointment of a new first aid officer and fire warden
- review of defibrillators by St John Ambulance Service
- use of an accredited occupational therapist to undertake ergonomic workplace assessments for staff and the provision of special equipment as recommended
- provision of training to identified staff in relation to the WHS portal, first aid and CPR, and anti-bullying and anti-harassment
- safety testing and tagging of electrical equipment
- modifications to workstations to allow for sit-stand desks in order to lower the health risks associated with sitting for long periods
- conduct of an emergency evacuation exercise.

In 2017–18, the Commission's Health and Safety Committee comprised:

- John Biady, Corruption Prevention Division
- Kay Casserly, Corporate Services Division
- Andrew Koureas, Corporate Services Division
- Cath O'Brien, Corporate Services Division
- Michael Riashi, Investigation Division
- Georgina Ross, Legal Division
- Margaret Sutherland, Corruption Prevention Division

- Cathy Walsh, Corporate Services Division
- Stephen Wood, Corruption Prevention Division.

Table 50: WHS incidents, injuries and claims in 2017–18

Body stress	nil
Fall, slip, trip	3
Heat/electricity	nil
Journey	1
Other/unspecified	2
Total	6
Number of workers compensation claims (provisional liability)	2

* There has been no change in the number of workers compensation claims between 2016–17 and 2017–18.

Appendix 12 – Engagement and use of consultants

Table 51: Engagement and use of consultants

Consultancies equal to or more than \$50,000
Nil
Consultancies less than \$50,000
Information, communications and technology – one engagement costing \$18,000

Appendix 13 – Payment performance indicators

Table 52: Aged analysis at end of each quarter 2017–18

Quarter	Current (i.e within due date) (\$'000)	Less than 30 days overdue (\$'000)	Between 30 and 60 days overdue (\$'000)	Between 60 and 90 days overdue (\$'000)	More than 90 days overdue (\$'000)
All suppliers					
September	2,383	2	21	0	0
December	1,529	3	0	0	0
March	1,276	3	0	0	0
June	2,311	135	0	0	0
Small business suppliers					
September	16	0	0	0	0
December	26	0	0	0	0
March	23	0	0	0	0
June	68	0	0	0	0

Table 53: Accounts due or paid within each quarter

Measure	September	December	March	June
All suppliers				
Number of accounts due for payment	483	303	345	508
Number of accounts paid on time	478	299	344	467
Actual percentage of accounts due for payment	98.96%	98.68%	99.71%	91.93%
Dollar amount of accounts due for payment	2,406,697	1,532,032	1,278,767	2,445,883
Dollar amount of accounts paid on time	2,383,344	1,529,485	1,276,189	2,311,316
Actual percentage of accounts paid on time (based on \$)	99.03%	99.83%	99.80%	94.50%
Number of payments for interest on overdue accounts	–	–	–	–
Interest paid on overdue accounts	–	–	–	–
Small business suppliers				
Number of accounts due for payment	14	19	24	43
Number of accounts paid on time	14	19	23	43
Actual percentage of accounts due for payment	100%	100%	96%	100%
Dollar amount of accounts due for payment	16,109	26,093	22,740	68,430
Dollar amount of accounts paid on time	16,109	26,093	22,740	68,430
Actual percentage of accounts paid on time (based on \$)	100%	100%	100%	100%
Number of payments for interest on overdue accounts	–	–	–	–
Interest paid on overdue accounts	–	–	–	–

The Commission did not make any interest payments for late payment of accounts. Where there were delays in the payment of accounts, the reasons can be attributed to inaccuracies/incompleteness of the original invoices and/or minor disputes requiring the adjustment of invoice details prior to eventual payment.

All small business accounts were paid on time during the current reporting period.

Appendix 14 – Credit card certification

The Chief Commissioner certifies that credit card usage in the Commission has met best practice guidelines in accordance with the Premier's Memoranda and Treasury Directions.

Appendix 15 – Overseas travel

Table 54: Overseas travel in 2017–18

Name of officer	Date of travel	Destination	Purpose	Amount incurred by the ICAC	Amount incurred by other sources
John Hoitink	25/11/17 – 2/12/17	New Zealand	Completion of Executive Master of Public Administration: work-based project	\$588.29	Scholarship awarded by the Department of Premier and Cabinet.

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