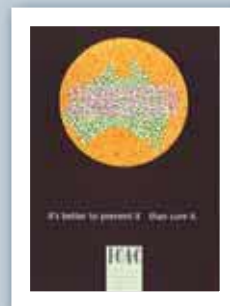


Independent Commission Against Corruption Annual Report 2007–2008



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This report was produced in print and electronic formats for a total cost of \$22,601 (including GST). 800 copies of the report were printed and the report is also available on the ICAC website www.icac.nsw.gov.au.

Our cover: As the ICAC moves towards its 20th anniversary, we highlight posters designed by TAFE students for the ICAC “Corruption Matters Student Perspective 1996” poster competition.

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The Hon Peter Primrose MLC
President
Legislative Council
Parliament House
Sydney NSW 2000

The Hon Richard Torbay MP
Speaker
Legislative Assembly
Parliament House
Sydney NSW 2000

Mr President
Mr Speaker

Under section 76 of the *Independent Commission Against Corruption Act 1988*, I am pleased to forward to each of you the ICAC Annual Report for the year ended 30 June 2008 for presentation to Parliament. The report has been furnished in accordance with the *Independent Commission Against Corruption Act 1988* and the *Annual Reports (Departments) Act 1985*.

Pursuant to section 78(2) of the ICAC Act, I recommend 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.

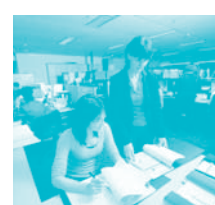
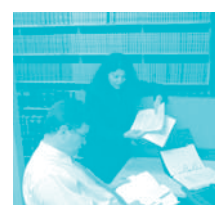
A handwritten signature in black ink, appearing to read 'Jerrold Cripps', is positioned above the name of the Commissioner.

The Hon Jerrold Cripps QC
Commissioner

30 October 2008
Sydney

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“

The ICAC continues to be a real force in fighting and preventing corruption in NSW

”

Foreword





THE ICAC is approaching an important milestone as it prepares to celebrate two decades of corruption fighting and corruption prevention in NSW in March 2009.

In the past 20 years, the Commission has faced many obstacles and challenges but has generally overcome them to achieve its goals. This year has been no exception in terms of meeting community expectations and carrying out our education and research work as Australia's oldest anti-corruption organisation.

There are several results this year that show that the ICAC continues to be a real force in fighting and preventing corruption in this State.

The public and the public sector continue to show faith in the Commission by bringing allegations about corruption to our attention. In fact, this year the Commission received 2,702 matters, a 26% increase on the previous year.

We held substantially more public inquiries than in the previous year, but still managed to complete most of our reports within three months of the receipt of final submissions in those inquiries.

Corrupt conduct findings were made against 51 people, compared to 17 in the previous year, and the Commission referred 23 people to the Director of Public Prosecutions for consideration of prosecution proceedings, a 44% increase.

In addition to its investigative and corruption exposure functions, the Commission continued to fulfil its equally important role of providing education and advice to help state and local government agencies in NSW to minimise corrupt conduct.

A major highlight of our corruption prevention work in 2007–08 was hosting the inaugural Australian Public Sector Anti-Corruption Conference, which was held in Sydney during October 2007.

With the two other leading anti-corruption agencies in Australia, the Queensland Crime and Misconduct Commission and the Western Australian Corruption and Crime Commission, the ICAC brought together 34 national and international experts to deliver cutting-edge information about anti-corruption work to more than 500 delegates. The conference was successful

both financially and in education and training outcomes, with 94% of survey respondents reporting increased knowledge about anti-corruption issues.

During 2007–08, the Commission delivered 57 corruption prevention training sessions, 46% more than in the previous year, and continued our regional outreach program with visits to the Hunter and the Riverina areas.

We responded to 236 corruption prevention advice requests, published six corruption prevention and research publications and included 57 corruption prevention recommendations in investigation reports.

Our community has high expectations of the ways agencies and individuals charged to serve it treat their duties, and people today expect greater accountability and integrity than ever before.

The ICAC cooperates fully with its oversight bodies, including the Parliamentary Committee on the ICAC, the Inspector of the ICAC and the NSW Ombudsman who inspects the Commission's telephone intercept and controlled operation records. All audits undertaken by external oversight agencies this year have found that the Commission complied fully with legislative requirements, and the Inspector of the ICAC has made no findings of misconduct or maladministration.

All in all, it has been a busy and productive year, and I commend our staff for their commitment and hard work.

We will be officially marking the ICAC's 20 years of service to NSW next year, but I would like to take this opportunity to thank all of those people and agencies, past and present, whose contribution has helped the Commission to develop and become the world-renowned corruption fighting organisation that I believe it to be today.

The ICAC looks forward to continuing its work in the future, keeping up the fight against corruption and educating the public sector in ways to prevent corruption.

Yours faithfully

The Hon Jerrold Cripps QC
Commissioner





The ICAC's Receptionist, Rachel Carroll,
and Special Constable Tim Dunne

CHAPTER 1

Overview

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OUR CHARTER

The Independent Commission Against Corruption was established as an independent and accountable body by the *Independent Commission Against Corruption Act 1988* in response to growing community concern about the integrity of public administration in NSW. The principal objectives of the ICAC are:

Investigating, exposing and preventing corruption

Educating public authorities, public officials and members of the public about corruption and its detrimental effects

WHAT WE DO

The Commission's aims are to protect the public interest, prevent breaches of public trust and guide the conduct of public officials.

The ICAC receives and analyses complaints from members of the public and public officials, and reports made by the principal officers of public sector organisations. The Commission also conducts research to identify specific areas of corruption risk.

The Commission has extensive powers of investigation and may conduct hearings to obtain evidence of corruption.

It works to minimise corruption by providing advice, information, resources and training to public sector organisations to remedy existing or potential corruption problems, and helps organisations to identify and deal with significant corruption risks.

The ICAC is a public authority, but operates independently of the government of the day. It is accountable to the people of NSW through the State Parliament.

KEY RESULT AREAS

The ICAC Strategic Plan 2006–10 sets out four key result areas for 2007–08:

- Exposing corruption
- Preventing corruption
- Accountability
- Our organisation.

In 2007–08 each division developed and worked to an individual annual operational plan aligned with the ICAC Strategic Plan. Each division reported quarterly to the Executive Management Group against its operational plan.

For each key result area, the following sections specify the objectives that apply for each division or section of the Commission, along with the key quantitative results for workload, work activity and performance. More information on the descriptive and quantitative results for each key result area is provided in the chapters on each area that follow.

Exposing corruption

ONE of the ICAC's functions is to investigate and publicly expose corrupt conduct. This function is achieved mainly through the work of the Assessments Section and the Investigation and Legal Divisions.

The ICAC Act gives the Commission broad jurisdiction to investigate any allegation or circumstance which, in its opinion, implies that corrupt conduct has occurred. The ICAC can also investigate conduct likely to allow, encourage or cause corrupt conduct.

The Commission's specific objectives in relation to exposing corruption are to:

- detect and investigate corrupt conduct
- identify corruption prevention issues through investigations
- ensure a best practice approach for all investigations
- enhance complaint handling processes
- develop strategic alliances to optimise investigative outcomes.

A detailed description of Commission activities and results relating to this key result area is contained 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 2007–08.

HIGHLIGHTS

In 2007–08, we:

- reduced our finalisation times by 10%, despite a 26% increase in the number of matters received for assessment
- doubled the number of matters referred to public sector agencies to investigate and report back to the Commission under

section 53 of the ICAC Act, in line with our focus on getting agencies to take greater responsibility for their own corruption issues

- conducted 11 public inquiries (including eight segments in relation to the corruption investigation into RailCorp) over 51 days, compared to four public inquiries over 24 days in the previous year, and 70 compulsory examinations, compared to 49 in the previous year
- made findings of corrupt conduct against 51 people, an increase from 17 in the previous year
- referred 23 people to the Director of Public Prosecutions for consideration of prosecution proceedings, which is a 44% increase on the previous year
- published seven investigation reports.

THE YEAR AHEAD

In 2008–09, we will:

- ensure that investigative activities are flexible enough to meet the challenges of substantial increases in use of statutory powers that occur when public inquiries are held
- monitor trends and issues in the public sector with a view to developing proactive approaches to investigations
- focus on identifying appropriate matters for referral to the NSW Crime Commission for consideration of action to seize illegally obtained assets and proceeds of crime
- ensure that investigative efficiency is enhanced by actively participating in the major project to develop the Commission's new 'case management' tool 'MOCCA' (Management of Cases, Complaints and Assessments).

Table 1: Key quantitative results for corruption exposure activities

Measure	Target 2008–09*	2007–08	2006–07	2005–06
Matters received	n/a	2,702	2,149	2,191
Average time taken to deal with matters (days)	80	87	97	45
Preliminary investigations commenced	n/a	78	66	48
Investigations commenced	n/a	12	12	15
Investigations finalised in six months	n/a	38	53	24
Percentage of investigations completed within 12 months	>90%	90%	92%	82%
Number of public inquiries	n/a	11	4	4
Number of public inquiry days	n/a	51	24	27
Number of compulsory examinations	n/a	70	49	32
Number of persons subject to corrupt conduct findings	n/a	51	17	61
Number of investigation reports to Parliament	n/a	7	5	7
Percentage of investigation reports completed within three months of completion of public inquiry	80%	71%	25%	30%
Number of persons subject to prosecution arising from investigations	n/a	6	7	15
Number of persons subject to disciplinary actions commenced arising from investigations	n/a	2	3	0

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

Preventing corruption

THE ICAC Act requires the Commission to actively examine policy and operating and management procedures in the public sector to minimise or eliminate opportunities for corrupt behaviour.

The Commission's specific objectives in relation to preventing corruption are to:

- provide a range of targeted strategies to develop the public sector's capacity to resist and appropriately respond to corruption
- provide guidance and advice to the NSW public sector on issues that may lead to corrupt conduct if unchecked
- promote community awareness and confidence in reporting corruption.

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 result area in 2007–08.

HIGHLIGHTS

In 2007–08, we:

- provided corruption prevention information to more than 500 delegates at the inaugural Australian Public Sector Anti-Corruption Conference (APSACC)
- made a significant contribution to planning governance in NSW through 24 recommendations in our report on *Corruption risks in NSW development approval processes*

- made 57 corruption prevention recommendations arising from public inquiries
- continued to take the ICAC's message to regional NSW through outreach visits and presentations in the Riverina and Hunter areas.

THE YEAR AHEAD

In 2008–09, we will:

- trial a proactive approach to corruption prevention that focuses on high-risk functions such as contracts and procurement and development approvals by local governments in high-risk areas such as coastal and tourist regions
- continue to work with the Crime and Misconduct Commission (Qld) and the Corruption and Crime Commission (WA) to make the next Australian Public Sector Anti-Corruption Conference in Brisbane in 2009 as successful as the inaugural conference in Sydney
- continue to educate the public sector and the public generally about the ICAC's role and functions through regional outreach programs, publications and training and education sessions.

Table 2: Key quantitative results for corruption prevention and education activities

Measure	Target 2008–09*	2007–08	2006–07	2005–06
Telephone/email requests for corruption prevention advice	n/a	211	244	246
Written requests for corruption prevention advice	n/a	25	32	28
Corruption prevention advice relating to complaints and reports of corrupt conduct	n/a	44	49	50
Rural and Regional Outreach visits	2	2	2	2
Training sessions delivered	40	58	39	61
Corruption prevention recommendations in investigation reports published in the period	n/a	57	113	78
Percentage of corruption prevention recommendations addressed by agencies, as at 30 June 2008	80%	76%	91%	85%
Percentage of public inquiries that resulted in the making of corruption prevention recommendations	90%	80%	85%	-
Number of website visitors	n/a	135,449	97,430	77,706
Number of external visitor sessions to the ICAC website	n/a	568,170	478,821	404,013
Number of editions of <i>Corruption Matters</i> newspaper published	2	2	2	2
Number of advice tip sheets	n/a	4	4	1
Number of prevention or research reports published	3	2	6	7

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

Accountability

THE ICAC Act confers significant powers and discretion on the Commissioner and staff. Given these extensive powers it is important that there is a comprehensive accountability framework in place to ensure the ICAC's powers are not abused and that it meets its legislative responsibilities.

The Commission's specific objectives in relation to accountability are to:

- provide timely, accurate and relevant reporting to the Inspector of the ICAC and the Parliamentary Committee on the ICAC
- ensure all business activities and standards comply with regulatory and standards requirements
- report publicly about the work of the Commission.

HIGHLIGHTS

In 2007–08, we:

- ensured that responses to questions on notice from the Parliamentary Committee on the ICAC and requests for reports or information from the ICAC Inspector were provided in a timely, accurate and relevant way
- reviewed all requests for the use of statutory powers to ensure that they complied with legislative and internal requirements despite, in some cases, a 40% increase in their use

- developed and provided training on all relevant legislative changes, including new surveillance device legislation
- used in-house lawyers to act as counsel assisting in 60 of the 70 compulsory examinations conducted
- complied with all relevant legislative requirements, according to independent audits by the NSW Ombudsman and by the ICAC Inspector.

THE YEAR AHEAD

In 2008–09, we will:

- continue to minimise legal costs by ensuring that in-house lawyers act as counsel assisting in as many compulsory examinations as possible
- develop and deliver training to ensure our staff are aware of any new legislative changes, as well as existing requirements, when exercising statutory powers
- respond to requests for information or assistance by the Parliamentary Committee on the ICAC or the ICAC Inspector in a timely, accurate and relevant way.

Table 3: Key quantitative results for accountability activities

Measure*	2007–08	2006–07	2005–06
Parliamentary Committee on the ICAC meetings	1	1	0
NSW Ombudsman inspection of telephone intercept and controlled operations records	2	3	4
Number of reports provided to the Inspector of the ICAC	15	11	–
Number of audits conducted by the Inspector of the ICAC	1	2	–
Number of assumed identity audits	1	1	1

* Because these measures reflect work or activity beyond the control of the ICAC, targets cannot be set.

Our organisation

THE ICAC is committed to developing as a learning organisation that embraces a culture of continuous improvement, and provides a safe and satisfying workplace.

The Commission's specific objectives in relation to 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.

HIGHLIGHTS

In 2007–08, we:

- began a major project to create a new complaints handling and case management system 'MOCCA' (Management of Cases, Complaints and Assessments) to improve performance and provide better support for operational areas
- provided staff with the opportunity to develop and enhance their skills through attendance at 490 training activities
- extended our shared corporate services role with the Health Care Complaints Commission to include payroll, recruitment, compensation administration and financial

accounting services in line with the NSW Government's strategy on corporate services reform

- engaged a leading external firm to conduct an audit on our occupational health and safety management system in accordance with the NSW Government's safety initiatives "Working Together" and "Taking Safety Seriously"
- developed a new Ethnic Affairs Priorities Statement and Equal Employment Opportunity Management Plan and reviewed and implemented specific initiatives in accordance with these plans.

THE YEAR AHEAD

In 2008–09, we will:

- finalise implementation of the new MOCCA complaints handling and case management system
- finalise the redesign of our new internet and intranet websites
- improve staff performance and personal development by increasing the average number of training days provided to each staff member.

Table 4: Key quantitative results for activities relating to our organisation

Measure	Target 2008–09	2007–08	2006–07	2005–06
Average full-time equivalent staff members	114.3	116.1	111.5	105.2
Participants in training activities	n/a*	490	803	621
Average training days per employee	>5	4.2	5.2	5.8
Speaker presentations delivered (professional recognition)	40	37	31	42

* Because this measure reflects work or activity beyond the control of the ICAC, a target cannot be set.



Deputy Manager, Assessments, Paul Grech
with Assessments Officer Joanne Gamble



CHAPTER 2

Assessing matters



Making staff training and development a priority has improved our performance in a number of areas

Jacqueline Fredman
Manager, Assessments



HIGHLIGHTS 2007-08



Despite a 26% increase in the number of matters received for assessment, **we reduced our finalisation times by 10%**

We increased by 50% the number of matters referred to public sector agencies to investigate and report back to the Commission under section 53 of the ICAC Act, in line with the Commission's **focus on getting agencies to take greater responsibility** for their own corruption issues

We **improved understanding in public sector agencies** of our role by holding regular meetings with senior liaison officers

Staff training and personal development was made a priority, through courses in time management, dealing with difficult complainants and plain English writing, and the introduction of a mentoring system

We **improved morale** by introducing a system that allows Assessment Section staff to be seconded for short periods to the Investigation and CPER Divisions



ASSESSMENTS: KEY OBJECTIVES

detecting corrupt conduct

enhancing complaint-handling procedures

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THE COMMISSION deals with corrupt conduct involving or affecting the entire NSW public sector, including state government agencies, local government authorities, members of Parliament and the judiciary.

We actively encourage members of the public and public officials to report suspected corrupt conduct, and principal officers (including heads of state government agencies and general managers of councils) are required to report any matter that they reasonably suspect involves or may involve corrupt conduct.

The Assessments Section receives and registers all complaints and reports, makes an initial assessment and seeks further information as required.

It then refers all matters within jurisdiction to the Assessment Panel for a decision about how each matter should be dealt with.

The section has 13 full-time staff, two temporary staff and a budget of \$1,132,000. It is led by the Manager, Assessments, Jacqueline Fredman.

In 2007–08, 2,702 matters were received and managed by the Assessments Section, compared with 2,149 in the previous year.

A number of strategies were used to deal with this increased activity and to improve timelines for finalisation. Steps taken included:

- reviewing and re-writing the Assessment Officer Manual

- revising fact sheets and guidelines provided to the public sector and members of the public who provide information to the Commission
- simplifying internal classification of the complexity of complaints
- introducing a mentoring system in the section to assist new and temporary assessment officers
- introducing more regular one-on-one meetings between assessment officers, supervisors and the Manager, with an emphasis on two-way feedback and personal development plans
- introducing internal secondment programs for staff development
- revising internal target turnaround times
- reducing workload by not reporting matters that were outside jurisdiction to the Assessment Panel.

These changes, structural changes made last year (including the creation of a deputy manager's role) and the employment of some temporary staff have allowed the section to reduce the time taken to deal with matters this financial year to 87 days, compared to 97 days in 2006–07, despite the substantial increase in the number of matters received.

How our performance has improved

The Assessments Section has a number of internal performance measures for its activities, and was able to improve its performance this year against all of these measures.

Matters registered

Despite a 20% increase in the number of matters registered by the Assessment section in 2007–08, the time taken to register these matters fell by 22%.

Matters submitted to the Assessment Panel

Despite a 41% increase in the number of matters submitted to the Assessment Panel by the Assessments Section in 2007–08, the average number of days to get a matter to the Panel fell by 7%.

Support for other areas

This year the Assessments Section provided support to other sections of the Commission as required. We have assisted the Investigation Division with activity relating to the execution of search warrants and staff have been seconded to the Investigation and Corruption Prevention, Education and Research Divisions for short periods to assist in times of high workload.

The Assessments Section has also assisted the Corruption Prevention, Education and Research Division by taking part in outreach programs (regional visits) in the Hunter and Riverina regions.

Profile of matters received

IN 2007–08 the Commission received 2,702 matters, the majority of which came from three sources:

- members of the public lodging complaints under section 10 of the ICAC Act (section 10 complaints)
- principal officers of NSW public sector agencies, who have a duty to report suspected corrupt conduct under section 11 of the ICAC Act (section 11 reports)
- public sector employees lodging complaints under the *Protected Disclosures Act 1994* (the Protected Disclosures Act).

As well as section 10 complaints, section 11 reports and protected disclosures, the Commission receives information about other matters and from other sources.

These are classified as:

- information, when material from members of the public does not include any allegations of corrupt conduct
- enquiry, when a member of the public seeks advice or clarification, usually about whether a particular situation might indicate corrupt conduct
- outside jurisdiction, when the matter does not involve a NSW public sector agency or official. When possible, the ICAC refers the matter to an appropriate agency
- dissemination, when state and commonwealth agencies, usually law enforcement bodies such as the NSW Police Force and the Australian Federal Police, provide information about corrupt conduct that may be occurring
- own initiative, when the ICAC can instigate an investigation without an external referral (section 20 of the ICAC Act)
- intelligence report, when government agencies provide general information



Nechal Gill, Senior Assessment Officer, with Kathleen Thiel, Support Officer

- referrals from Parliament, when both Houses of the NSW Parliament refer a matter under section 73 of the ICAC Act.

Table 5 shows all matters received by category for 2007–08, as well as a comparison with the previous two years.

While the table shows increased reporting across all areas, the greatest jump was in complaints from the public, which increased from 680 to 946.

Although it is never possible to pinpoint the reason for increases or decreases in the number of matters received by the Commission, the increase this year may have been due to publicity generated as a result of the major public inquiries conducted into corrupt conduct in RailCorp, Wollongong City Council and the Department of Housing.

The Commission accepts anonymous complaints. In 2007–08, 16% of complaints from members of the public and 30% of complaints by public officers under the Protected Disclosures Act were anonymous.

The Commission receives information in a number of ways. Members of the public and public sector employees can report their matter to the Commission in writing, by telephone or email,

in person or online via a complaints form on the Commission website at www.icac.nsw.gov.au. Figure 1 shows that in 2007-08 most people referred their matter or complaint to the Commission by letter or telephone.

Figure 1: Mode of initial contact for all matters received in 2007-08

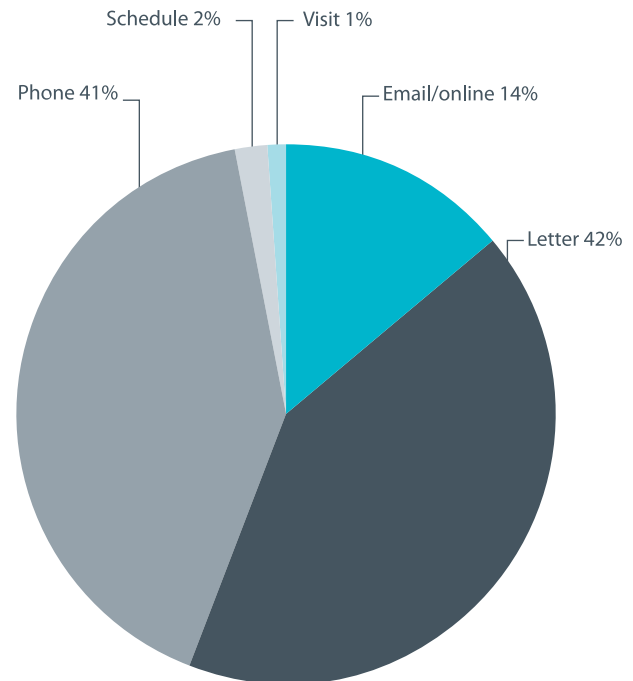


Table 5: Matters received by category in 2007–08, compared to the previous two years

Category	2007–08	2006–07	2005–06
Complaints from the public (section 10 complaints)	946 (35.0%)	680 (31.6%)	790 (36.1%)
Reports from public sector agencies (section 11 reports)*	579 (21.4%)	522 (24.3%)	495 (22.6%)
Information	427 (15.8%)	361 (16.8%)	304 (13.9%)
Protected disclosures	282 (10.4%)	194 (9.0%)	235 (10.7%)
Enquiry	199 (7.4%)	198 (9.2%)	192 (8.8%)
Outside jurisdiction	252 (9.3%)	174 (8.1%)	163 (7.4%)
Dissemination	11 (0.4%)	17 (0.8%)	10 (0.5%)
Own initiative**	5 (0.2%)	3 (0.1%)	2 (0.1%)
Intelligence report	1 (0.0%)	0 (0.0%)	0 (0.0%)
Referrals from Parliament	0 (0.0%)	0 (0.0%)	0 (0.0%)
Total	2,702	2,149	2,191

* The figure represents the number of section 11 reports received. As some agencies report by schedule, their reports may contain more than one matter. In 2007–08 the ICAC received 50 schedules containing reports on about 500 matters.

** Two of the ‘own initiative’ matters progressed to investigation; two were closed without an investigation and one is currently open but has not yet been made an investigation.

Complaints from the public

IN 2007–08 the Commission received 946 section 10 complaints, compared with 680 the previous year. Under section 10 of the ICAC Act, any person can make a complaint to the Commission about a matter that concerns or may concern corrupt conduct defined in the ICAC Act. The ICAC refers to complaints made by members of the public – as well as those made by public sector employees which do not meet the criteria to be classified as a protected disclosure under the Protected Disclosures Act – as section 10 complaints.

Table 6 shows the different government sectors about which allegations of corrupt conduct were made under section 10 in 2007–08.

As in past years, the government sector which is most frequently complained about is the local government sector, with section 10 complaints relating to this sector accounting for 41% of the total received (compared with 38% last year).

This increase may be due to publicity generated as a result of the ICAC public inquiry conducted into the Wollongong City Council.

In the Commission’s experience, over-representation of local government in the complaints statistics is due to the high level of people’s interaction with local government and the personal interest many take in its decisions. Other ICAC data support this view, showing that development applications are among the

Table 6: Allegations made in section 10 complaints by government sector

Sector	Section 10 complaints	%
Local government	464	41
Transport, ports and waterways	117	10
Government and financial services	102	9
Law and justice	81	7
Community and human services	65	6
Custodial services	57	5
Health	45	4
Policing	45	4
Natural resources and environment	35	3
Education (except universities)	25	2
Land, property and planning	23	2
Consumer and trade	16	1
Aboriginal affairs and services	13	1
Universities	12	1
Parliament	12	1
Energy	10	1
Other- unspecified	7	1
Tourism, sport, recreation and gaming	6	1
Employment and industrial relations	5	0
Emergency services	3	0
Arts and heritage	2	0

NOTE: A matter may contain allegations relating to more than one sector. Percentages are based on the total number of allegations made in section 10 complaints, not the number of complaints.

most frequently complained–about public sector activities. Case Study 1 is an example of a complaint made by the general public about development applications.

Some incoming matters do not, even if substantiated, amount to corrupt conduct. The ICAC can, depending on the nature of the matter and its level of seriousness, refer matters to the agency in question under section 19 of the ICAC Act for that agency to take any action deemed appropriate. With local government matters, the ICAC can also consider referral to the Department of Local Government, as Case Study 2 shows.

The five most frequent workplace activities about which the Commission received complaints from the public, as well as the five most frequent types of conduct alleged, are shown in Tables 7 and 8 below.

As was the case in 2005–06 and 2006–07, building and development approvals were the most frequent workplace activities mentioned in allegations.

This year, collusion was the most frequent type of conduct mentioned, followed by breach of policy or procedure. The Commission is presently reviewing how information it receives is categorised, as these two most frequently used categories are in such broad terms that they are not necessarily useful when it comes to understanding what activity the complaint involved.

Appendix 1 provides a full list of the workplace activities and types of conduct about which the Commission received complaints, protected disclosures and reports.

Table 7: Complaints from the public (section 10) in 2007–08, showing the five most frequent types of workplace activities mentioned

Workplace activity	Section 10 complaints	%
Building and development applications, rezoning	574	30
Employment practices	219	11
Law enforcement	158	8
Allocation of public goods and services	114	6
Purchase of goods and services, tendering, contracting	107	6

Table 8: Complaints from the public (section 10) in 2007–08, showing the five most frequent types of conduct alleged

Type of corrupt conduct	Section 10 complaints	%
Collusion	227	12
Breach of policy or procedure	209	11
Favouritism, nepotism	181	10
Failure to take action, negligence	166	9
Lack of accountability	151	8

CASE STUDY 1: NO BULL

The ICAC received a number of complaints regarding a development application for a "Paintball Range". Some of the complaints came from local residents concerned at the way the matter was handled by Council. Others came from councillors and the Council also reported the matter under section 11 of the ICAC Act.

Besides some minor concerns regarding the procedures used by Council to assess the application, the main concern was an allegation that the developer offered free "Bull Sperm" to those present at a meeting of councillors and objectors to the proposal.

There were a number of conflicting reports to the ICAC: some claiming that it was an offer of a bribe; others contending that they thought that it was a joke; others maintaining that the offer was made to the objectors to the proposal, who were local cattle farmers, and not to the councillors present.

As the matter was already being investigated by Council, and in view of the conflicting nature of the information provided, the ICAC decided not to investigate the matter.

CASE STUDY 2: MAYOR'S WINERY

An anonymous person complained that the mayor of a regional council did not declare a pecuniary interest in a rezoning matter. The concerned resident stated that the mayor owned a winery across the road from the land in question and a relative of the mayor owned the land next door and had a relationship with the developer.

The information provided was scant on specific detail. Although the matter may have involved corrupt conduct, the ICAC is required to concentrate on serious and systemic corruption and decided to refer the matter to the Department of Local Government.

Protected disclosures

NSW public sector employees who raise corruption allegations about a NSW agency or official may be entitled to receive protection under the Protected Disclosures Act if their complaint meets certain criteria. The Act makes it an offence to take retaliatory action against someone who has made a protected disclosure.

In 2007–08, the ICAC received 282 protected disclosures from public sector employees, up from 194 in the previous year. Table 9 shows the number of allegations in the top five categories by government sector for protected disclosures received during the year. As with section 10 complaints, the largest number of allegations in this category concerned local government.

Prior to making any enquiries about protected disclosure allegations, the ICAC 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 section 22 of the Protected Disclosures Act, disclose confidential information if it is considered necessary to effectively investigate a matter or in the public interest to do so.

The five most frequent workplace activities about which the Commission received protected disclosures, as well as the five most frequent types of conduct alleged, are shown in Tables 10 and 11.

As was the case in 2005–06 and 2006–07, employment practices was the most frequent workplace activity mentioned in protected disclosure allegations. In this financial year favouritism/nepotism was the most frequent type of conduct mentioned in allegations followed by breach of policy or procedure.



Appendix 1 provides a full list of the workplace activities and types of conduct about which the Commission received protected disclosures and reports.

Protected disclosures are received by the ICAC from all levels of the public sector. Both the agency and the officer making the complaint are responsible for ensuring that confidentiality is maintained, according to the provisions of the Protected Disclosures Act. Protected disclosures can range from allegations about colleagues to concerns about the conduct of the officers responsible for protected disclosures in the agency. In Case Study 3, an anonymous council officer was able to report concerns about a relationship that a council officer had with a developer. This ultimately led to a public inquiry and the dismissal of the Council. This example shows how important it is that public officers feel that they can complain confidentially about conduct that may involve senior officers within their organisation.

Table 9: Protected disclosure allegations by government sector 2007–08

Workplace activity	Protected disclosures	%
Local government	92	32
Transport, ports and waterways	41	14
Custodial services	38	13
Health	27	9
Universities	18	6

A matter may contain allegations relating to more than one sector. Percentages are based on the number of sector allegations (for protected disclosures), not the total number of protected disclosures.

Table 10: Protected disclosure allegations in 2007–08, showing the five most frequent types of workplace activities mentioned

Workplace activity	Protected disclosures	%
Employment practices	211	33
Staff management	71	11
Purchase of goods and services / tendering / contracting	68	11
Building and development applications / rezoning	65	10
Use of public resources	37	6

Table 11: Protected disclosure allegations 2007–08, showing the five most frequent types of conduct alleged

Type of corrupt conduct	Protected disclosures	%
Favouritism, nepotism	99	16
Breach of policy or procedure	83	14
Harassment, victimisation, discrimination	53	9
Collusion	51	8
Failure to disclose, or abuse of, conflict of interest	51	8

CASE STUDY 3: COUNCIL AFFAIRS

An anonymous employee of Wollongong Council complained that a Senior Development Officer with Council improperly accepted an overseas holiday to China in October 2005 from a local developer. The Development Officer also allegedly received gifts including handbags, watches and renovation work performed on her house.

This protected disclosure led to an ICAC investigation (Operation Atlas), and eventually to a full public inquiry. As a result of evidence obtained during this inquiry into this and other matters, the Commissioner recommended that consideration be given to sacking the Council and the government accepted this recommendation. The ICAC's report will be published in 2008–09.

Reports from public sector agencies

SECTION 11 of the ICAC Act requires principal officers of NSW public sector agencies, such as chief executive officers, directors general of state government agencies and general managers of local councils, to report suspected corrupt conduct to the ICAC. The majority of matters reported by principal officers involve suspected conduct within their own organisations, although sometimes principal officers also advise the Commission of corrupt conduct they suspect in other public sector agencies.

Principal officers are required to report suspicions of corrupt conduct promptly as delays impair the ICAC's ability to detect and expose corrupt activity.

In 2007–08, the ICAC received 579 section 11 reports, compared to 522 the previous year. Table 12 shows the number of times allegations related to a particular sector of the NSW Government.

As in 2005–06 and 2006–07, most allegations of corrupt conduct were made against local government. This year, the percentage of section 11 reports relating to local government increased from 24% to 30%.



Major renovations at the Matraville Fire Station were examined in operation Mirna (Case Study 4).

The five most frequent types of workplace activities about which the Commission received section 11 reports, as well as the five most frequent types of conduct alleged, are shown in Tables 13 and 14.

Table 12: Section 11 reports received in 2007-08, showing allegations by sector

Sector	Section 11 reports	%
Local government	183	30
Health	84	14
Custodial services	67	11
Universities	51	8
Government and financial services	48	8

A matter may contain allegations of multiple sectors. Percentages are based on the number of sector allegations (for section 11 reports), not the total number of section 11 reports.

Table 13: Allegations from reports from public sector agencies (section 11) 2007–08, showing the five most frequent types of workplace activities mentioned

Workplace activity	Section 11 reports	%
Employment practices	181	17
Codes of conduct	150	14
Building and development applications / rezoning	110	10
Use of public resources	90	8
Purchase of goods and services / tendering / contracting	75	7

Table 14: Reports from public sector agencies (section 11) 2007–08, showing the five most frequent types of conduct alleged

Type of corrupt conduct	Section 11 reports	%
Misuse/theft of resources by public official	169	16
Breach of policy or procedure	143	14
Fabricate / falsify info / forgery / fraud / tamper with information	133	13
Bribery / gift / secret commission	81	8
Collusion	61	6

CASE STUDY 4: FIRE SALE

The NSW Fire Brigades (NSWFB) referred to the ICAC under section 11 an allegation they had received about a project manager they had contracted for the awarding and managing of NSWFB capital works and maintenance projects.

The initial report indicated that the NSWFB had already examined a contract that this project manager had awarded to a private company to build a fire station worth approximately \$1 million. Initial information

was that the project manager was a director and secretary of the company concerned at the time contracts were awarded to it.

As this matter had the potential to involve other contracts and substantial amounts of money, the Assessment Panel recommended that this matter be investigated by the ICAC. The eventual investigation (Operation Mirna) focused on 18 projects with an approximate total budget of \$5.6 million, and led to a public inquiry.

In 2006–07, breaches of codes of conduct was the most frequent workplace activity mentioned in section 11 reports. This year employment practices was the most frequent, with breaches of codes of conduct second.

Appendix 1 provides a full list of the workplace activities and types of conduct about which the Commission received complaints, protected disclosures and reports.

Case Studies 4 and 5 are examples of matters received by the Commission through section 11 reports.

Case Study 4 shows how a matter involving apparent conflicts of interest in respect of contractual issues should be carefully assessed, as it may involve more serious matters. Case Study 5 involved an allegation about employment practices, and shows that a perception of bias in relation to employment issues can arise, and how policies should be reviewed and revised regularly.

CASE STUDY 5: JOBS FOR THE GIRLS

A number of anonymous public sector employees complained about nepotism and favouritism in relation to relieving opportunities and promotion of staff within a specific branch of the government department in which they worked. The department also reported the matter to the ICAC under section 11 of the ICAC Act.

Most of the complaints related to a manager who had allegedly allowed friends of hers to relieve in positions without following appropriate departmental procedures.

Due to the large number of complaints made, the ICAC decided to refer this matter to the government department in question to

investigate the matter under section 53 of the ICAC Act. The department hired an external investigator to investigate the matter.

The investigator found that the relieving opportunities allowed by the manager were within departmental guidelines. However, due to the large number of complaints and the apparent perception of the employees that the actions of the manager were biased the department took the opportunity to review its relieving policy.

The Assessment Panel accepted the findings of the department and referred the matter to the Corruption Prevention, Education and Research Division of the ICAC for its information.

How matters are analysed

THE Commission is required under section 12A of the ICAC Act to, as far as practicable, focus attention and resources on serious and systemic corrupt conduct.

The assessment process considers:

- whether allegations are within the Commission's jurisdiction
- whether allegations are serious or suggest systemic corruption risks or issues
- what information or evidence is potentially available
- ultimately, what action, if any, the Commission should take on a matter.

Commission officers analyse the information received to determine whether there are trends across a particular sector, such as local government or licensing, in a particular agency, or even in a particular unit of that agency. Information is analysed to determine whether corruption is occurring, or if there are appropriate systems in place for the agencies involved to minimise opportunities for corruption. Complaints and reports that highlight corruption risk areas and trends help the Commission to target its corruption prevention work (see Chapter 4, "Preventing corruption" for more information).

The Commission often receives information that on the face of it appears very serious. In these matters, Assessment Officers often have to make enquiries to obtain further information to ensure



Deputy Commissioner Theresa Hamilton and Manager, Assessments, Jacqueline Fredman are part of the ICAC's Assessment Panel

the analysis of the matter is complete. This may involve contacting or interviewing the individuals who brought the matter to the Commission's attention, or obtaining further information and/or documents from the public sector agency concerned. Case Study 6 highlights how assessment enquiries can streamline the assessment of a complaint by obtaining further information that helps the Commission to deal with a matter properly.

The Commission receives a lot of information which, while it may have substance, should not be investigated by the Commission as it is relatively minor. In addition, the Commission receives material that lacks substance and does not warrant being investigated or otherwise pursued. These matters are generally declined or, if relevant to another agency, referred on. In 2007–08, 414 matters were referred on to other agencies.

CASE STUDY 6: NO TENDER PROCESS

An anonymous public official complained that the university he/she worked for had outsourced its IT shop on campus. The complainant stated that this decision was made on flawed figures. The complainant was also concerned that the university allowed the company that took over the shop to use a CD copying machine owned by the university.

The complainant also made allegations that there was a conflict of interest with the Director of IT as he ran a software business and supplied software to the university.

The Assessments Section conducted enquiries with the university and established that they outsourced the services of the IT shop as the IT department had undergone a restructure and the people responsible for delivering the services had been made redundant. The company that took over was chosen as a result of a recommendation from the IT Director. The company was given

access to the CD copying machine, however a percentage of the profits from that machine went to the university and the company was responsible for its maintenance. The university indicated that they had measures in place to monitor the conflict of interest in relation to the IT Director and he had excluded himself from the process when new software was purchased.

These enquiries indicated that there had not been corrupt conduct involved in the decisions made by the university. However, there were concerns that no tender process has been used for the selection of the company that took over the IT shop. This matter was referred to the Corruption Prevention, Education and Research Division for any advice or other action deemed necessary.

The assessment process and decisions

EVERY matter received by the Commission is registered on a database and individually assessed by members of the Assessments Section who take into account:

- whether the matter is serious and/or systemic
- whether or not corrupt conduct is involved
- whether there is a reasonable line of enquiry to pursue
- what information has been provided or could be obtained
- whether existing information supports the allegations
- any prior or current related matters.

All matters (except for those outside the Commission's jurisdiction, e.g. complaints involving NSW Police, a federal authority or private enterprise) are reported to the Assessment Panel, which is composed of the Deputy Commissioner and the Executive Directors of the Investigation Division, the Corruption Prevention, Education and Research Division and the Legal Division, as well as the Manager of the Assessments Section. The panel usually meets 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. Consensus is usually reached by the Assessment Panel on how a matter should be dealt with, but in cases where this does not happen, the matter will be referred to the Commissioner for a final decision.

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

For each matter, the Assessment Panel considers whether it is in the ICAC's jurisdiction, whether it presents opportunities for identifying serious or

systemic corruption, whether it is being or could be adequately handled by another agency and, even if corrupt conduct is not apparent, whether an agency's systems and controls put the organisation at risk of corruption.

The Deputy Commissioner, Theresa Hamilton, is the Chair of the Assessment Panel and directly supervises the Manager, Assessments. Ms Hamilton and Ms Fredman are responsible for the integrity of Assessment Panel reporting processes and ensure that decisions of the Assessment Panel are implemented.

After considering a matter, the Assessment Panel makes one of five decisions.

1. Refer to another agency or take no action

The Commission's role is to focus on serious or systemic corrupt conduct as far as practicable.

A significant number of the matters the Commission receives can be appropriately referred to other investigation agencies, such as the NSW Ombudsman and the Department of Local Government. Some may be disciplinary or administrative matters that can be referred to the agency concerned. Other matters may have already been adequately dealt with by the agency reporting the matter.

Many other matters do not meet the definition of corrupt conduct in the ICAC Act and therefore do not warrant any action by the Commission, other than to notify the person who provided the information of the Commission's decision.

After considering the results of any initial enquiries, the Assessment Panel decides whether a matter should be referred or does not warrant any further action.

2. Requesting an investigation and report by another agency

If an allegation of corrupt conduct is made about an agency, the Commission has the power under sections 53 and 54 of the ICAC Act to require that agency to conduct its own internal investigation and then report its findings to the Commission. The Commission does this after consulting with the agency and establishing if it is appropriate for the agency to deal with the matter. This power is usually used for relatively serious matters that an agency can adequately and properly investigate itself. In this way, the Commission oversees the investigation by the agency.

The ICAC refers matters to agencies under sections 53 and 54 only if it considers the agency can investigate the matter itself. It will not make such referrals if it considers the agency might be compromised or lacks the capacity to conduct the investigation and report on it adequately. Under the ICAC Act, the ICAC also has powers to deal with investigations or reports by agencies that it considers unsatisfactory.

3. Conduct assessment enquiries

If the Assessment Panel decides that a matter should be considered further – but may not yet warrant investigation – assessment enquiries may be undertaken.

These may involve contacting parties for more information, conducting research, and/or contacting relevant agencies to ascertain whether the issues raised have been previously dealt with, and the outcome of any enquiries. They may also include the agency providing copies of the relevant policies and procedures so the Commission can examine whether there are procedural deficiencies.

Depending on the outcome of assessment enquiries, the Commission may decide to pursue the matter no further or to refer it to another agency. In some cases, assessment enquiries may lead to an investigation.

4. Provide corruption prevention analysis and/or advice

If a matter appears to mainly involve systemic issues rather than instances of corrupt conduct – or the corrupt conduct has been dealt with but wider

problems appear to exist – corruption prevention staff may evaluate the situation and give advice on enhancing an agency's capacity to minimise the risk of corruption or preventing the problem happening again.

5. Undertake an investigation

If a matter is very serious and likely to need the Commission's special powers to investigate the allegations, such as requiring the production of evidence, executing a search warrant or conducting covert operations, the Commission is likely to investigate the matter itself (see Chapter 3: Investigating corruption). Such matters are usually referred to the Investigation Division or, in some cases, the Legal Division for preliminary investigation or investigation. Only a small number of matters, with the potential to expose significant or systemic corrupt conduct, will meet the criteria for a full investigation. Once a decision to investigate has been made, the matter is overseen by a different executive-level committee, the Strategic Investigation Group (SIG), which also gives direction on handling each investigation. Chapter 3 ("Investigating corruption") has more detail on investigations and the SIG's processes.

Table 15 summarises Assessment Panel decisions in 2007–08.

In 2007–08, the Commission made 26 referrals under sections 53 and 54 of the ICAC Act, requiring public authorities to investigate allegations of corruption involving their agency, an increase of 50% from the previous year. This is in line with the clear direction in the ICAC Act (section 12A) that the Commission should always take into account the responsibility and role public authorities have in preventing corruption.

Case Study 7 is an example of a section 53 referral which resulted in the Assessments Section identifying potential weaknesses in the department's policies relating to recruitment and conflicts of interest. The matter was referred to the Corruption Prevention, Education and Research Division for possible action.

Table 15: Decisions by the Assessment Panel in 2007–08, compared to the previous two years

	2007–08		2006–07		2005–06	
Decisions to act upon a matter						
Referred to Assessments Section for further enquiries (includes sections 53/54 referrals)	269	(9.4%)	253	(12.4%)	279	(11.6%)
Referred to the Corruption Prevention, Education & Research Division for further action	38	(1.3%)	41	(2.0%)	15	(0.6%)
Referred to the Investigation or Legal Divisions for preliminary investigation or investigation	78	(2.7%)	73	(3.6%)	53	(2.2%)
Total number of decisions to act upon a matter	384*	(13.3%)	367	(18.0%)	347	(14.5%)
Decisions to decline a matter						
Immediate referral to another agency or no action taken by the ICAC, following initial enquiries/ research when needed	2,493	(86.7%)	1,673	(82.0%)	2,051	(85.5%)
Total number of decisions made	2,877		2,040		2,398	

* One decision involved referral to Corruption Prevention, Education and Research and to Assessments. Hence the total number of decisions is one less than the sum of each type of decision to act.

CASE STUDY 7: ACCUSED OF FAVOURITISM

An employee of a large government department with regional sectors made a complaint on behalf of a number of colleagues that the Regional Director was interfering in staffing issues. This had allegedly resulted in relatives and friends being favoured in relation to acting positions and temporary positions in the department.

The ICAC decided to refer the matter to the department to investigate under section 53 of the ICAC Act. The investigation found that the Regional Director did not breach policy as, although she was a friend of the people

who had obtained positions, there was no need to declare a conflict of interest in these circumstances under the existing policy.

After analysing the investigation report, the Assessments Section identified possible weaknesses in the department's policies relating to recruitment and conflicts of interest. The matter was referred to the Corruption Prevention, Education and Research Division for possible advice or action.

Outcomes of matters

THE ICAC records outcomes of all matters once they have been closed, including its own action and that of the agencies that are the subject of an allegation, where known. As the ICAC has wide discretion about what matters to pursue and must focus on serious and systemic corruption, it

does not know the outcome of all matters received. Table 16 shows the known and recorded outcomes for all section 10, section 11 and protected disclosure matters that the ICAC closed during 2007–08.

Table 16: Outcomes recorded for substantive matters closed during 2007–08

	s10	PD	s11	Total
Number of persons subject to recommendations that advice of Director of Public Prosecutions be sought for prosecution	12	1	10	23
ICAC compulsory examination*	26	11	32	69**
ICAC public inquiry*	4	1	5	10**
ICAC investigation*	40	8	23	71***
ICAC intelligence assessment completed – matter not investigated	1	0	0	1
Intelligence or technical product passed to another agency	0	0	1	1
Matter referred to another law enforcement agency	18	0	8	26
Systemic issue identified by ICAC	6	13	23	42
Referred to the agency for action	15	11	107	133
Referred to the agency for information	220	84	27	331
No further action taken by the ICAC	608	118	475	1,201
Disciplinary action taken by the agency: counselling	0	4	31	35
Disciplinary action taken by the agency: dismissal	1	0	24	25
Disciplinary action taken by the agency: other	5	1	60	66
Disciplinary action taken by the agency: resignation	1	2	17	20
Systemic issues addressed by the agency: amendments to policy	6	6	20	32
Systemic issues addressed by the agency: other	6	6	41	53
Systemic issues identified by the agency and recommendations	10	2	46	58
Systemic issues identified by the agency and recommendations	4	3	12	19
No action warranted by the agency	144	45	76	265

* These outcomes were recorded as they occurred and therefore not all these matters were necessarily closed in 2007–08.

** One compulsory examination and one public inquiry resulted from an ‘own initiative’ investigation, making a total of 70 and 11 respectively.

*** Seven investigations arose from other types of matters.

THE YEAR AHEAD



In 2008–09, the Assessments Section will aim to consolidate the gains it has made this year in improving its timelines and the personal development of its staff. We will:

- further **reduce the average finalisation** time of 87 days by 10%
- **review the flow of work in the section** to ensure that the additional permanent Assessment Officer position that has been created will be used to best advantage
- continue to **enhance the skills of Assessment Officers** through increased training and other personal development opportunities, including a course on local government issues
- incorporate target turnaround times for Assessment Officers in their performance agreements, to **increase accountability**
- take lead responsibility for the working group that has been established to review the categories of complaints and information provided to the ICAC, with a view to making the categories **more specific and informative**
- increase the number of liaison meetings with principal officers of public authorities to **provide guidance and assistance** on reporting to the Commission





ICAC uses the public inquiry process
to help expose corruption



CHAPTER 3

Investigating corruption



This year, we had to prioritise our workload to deal efficiently with **a substantial spike in investigation activity**

Mick Symons
Executive Director, Investigation



HIGHLIGHTS 2007-08



Our investigations resulted in **corrupt conduct findings against 51 people**, compared to 17 last year

As a result of our investigations, **23 people were referred to the DPP** for consideration of criminal charges, an increase of 44% on last year

We provided expert investigative support for **51 public inquiry days spanning several complex operations**, compared to 24 days in the previous year; and 70 compulsory examinations, compared to 49 in the previous year

We **commenced 78 investigations**, compared to 73 in the previous year

Our investigations into corruption at RailCorp resulted in **eight people being referred to the NSW Crime Commission** for consideration of assets forfeiture. An assets forfeiture order and proceeds assessment order for a total of \$584,000 has since been made against one of the people referred

We dealt efficiently with a **substantial spike in the use of statutory powers** including a 43% increase in notices to produce documents or things and an 80% increase in search warrants



INVESTIGATIONS: KEY OBJECTIVES

detect and investigate corrupt conduct

identify corruption prevention issues through investigations

maintain strategic alliances to optimise investigative and preventative outcomes

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ONE of the Commission's primary functions is to investigate and publicly expose serious and systemic corrupt conduct so corrective action can be taken and the recurrence of corruption minimised.

Because our investigations are usually complex and resource intensive, only a small number of the matters that come to the Commission can be referred for investigation. Of the 78 matters that were referred to the Investigation Division for preliminary investigation in 2007–08, 12 matters were escalated to full investigations.

The source of the matters investigated included reports from principal officers of public sector agencies (eight), reports from the public (two),

own initiative matters (one) and disseminations from another agency (one). Eleven matters proceeded to public inquiry and seven public reports on investigations were completed in the period. During 2007–08, the Investigation Division finalised seven investigations which took an average of 207 days to complete.

The Investigation Division has primary responsibility for conducting ICAC investigations and is led by the Executive Director, Mick Symons. The Division had an average of 45 full-time staff and a budget of \$5,269,095. It uses overt and covert techniques in investigations and draws on the coercive powers granted to the Commission under the ICAC Act. The Division has two areas – investigations, and surveillance and technical.

Continuous improvement of investigation practices and administration

INVESTIGATIONS are a major part of the ICAC's work and complement its corruption prevention and education functions. In 2007–08, the ICAC maintained its commitment to quality investigations using state-of-the-art technology and improving the carriage and management of investigations.

Strategies for improvement included:

- further development of a risk assessment program for search warrants, controlled operations and surveillance activities. By identifying the risks, the investigation teams can develop mitigation strategies for high-risk areas
- continued roll-out of the three-year surveillance equipment purchasing program
- reviewing and updating procedures in the Operations Manual to reflect legislative and operational changes
- continually reviewing the content and format of reports to the Strategic Investigation Group to ensure that it can effectively carry out its role and charter.



Executive Director, Investigation Division, Mick Symons with Chief Investigators Jock Lang, Steve Osborne and Bernadette Dubois

How we investigate

WHEN allegations are referred to the ICAC, there is never a presumption that the person against whom the allegation is made has engaged in corrupt conduct. It is the Commission's role to find out what has occurred, on the basis of the available evidence, and then decide whether the conduct amounts to corrupt conduct as defined in the ICAC Act.

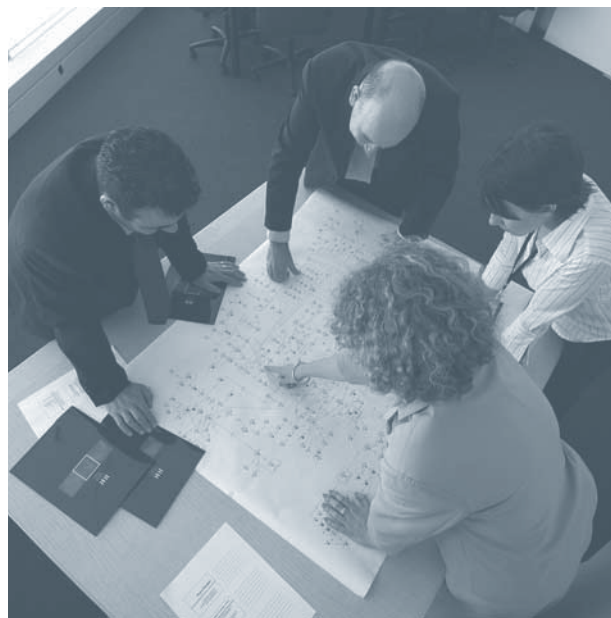
The Assessment Panel assesses all information received and decides which matters should be referred for preliminary investigation or investigation. These investigations are then overseen by the Strategic Investigation Group (SIG). The SIG provides strategic direction and advice for all preliminary investigations and investigations and is comprised of the Commissioner, the Deputy Commissioner, and the Executive Directors of the Legal, Investigation, and Corruption Prevention, Education and Research Divisions.

Investigations are diverse in character, can range from simple to complex and embrace past and current activities. They can require the use of various covert and overt methods of investigation.

Strategies and techniques are determined case-by-case and, when appropriate, compulsory examinations and public inquiries are undertaken to further the investigative process and expose corrupt conduct.

Multidisciplinary teams are formed for most Commission investigations. The teams are comprised of specialists from the Investigation Division (such as investigators, financial investigators and analysts), lawyers from the Legal Division and a Corruption Prevention Officer from the Corruption Prevention, Education and Research Division. The teams meet regularly to discuss progress, tactics and emerging issues.

Statutory powers are regularly used in investigations. The use of the Commission's powers to obtain search warrants and authority to use surveillance devices and telecommunications interception all require stringent review by the



Investigators work in multidisciplinary teams to conduct ICAC investigations

team lawyer prior to submission to the Executive Director, Legal for final approval. This ensures that applications meet all regulatory and evidentiary requirements before submission to the appropriate authorities.

When the Commission determines it is in the public interest to do so, it may take evidence from witnesses in a compulsory examination (i.e. a hearing held in private) or in a public inquiry (i.e. a hearing held in public). The Commission may decide to hold part of a public inquiry in private if doing so is in the public interest. The Commissioner presiding at a public inquiry may also choose to make suppression orders in respect of particular evidence heard, such as a person's name or home address.

The Commission can compel witnesses to answer questions and/or produce documents or other things when they are summoned to a compulsory examination or public inquiry, regardless of whether the answers or production will tend to incriminate them. If a witness objects to answering a question or producing a document or item, he or she must still answer the question or produce the

document or item. However, neither the answer nor the item produced is admissible as evidence against the witness in any subsequent criminal, civil or disciplinary proceedings, other than for an offence under the ICAC Act.

The success of a Commission investigation is measured in several ways, for example:

- number of findings of corrupt conduct
- recommendations that the advice of the Director of Public Prosecutions be obtained regarding prosecution of persons

- recommendations that consideration be given to the taking of disciplinary action
- recommendations and advice to improve systems, procedures and practices to minimise opportunities for the conduct to occur again.

It is also important to recognise that, in some cases, a successful investigation can show that a person has not engaged in corrupt conduct. This is particularly relevant when a matter has been the subject of significant public exposure and interest.

Develop strategic alliances to optimise investigative outcomes

AS PART of their work in improving investigative processes and knowledge, ICAC staff work cooperatively with other agencies and participate in a range of committees, including:

- the Inter-Agency Technical Committee – this is a forum for intercepting agencies to foster commonality in delivery standards and monitoring centres for telecommunications interception
- the Interception Consultative Committee – the agency coordinator uses this committee to consult with the agencies under section 7A of the *Telecommunications Act 1997* (Cth)
- the Law Enforcement Advisory Committee – this is a forum for consultation between the communications industry and law enforcement and national security agencies, and includes representatives from the Department of Communications, Information Technology and the Arts, and the Attorney General's Department
- the Special Networks Committee – a forum for intercepting agencies to discuss telecommunications interception capability projects and related contractual issues
- the NSW Crime Commission – dissemination of investigation reports regarding potential matters for asset restraint and forfeiture.

A full list of the significant committees that the ICAC participates in is included in Appendix 11.

To further our strategic alliances with relevant agencies, the Commission sometimes enters into a Memorandum of Understanding (MOU) with another agency, which facilitates sharing information and resources. The Commission currently has MOUs with the Australian Transaction Reports and Analysis Centre, the Director of Public Prosecutions, the Australian Taxation Office, the Police Integrity Commission and the NSW Police Force.

Investigations in 2007–08

INVESTIGATIONS in 2007–08 mostly arose from either section 11 reports (reports from principal officers of public sector agencies) or section 10 complaints (from the public), consistent with the previous year.

During 2007–08, five investigations were commenced but not finalised by the Commission within the reporting period. Of these, one arose from a complaint from the public, three arose from reports of principal officers and one resulted from dissemination of information from another agency.

Table 17 shows the investigations commenced in the period by sector. Transport services was the most investigated sector in 2007–08. This result is different from 2006–07 when local government was the most investigated sector.

Table 17: Source of investigations commenced

Sector	
Transport, ports and waterways	27
Local government	25
Community and human services	4
Education (except universities)	4
Government and financial services	4
Custodial services	3
Natural resources and environment	3
Energy	2
Health	2
Parliament	2
Emergency services	1
Law and justice	1
Total	78

Use of statutory powers

THE Commission has a range of significant powers under the ICAC Act to gather information. It can require a person or organisation to produce documents and require a public authority or official to provide a statement of information. ICAC officers can, with written authority, enter public premises and inspect and copy documents. The use of statutory powers is important in obtaining evidence to establish whether or not corrupt conduct has occurred.

Table 18 shows the statutory powers used by the Commission in 2007–08 compared to the two previous years.

Because of a greater number of public inquiries this year, and other increased investigative activity, there was a substantial increase in the Commission's use of its statutory powers, including:

- summonses to witnesses (217, up from 116 in the previous year)
- notices to produce (550, up from 383)
- search warrants (36, up from 20).



The ICAC uses a number of covert and overt methods to investigate corruption

Table 18: Statutory powers used by the Commission

Power	2007-08	2006-07	2005-06
Summons (section 35, ICAC Act)	217	116	123
Arrest warrant (section 36)	2	0	0
Order for prisoner (section 39)	3	0	3
Search warrant (section 40)	36	20	21
Notice to produce a statement (section 21)	12	37	7
Notice to produce a document or thing (section 22)	550	383	242
Notice authorising entry to public premises (section 23)	1	6	6
Listening device warrants	28	52	13
Telephone interception warrants	39	33	17
Controlled operations	6	7	2
Assumed identities	3	5	5

Public inquiries and compulsory examinations

THE ICAC may take evidence through compulsory examinations (private hearings) or public inquiries.

In 2007–08, the ICAC conducted 11 public inquiries over 51 sitting days. There were also 70 compulsory examinations conducted this year.

The public inquiries included:

- Department of Housing – allegations of corrupt conduct in allocation of public housing (Operation Greenway)
- Wollongong City Council – allegations of bribery (Operation Berna)
- Wollongong City Council – allegations of corrupt conduct (Operation Atlas)
- RailCorp – eight discrete public inquiries conducted between November 2007 and May 2008 into allegations of fraud and bribery (Operation Monto).

The Commission has so far made 57 corruption prevention recommendations arising from these public inquiries.

The time interval between the completion of each public inquiry conducted during the year and the furnishing of the relevant report is shown in Appendix 2.

During 2007–08, the Commission published transcripts of all public inquiries on the ICAC website. This makes the evidence-taking process more transparent and accessible, particularly for members of the public who cannot attend public inquiries.

When deciding to hold compulsory examinations and/or public inquiries, the Commission considers a range of factors to determine whether it is in the public interest to do so. Criteria for determining whether to conduct a compulsory examination in



The Hon Jerrold Cripps QC presiding at a public inquiry

preference to a public inquiry or whether any part of a public inquiry should be conducted in private may include:

- maintaining the integrity of the investigation (it may be prejudicial to the investigation to publicly divulge the fact that the ICAC is conducting an investigation, for example, by identifying witnesses or making known the extent of evidence obtained)
- protecting the reputations of people implicated in untested or unverified evidence
- obtaining information to determine whether further investigation is required
- the need to protect the identity of a witness or an informant
- section 18(2) of the ICAC Act which requires that when a witness to an ICAC investigation may also be undergoing a trial, that person's right to a fair trial is not prejudiced by a public inquiry. This means that the ICAC must ensure that,

as far as practicable and necessary, the investigation is conducted in private during the proceedings

- any application made by, or on behalf of, those appearing before the ICAC that it is in the public interest for the evidence to be taken in private
- section 31(2) of the ICAC Act which provides that the ICAC may decide to hear closing submissions in private.

When determining whether to conduct a public inquiry, section 31 of the ICAC Act requires the Commission to consider:

- the benefit of exposing corrupt conduct to the public
- the seriousness of the allegation or complaint being investigated
- any risk of undue prejudice to a person's reputation, including prejudice that might arise from not holding an inquiry
- whether the public interest in exposing the matter is outweighed by the public interest in preserving the privacy of the people concerned.

Other criteria for determining to hold a public inquiry may include:

- serious or systemic corrupt conduct is likely to be established

- it is in the public interest to expose widely any corrupt conduct or systems failures
- the allegations are already in the public domain and a public inquiry would provide a transparent mechanism for public officials and others to be publicly accountable for their actions
- public exposure of issues is likely to provide those subject to false accusations or innuendo an opportunity to clear their names
- public exposure will raise public awareness about serious corruption or systemic issues
- public exposure will be an important deterrent to similar corrupt conduct by others in the future
- public exposure is likely to encourage others to come forward with information relevant to the investigation
- public exposure of failed or inadequate systems is necessary to encourage public agencies to actively engage in reform and/or establish public understanding of why change is necessary
- the desirability of enhancing public confidence in ICAC's operations by demonstrating the transparency and public accountability with which it conducts its investigations.

Investigation reports

THE ICAC is required to publish reports on any matter that is the subject of a public inquiry, or matters referred by both Houses of Parliament, and provide these to the presiding officer of each House for tabling. Each officer has the discretion to make ICAC reports public immediately on presentation.

While public inquiries must by law result in a report to Parliament, this requirement does not apply to outcomes from compulsory examinations. The Commission may prepare a report to the relevant minister under section 14(2) of the ICAC Act in relation to information, received in the course of its investigations, as to how a public authority has exercised its functions.

In 2007–08, the ICAC submitted seven investigation reports to Parliament. There were no reports issued under section 14(2) of the ICAC Act.



Copies of our public reports are available at the ICAC and on our website

Table 19: Reports provided to Parliament 2007–08

Date	Name of report
22 Aug 2007	<i>Report on an investigation into corrupt conduct associated with the regulation of brothels in Parramatta</i>
20 Sep 2007	<i>Report on an investigation into corrupt issuing of driver licences</i>
15 Nov 2007	<i>Report on corrupt manipulation of contract procurement procedures at Bankstown and Strathfield councils</i>
20 Dec 2007	<i>Report on an investigation into allegations of bribery relating to Wollongong City Council</i>
31 Jan 2008	<i>Report on an investigation into corrupt conduct of an officer at the Department of Housing's Miller office and other persons</i>
04 Mar 2008	<i>Report on an investigation into corruption allegations affecting Wollongong City Council – Part 1</i>
28 May 2008	<i>Report on an investigation into corruption allegations affecting Wollongong City Council – Part 2</i>

Investigation outcomes

THE ICAC is a fact finding and investigative body that can make findings of corrupt conduct against public officials. It is not a court or disciplinary tribunal and does not conduct prosecutions or disciplinary proceedings as a consequence of any of its investigations. However, there are three areas or activities that best reflect the outcomes arising from Commission investigations: findings of corrupt conduct, prosecution/disciplinary action, and corruption prevention recommendations and advice.

Findings of corrupt conduct and prosecution/disciplinary action

In 2007–08 the ICAC made findings of corrupt conduct against 51 persons.

Although the Commission does not have a direct role in prosecutions, it does refer briefs of evidence to the Director of Public Prosecutions (DPP) for consideration of prosecution action. The DPP then advises the ICAC whether or not prosecution proceedings are warranted. In 2007–08 the Commission recommended that the advice of the DPP be sought on the prosecution of 23 people for various criminal offences, compared to 16 persons referred last year. Appendix 3 provides further details on the progress of prosecutions resulting from Commission investigations.

In 2007–08 there was only one final prosecution outcome. On 2 November 2007, former Strathfield Council Mayor, Alfred Tsang was convicted in relation to one count of receiving a corrupt payment contrary to section 249B(1) of the *Crimes Act 1900* (NSW). He was sentenced to four months periodic detention.

Public sector employers are responsible for taking disciplinary action or terminating the employment of staff members about whom the ICAC has made findings of corrupt conduct. In 2007–08, the ICAC recommended that consideration be given to the taking of disciplinary action against two public sector employees as a result of Commission



Lucrative track welding work was used to obtain money dishonestly from RailCorp (Case Study 8)

investigations. This number is relatively low, as agencies often act to dismiss employees or take other disciplinary action before an ICAC report is released. In these circumstances, the ICAC is not required to make recommendations for disciplinary action. A good example is provided by the recent Operation Monto public inquiries. Although the ICAC has not yet released all of its reports, since the commencement of the public inquiries eight RailCorp employees have been dismissed.

Case Study 8 relates to one of the many RailCorp employees who were found during Operation Monto to have derived significant benefits from their involvement in corrupt activities, and shows how detailed preliminary investigations, including financial investigations, can lead to evidence that justifies a public inquiry.

CASE STUDY 8: OFF THE RAILS

In March 2007, RailCorp reported that an internal audit report had found that one of its employees, Michael Blackstock, had breached procurement practices when engaging Precision Wirefeed Welding Pty Ltd, a company used to undertake specified welding of rail lines. The report also contained a suggestion that Mr Blackstock had some involvement in the company, although this had not been substantiated at the time.

Initial inquiries by the Commission revealed that the partner of Mr Blackstock's mother-in-law, Graham Chambers, had been a company director of Precision in 2003–04. Since that time Youseff Madrajat, Mr Blackstock's accountant, had been the sole company director.

Extensive financial inquiries revealed that, since 2004, Mr Blackstock had been the recipient of unexplained income which had enabled him to make significant additional payments on his mortgage and purchase two motor vehicles, a boat and two investment properties.

The Commission lawfully intercepted telephone services used by both Mr Blackstock and Mr Madrajat. The intercepted calls confirmed that Mr Blackstock had a financial interest in Precision and exercised substantial control over its affairs.

Between June and September 2007, the Commission gathered covert evidence of Mr Blackstock's and Mr Madrajat's activities including the handing over of Precision cash to Mr Blackstock, the submission of fraudulent invoices to RailCorp and the cover-up of safety breaches involving Precision employees by Blackstock and a RailCorp co-worker, Shane Ward.

Search warrants were executed in September 2007 and Commission investigators recovered \$23,500 in cash and other relevant items from Mr Blackstock's home address.

Commission investigations subsequently established that, between January 2004 and September 2007, RailCorp paid Precision \$4,288,520. Documents recovered from a forensic examination of Precision computers revealed that Mr Blackstock and Mr Madrajat had received cash payments from Precision in excess of \$1.3 million and \$1.1 million respectively.

During the public inquiry held between 26 and 29 November 2007, both Mr Blackstock and Mr Madrajat made admissions about their corrupt conduct, and admitted that the documents recovered by forensic examination of Precision computers were an accurate reflection of the disbursement of the profits from their scheme.

In the ICAC's public report on this matter, corrupt findings were made against Messrs Blackstock, Madrajat and Ward. The Director of Public Prosecutions was also asked to consider criminal charges against them, as well as against Graham Chambers and Ernest Clarke (Mr Blackstock's father-in-law).

As a result of the RailCorp investigations, ICAC has referred eight people to the NSW Crime Commission for consideration of action under the *Criminal Assets Recovery Act 1990*. An assets forfeiture order and proceeds assessment order in the total amount of \$584,000 has since been made in respect of Mr Madrajat.

Corruption prevention recommendations and advice

The Commission places great importance on ensuring that lessons are learnt from investigations in respect of improving systems, policies and procedures. Corruption Prevention Officers conduct a comprehensive review of the systems, policies, procedures and work practices

of the agency at the centre of a Commission investigation. The objective of the review is to identify weaknesses and gaps to reduce opportunities for corrupt conduct. Even when an investigation does not progress to a public inquiry, the Commission may still provide prevention advice to the agency concerned.

CASE STUDY 9: HOME TRUTHS

In January 2007, the NSW Police Force provided information to the Department of Housing concerning allegations that Mr Douglas Norris, a senior client services officer at the NSW Department of Housing Miller office, had been receiving payments to expedite applications for public housing or transfers within public housing.

The matter was reported to the Commission as it indicated that Mr Norris may have engaged in corrupt conduct. The Commission commenced an investigation and issued notices under section 22 of the ICAC Act to the Department and other agencies to obtain relevant files and records. A number of covert surveillance activities to obtain evidence were also employed.

A large number of people were interviewed including employees at the Department of Housing Miller office and persons suspected of improperly obtaining Department of Housing properties through Mr Norris.

The Commission also conducted compulsory examinations of eleven persons, including a number of former and current Department of Housing tenants and employees. While some witnesses made admissions about engaging in misconduct, Mr Norris denied that he had sought or received money for improperly allocating public housing. He also denied giving information to tenants about proposed drug raids by police.

The Commission determined that it was in the public interest to hold a public inquiry. The inquiry commenced on 12 September 2007 and concluded on 17 September 2007. and evidence was taken from 12 people. The Hon

Jerrold Cripps QC, Commissioner, presided and Ms Carolyn Davenport SC was Counsel Assisting.

The Commission subsequently made findings of corrupt conduct against Mr Norris and several present and former tenants of the Department. The Commission was of the opinion that the advice of the Director of Public Prosecutions should be obtained with respect to the prosecution of Mr Norris and four others for various criminal offences.

ICAC Corruption Prevention Officers were engaged in the matter from the outset. A number of recommendations were subsequently published in the ICAC report regarding the systems and processes that were manipulated by Mr Norris for his personal benefit, enabling him to improperly allocate Department bedsit units and to effect transfers of clients who had paid him bribes to secure more spacious accommodation.

This investigation identified a number of areas within the Department of Housing workplace that either facilitated Mr Norris's corrupt conduct or decreased the likelihood of its detection including:

- Local Allocation Strategies
- housing allocation mechanisms of "backdating" and "bypassing"
- the allocation of hard-to-let properties
- record-keeping, audit and compliance
- performance management and supervision.

For investigations that progress to a public report, Corruption Prevention Officers outline the prevention and corruption risk issues and make recommendations to deal with the gaps and deficiencies. Case Study 9 concerns a major investigation undertaken by the Commission which identified significant systems

and procedural weaknesses and resulted in a public report containing corruption prevention recommendations.

Further information on corruption prevention work on investigations, including follow-up on the implementation of recommendations arising from investigations, is outlined in Chapter 4 ("Preventing corruption".)

THE YEAR AHEAD



In 2008–09, the Investigation

Division will:

- ensure that investigative activities **comply with all relevant legislative and internal requirements;** are enhanced through revision of contemporary investigative techniques; and are flexible enough to meet the challenges of the substantial increases in use of statutory powers that occurs when public inquiries are held
- assess training needs and seek assistance to develop or identify specific training modules to **ensure our staff are aware of relevant requirements** when exercising statutory powers
- monitor trends and issues in the public sector with a view to **developing proactive approaches** to investigations
- focus on identifying appropriate matters for referral to the NSW Crime Commission for consideration of **action to forfeit illegally obtained assets** and proceeds of crime
- ensure that **investigative efficiency is enhanced** by actively participating in the major project to develop the Commission's new complaints and case management system





Corruption Prevention, Education and Research staff Julie Walton and Deirdre Cooper touch down in the Riverina as part of the ICAC's Regional Outreach program



CHAPTER 4

Preventing corruption



We increased the level of corruption prevention training activities and **expanded their scope**

Dr Robert Waldersee

Executive Director, Corruption Prevention, Education and Research



HIGHLIGHTS 2007-08



We made a significant contribution to the governance of planning in NSW through 24 recommendations in our report *Corruption risks in NSW development approval processes*. The **government has adopted the key recommendations** of the report

We raised the profile of Australia's lead anti-corruption agencies and **provided corruption prevention information to more than 500 delegates** through the inaugural Australian Public Sector Anti-Corruption Conference

The conference was successful both financially and in education and training outcomes, with **94% of survey respondents reporting increased knowledge** about anti-corruption issues

The reach of our training was increased by offering open programs that **attracted 72 professionals from agencies** that otherwise would not receive training

We continued to **take the ICAC's message to regional NSW** through outreach visits and presentations in the Riverina and Hunter regions

We **delivered 57 training sessions** (up 46% from last year), and 37 speaking presentations (up 19% from last year)



PREVENTION: KEY OBJECTIVES

provide a range of targeted strategies to develop the public sector's capacity to resist and appropriately respond to corruption

provide guidance and advice to the NSW public sector on issues that may lead to corrupt conduct if unchecked

promote community awareness and confidence in reporting corruption

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THE Corruption Prevention, Education and Research Division (CPER) reduces corruption risks by ensuring that motivation to act corruptly is recognised and managed, that the opportunity to engage in corrupt behaviour is limited by the structures and systems of the organisation, and that the risk of detection is heightened through supervision and reporting.

To achieve this, we provide:

- expert advice and consultancy
- community and public sector training and education
- encouragement to implement changes and

- research into areas of risk and effective approaches to prevention.

Expert advice and consultancy

Advice assists managers to control all elements of the organisation that may contribute to corruption. This includes people management, systems (including policies and procedures), organisational structure and corruption detection.

Advice is provided in a variety of circumstances. During investigations, corruption prevention officers analyse the organisation for weaknesses and make recommendations. The Assessments Section refers matters to CPER where corrupt behaviour is not established but there appears to

be a vulnerability to corruption. Organisations contact us for expert advice on reducing the risk of corruption.

Training and education

Training and education focuses on developing agency competences in managing corruption risks and increasing the risk of detection by educating stakeholders.

Training managers enables them to improve the corruption resistance of their organisations and to effectively investigate possible corrupt behaviour.

Educating stakeholders reduces corrupt behaviour by increasing reporting and thus the risk of detection. Stakeholders include employees and external individuals.

Encourage change

Effective implementation of recommendations stemming from an inquiry is encouraged by follow-up. CPER tracks the recommended changes made in the organisation over two years.

Research

Dealing with new types of corruption, as well as evaluation of the CPER's effectiveness, requires research. Research such as "Profiling the NSW Public Sector" allows us to prioritise risk areas and refine training and education as well as advice and consultancy services.



Senior Project Officer, Training and Development Margaret Ludlow gives a presentation to council employees in Goulburn

Responding to corruption

WHILE investigations identify corrupt individuals, CPER identifies the factors that allowed the corruption to occur in the first place. We evaluate the weaknesses within the agency and make recommendations to reduce the probability that corruption will recur. The implementation of the recommendations is tracked and assessed over a two-year period.

Diagnosing weaknesses in affected agencies

To identify the weaknesses that allowed corruption to occur, our officers conduct a comprehensive review of the systems, policies, procedures and work practices of the agency at the centre of a Commission investigation. We also examine

what motivates individuals who engage in corrupt conduct and how that conduct can better be detected and deterred.

For investigations that progress to a public report, Corruption Prevention Officers outline the prevention and corruption risk issues and make recommendations to deal with the gaps and deficiencies. Even when an investigation does not progress to a public inquiry, the Commission may still provide prevention advice to the agency concerned. Case Study 10 is an example of this.

In 2007–08, the Commission issued seven public reports, four of which contained corruption prevention recommendations (a total of 57 corruption prevention recommendations).

CASE STUDY 10: FORGERY IN PROCUREMENT

The Commission found that a council officer, Scott Freeman engaged in corrupt conduct at Strathfield and Bankstown Councils by forging false quotations and by arranging for an associate, Terence Stepto, to submit dummy quotes. These forged and dummy quotes were prepared so that Mr Freeman could favour a particular company, Admark Constructions P/L.

Mr Freeman had resigned from Bankstown Council to avoid disciplinary action and then commenced employment at Strathfield Council. In this straightforward case, the corruption occurred because of two weaknesses in the council systems:

- As the councils used a three quotations system instead of a formal tender an opportunity was created for an individual to behave corruptly. Mr Freeman deliberately exploited the discretion that he had under the more informal three quote system.

- Mr Freeman was able to obtain employment at Strathfield council due to weaknesses in the selection and vetting procedures.

The result was that a corrupt individual was able to gain employment in a procurement area that was vulnerable to self-interested behaviour.

To address the vulnerability in procurement, the Commission recommended that procurement should be conducted through vetted preferred-supplier arrangements. This reduces discretion and introduces independent checking of suppliers.

To address the vulnerability in selection processes, the Commission recommended local councils consider strengthening their employment screening processes. In this case, obtaining referee reports from persons to whom Mr Freeman had reported directly and carrying out service checks might have revealed his prior misconduct.

The recommendations made in two of these cases are set out below.

- **Operation Pelion** (the regulation of brothels by Parramatta City Council) made findings of corrupt conduct against Wade Fryar, Council's Team Leader of Compliance Services, as well as a number of brothel owners and sex workers.

Mr Fryar's position as Team Leader allowed him to warn the operators of illegal brothels about planned inspections which in turn allowed him to justify the prompt closure of complaint files – an activity that did not attract scrutiny. In return for these warnings, Mr Fryar received cash and sexual services. In his position, Mr Fryar enjoyed a significant degree of autonomy and while he was able to create the appearance that desirable outcomes were being achieved, he was able to resist managerial oversight.

The 13 corruption prevention recommendations made covered improved performance management and training, staff rotation, restructuring of duties and possible amendments to relevant legislation relating to sex industry advertising.

- **Operation Sirona** (licensing in the RTA) found that over a four-year period the corrupt provision of licences to unqualified drivers had occurred. In addition to being corrupt, this practice is highly dangerous. The Commission's 22 corruption prevention recommendations were aimed at obliging public officials to leave a more detailed audit trail in respect of high-risk decisions such as assisting licence applicants with poor English skills, allocating driving examiners and setting test routes. The facilitation of internal complaints was also identified as an area for improvement within the RTA.

Encouraging implementation of recommendations

To reduce the risk of future corruption following findings of corrupt conduct, we follow the implementation of recommendations over two years. The extent of implementation is assessed based on agency reports. To reduce the temptation for agencies to exaggerate the degree of implementation reported to CPER, progress reports are publicly available on the ICAC website.

Agencies to which corruption prevention recommendations have been made are asked to submit an implementation plan for all recommendations within three months of the report being made public. The Commission requests progress reports on implementation at intervals of 12 and 24 months.

Most agencies are cooperative, indicating a willingness to address the vulnerabilities in their organisations.

In 2007–08, the Commission received 10 reports providing updates on the implementation status of recommendations in five previous Commission investigation reports. These reports indicated that the reporting agencies had addressed 100% of the corruption prevention recommendations made.

Unfortunately some agencies are not as willing to address their corruption risks, despite adverse findings in public inquiries. In 2007–08 two agencies failed to provide reports on the progress of implementation, despite repeated requests from CPER.

We are concerned that such recalcitrance should not be allowed to continue. CPER is now considering reporting uncooperative agencies to the responsible Minister or to the Parliamentary Committee on the ICAC. Continued non-compliance thus may result in a public Parliamentary inquiry.

Building anti-corruption competences

BUILDING agency anti-corruption competences¹ is a central plank of our work. To develop the anti-corruption competences of the public sector, we:

- conduct extensive training and development of managers
- raise awareness and skills via the Australian Public Sector Anti-Corruption Conference (APSACC) and publications
- develop training materials addressing specific agency needs
- provide expert advice to agencies as needed
- build depth of expertise through the ANU/ICAC corruption and anti-corruption executive program
- analyse and recommend changes to governance architectures.

Strengthening agency competences: training and development

CPER up-skills managers and corruption prevention specialists in approaches to corruption minimisation. To ensure this is done at the highest standard, regular evaluations are conducted.

The evaluation results for CPER training services are summarised in Table 20.

In 2007–08, the Commission received 28 requests to deliver workshops and sessions tailored to organisational or particular functional needs, and 37 speaking requests. The Department of Community Services sought the delivery of a training session that focused on the corruption risks in the regulatory role to support their Children Services Reform project. The Department of Health requested delivery of a number of Better Management of Protected Disclosures workshops for staff from a range of hospital, area health service and other health agencies.

Table 20: Evaluation results for CPER training

Better Management of Protected Disclosures training	
91%	found the workshop very useful
94%	agreed or strongly agreed that it met their learning needs
99%	agreed or strongly agreed that the presenter's delivery helped them learn
Corruption Prevention for Managers training	
99%	found the workshop somewhat or very useful
92%	agreed or strongly agreed that it met their learning needs
93%	agreed or strongly agreed that the presenter's delivery helped them learn
Fact-Finder training	
100%	found the workshop useful or very useful
96%	agreed or strongly agreed that it met their learning needs
94%	agreed or strongly agreed that the presenter's delivery helped them learn

1. "Competences" is a management term that refers to systemic capabilities embedded within the practices, knowledge and/or culture of the organisation.

Although the resources available for education and training were not increased this year, a substantial increase in the number of delivered sessions was achieved, exceeding performance targets (Table 21). A full list of training workshops delivered in 2007–08 appears in Appendix 13.

Table 21: Increases in delivery of education and training

	2007–08	2006–07	Change
Number of training sessions delivered	57	39	+46%
Number of speaking presentations delivered	37	31	+19%

An ongoing challenge for us is to maximise the reach of these programs using very limited resources. Aside from outreach programs, most training has been delivered through in-house sessions arranged with the ICAC by public sector agencies. We were aware, however, that this approach would not have met the needs of very small agencies and individuals that wished to

develop their preventive capacity. Accordingly we developed Calendar Workshops, which were open to agencies and individuals on a fee-paying basis.

In February and March 2008, the Commission successfully trialled the delivery of the open Calendar Workshops in addition to the existing training delivered to agencies. A total of 72 people from 29 public sector agencies participated in three types of workshops: Fact-Finder, Corruption Prevention for Managers (delivered twice) and Better Management of Protected Disclosures (delivered in association with the NSW Ombudsman).

Improving knowledge across the public sector: APSACC

To enhance the knowledge and understanding of corruption risks by public officials and other external stakeholders the ICAC hosted the inaugural Australian Public Sector Anti-Corruption Conference (APSACC) at the Hilton Hotel, Sydney between 23 and 26 October 2007.



The Hon Len Roberts-Smith QC, Robert Needham, the Hon Morris Iemma, the Hon Jerrold Cripps QC, the Hon Chief Justice James J Spigelman AC and the Hon Terence Cole AO QC on the first day of the Australian Public Sector Anti-Corruption Conference in Sydney

It was marketed to public officials wanting to enhance their skills, knowledge and techniques particularly public sector executives and managers, corruption prevention practitioners, policy advisors, senior police officers, internal auditors and investigators and human resources specialists.

There were 528 delegates from both Australian and international agencies, ranging from a general staff level to senior managers. In addition to the two days of conference sessions, the program included two days of workshops which were particularly popular, attracting 160 registrants.

The conference program was developed by the three lead Australian anti-corruption agencies, the Independent Commission Against Corruption (NSW), the Crime and Misconduct Commission (Qld) and the Corruption and Crime Commission (WA) and was delivered by leading senior practitioners, social commentators and academics.

Keynote speakers at the conference included the Hon Morris Iemma MP, then Premier of NSW, the Hon Jerrold Cripps QC, Commissioner, Independent Commission Against Corruption, the Hon Justice James Spigelman AC, Chief Justice of NSW, Robert Needham, Chairperson, Crime and Misconduct Commission, Timothy Tong Hin-ming, Commissioner, Independent Commission Against Corruption Hong Kong, and Professor Frank Anechiarico, Maynard-Knox Professor of Government and Law, Hamilton College, New York State.

The conference had a practical impact on participants:

- 94% believed APSACC increased their knowledge of anti-corruption
- 84% believed they could implement what they had learned in their workplace
- 98% believed APSACC was useful and relevant.

The Conference has produced benefits beyond the actual program delivered. It has enhanced understanding of the Commission's prevention work and helped to support networks of corruption prevention practitioners in New South Wales and beyond. The experience of working cooperatively strengthened links between the three anti-corruption agencies.

Improving knowledge across the public sector: publications and presentations

“Whistling While They Work”

Ensuring best practice in the management of those who report wrongdoing by public officials is important for both the individual whistleblowers and the organisations involved. To help work towards this goal, the ICAC continued its participation in the “Whistling While They Work” research project.

Findings from the initial components of the research were presented at the Australian Public Sector Anti-Corruption Conference in October 2007 in conjunction with the release of the draft report, *Whistleblowing in the Australian Public Sector*. The presentation attracted considerable media attention as the results indicated that for most whistleblowers the repercussions were not as bad as had been assumed. That said, the results did indicate highly variable behaviour across agencies, with considerable work to be done.

Corruption Risk Management – tip sheet

In February 2008, the Commission issued *Corruption Risk Management: a tip sheet for NSW public officials*. The tip sheet explains what corruption risks are and how corruption risk management fits in with other risk management processes in an agency. It also identifies a number of specific functions that are particularly exposed to the risk of corruption, such as contracting. The *Corruption Risk Management* tip sheet has been distributed to NSW public sector agencies and is also available, together with other ICAC corruption prevention publications and resources, on the ICAC website.

Use and Misuse of Public Sector Resources – tip sheets for employees and for managers

The misuse or theft of resources by public officials is consistently among the top types of suspected corrupt conduct reported to the ICAC. While the most obvious impact of the misuse of resources is financial loss, there are also other costs. Misuse of confidential information, for example, can seriously compromise an agency's work and reputation.

In February 2008, the ICAC released tip sheets for managers and for employees entitled *Use and Misuse of Public Sector Resources*. In brief, the tip

sheets set out what public resources are, what comprises misuse, the key risk areas for misuse and the strategies agencies can implement to minimise these risks.

Meeting agency-specific needs

Responding to the specific needs of agencies sometimes requires development of education and training tailored to those needs. Following a period of extensive consultation with the Department of Health and area health services, CPER has produced a self-delivery training kit for use in the NSW public health sector.

This resource addresses the four main corruption risks identified as the most relevant in the health sector: misuse of resources, conflict between public duty and private interests and activities, inappropriate relationships between clinicians and suppliers, and corruption in responding to problems in clinical service delivery. It has three modules: recognising corruption, identifying and managing conflicts of interest, and preventing corruption. These modules can be delivered together or independently, or adapted to fit into other workplace training events.

Supporting agency anti-corruption efforts with expert advice

Many agencies are actively engaged in minimising corruption but often find they lack required knowledge, as Case Study 11 illustrates. CPER provides expert advice in this area within the NSW public sector.

We provide advice to agencies (Table 22) through two mechanisms:

- responding to written and telephone/email requests on corruption prevention from public sector employees and the general public
- approaching agencies on matters that come to the Commission through the Assessments Section. These include section 10 complaints, section 11 reports and protected disclosures (Table 22).

While there are 19 possible categories of advice provided, over half of all advice falls into only four categories (Table 23).

Evaluation of the phone advice showed advice quality and service are both of a high level. To evaluate the service, the person contacting the ICAC was asked to participate, and phoned later by research staff. Confidentiality was assured to all 30 respondents.

CASE STUDY 11: CREATING A WIN-WIN RESULT

In 2007–08, a NSW government agency contacted the Commission seeking advice in relation to an officer who had secondary employment that had the potential to overlap with his public duties. The agency did not want to ask for the officer's resignation and was looking for ways to manage the conflict of interest. The Commission provided the following options:

- Examining the possibility of a lateral transfer within the organisation
- Reorganising duties and workflows so that this officer had reduced access to confidential or sensitive information
- Obtaining frequent written disclosures relating to the detail of the officer's secondary employment
- Installing information technology controls that are capable of tracking the use of the agency's information assets
- Banning the officer from working on certain tasks which trigger an obvious and extreme conflict of interest
- Preventing the officer from working at home or taking any agency files out of the office

The Commission also recommended that, to avoid the inadvertent disclosure of sensitive information, relevant managers and peers be made aware of the conflict of interest.

Table 22: Number of advice responses by contact method

Activity	2007–08	2006–07	2005–06
Advice letters sent in response to written requests	25	32	–
Percentage of responses sent within 30 days (target is 75%)	76%	78%	–
Advice responses by telephone or email	211	244	–
Advice in response to referral from Assessments Section	44	49	–

Table 23: Four most common requests for advice

Risk/risk management area	2007–08	2006–07	2005–06
Procurement and disposal	17%	16%	13%
Regulatory functions	12%	14%	16%
General ICAC information	15%	13%	12%
Conflicts of interest	11%	10%	15%

In the non-structured component of the evaluation, the most frequent comments identified were satisfaction with the speed of the service and with the fact that the caller was able to discuss the issue with an individual who would follow it through. The structured component of the evaluation examined whether the advice improved the recipient’s knowledge, as well as the utility and clarity of the advice:

- 90% indicated that the advice somewhat or markedly increased their knowledge
- 100% indicated that the advice was somewhat or very helpful
- 97% indicated that the advice was somewhat or very clear.

Developing depth of knowledge within the public sector

CPER is concerned with developing depth of expertise, to complement the breadth and reach of its services. Since 1998, we have participated in the delivery of the Corruption and Anti-Corruption Executive Program run by the Policy and Governance Program of the Crawford School of Economics and Government at the Australian National University (ANU) in Canberra. It is offered as part of a Masters degree at the ANU and is the only graduate course in Australia that offers an in-depth study of the causes of corruption and effective corruption prevention strategies.

In exchange for teaching in the course, the Commission is allocated 10 places for students. These are offered as 10 scholarships, targeted at senior public officials from state and local government, particularly those responsible for the development and implementation of corruption prevention strategies. Some of the scholarships are reserved for employees from rural and regional NSW. In 2007 more than half of the scholarships were awarded to local government managers.

This year 96% of students (all students including the 10 on ICAC scholarships) rated the ICAC component of the course as “good”, “very good” or “excellent”.

As part of the course, scholarship recipients work on corruption prevention projects, with the guidance of ANU and ICAC staff, that apply the principles studied in the course to their own operating environment, as Case Study 12 illustrates.

A longer-term goal of the scholarship program is to develop a network of senior managers in the NSW public sector with an awareness of corruption prevention and capable of influencing the overall ethical culture of the public sector. To help develop such a network the ICAC invites alumni to meet occasionally to discuss current corruption prevention issues.

Building resistance into the governance architecture

Systemic corruption may occur when the governance framework creates opportunities for self-interested behaviour. This year CPER identified weaknesses in the development approval framework. In September 2007, the Commission released the *Corruption risks in NSW development approval processes* position paper. The following key recommendations were made and the government response to each is noted.

- 1 Extend merit-based appeal right to provide reviews of development decisions.** The NSW Government recently expanded the range of development against which objectors can lodge applications for merit reviews.
- 2 Raise councillor accountability by recording their vote on development matters.** The NSW Government has amended the *Local Government Act 1993* to implement this recommendation.
- 3 Clarify the non-pecuniary conflict of interest provisions in the Model Code of Conduct for NSW local councils.** In June 2008, the NSW Department of Local Government re-issued the Model Code. The ICAC provided feedback to the Department on the non-pecuniary interest provisions of the Model Code that were incorporated into the revised edition.
- 4 Refer matters which raise corruption issues to Independent Hearing and Assessment Panels (IHAP) if an IHAP has been established.** As part of the NSW

CASE STUDY 12: A STUDENT'S PERSPECTIVE

One NSW public official from a local council who was awarded an ICAC scholarship to the ANU Corruption and Anti-corruption Executive Program described his project in the following extract from a conference paper prepared later:

A continuing problem in local government waste services is council workers accepting frequent small value payments in exchange for doing extra work for residents or business owners. Because any extra work may only be a small addition to the legitimate work already being conducted, and any additional payment small, it is not seen as corrupt behaviour by those involved.

The academic literature about causes of corruption and studies of practical experience suggest that what is needed is a careful analysis of the causes of instances of corruption and a targeted practical response to each of the factors identified as contributing to the corrupt behaviour.

In this case the causes seemed to include: inadequate instructions and supervision; a low risk of detection; discriminatory supervisory practices; unchecked discretion; unnecessary procedures; unenforced regulations; and irrelevant training.

This analysis indicated that increased management controls and codes of conduct and procedures were necessary but by themselves will only succeed in a limited way. After reviewing waste services operations reforms were made in supervision, recruitment, appointment and training of staff, rostering and performance reporting, as well as job design and work allocation.

A senior manager was appointed to work with the Internal Ombudsman to implement recommendations. This resulted in higher productivity, improved staff morale and skills, improved service delivery and more equitable rostering. It has also resulted in reduced costs and increases of approximately 5–10% in revenue and customer numbers. Productivity has improved through reduced lost on-the-job time and an increase in the amount of commercial waste collected by Council's commercial waste unit.

The key to these successes has been the collaborative and holistic approach of the Waste and Cleansing Services management team in implementing the suggested improvements.

government's planning reforms, councils may be directed to establish IHAPs to advise on certain planning proposals.

5 Facilitate the provision of training for councillors on planning and corruption.

The Department of Local Government plans to conduct this training after the September 2008 elections.

6 Improve control of *State Environmental Planning Policy No. 1 (SEPP 1)*. In May 2008 the NSW Department of Planning issued a Circular to councils reminding them of their obligation to complete accurate quarterly returns on variations to development standards using SEPP 1. Councils are also now required to provide the returns to the Department of Planning.

Bringing corruption to light

THE risk of detection is a major deterrent to corrupt behaviour. Increasing awareness of what constitutes corrupt behaviour and raising knowledge of how to report corruption raises the likelihood of detection, and is a key method of preventing corruption. In 2007–08 the Commission continued its Rural and Regional Outreach Program, which promotes community awareness and confidence in reporting corruption.

The *Corruption Matters* newspaper was distributed more widely and lessons from the Non-English Speaking Background campaign were integrated into CPER's activities.

Reaching out to regional areas

Since 2001 the ICAC has visited rural and regional areas of NSW twice a year to raise awareness of corruption and of the ICAC's functions and to establish networks in non-metropolitan communities. In 2007–08, the ICAC visited the Hunter and Riverina regions.

The Hunter outreach program was delivered in two parts, with councils being visited in November 2007 and state agencies visited in March 2008. The November council component included training, council visits and a community leaders' breakfast in the Hunter Valley, and a legal studies workshop was provided to three local high schools.

The March state agency component also included training, state agency visits and a community leaders' breakfast held in Charlestown. One local high school received a legal studies workshop. Additionally, a special meeting was held with multicultural workers from the region who wanted to know more about the ICAC's multilingual information resources. That meeting also gave ICAC staff an opportunity to learn more about the issues facing emerging communities in the Hunter region that have the potential to give rise to corruption risks.



A community leaders' breakfast held as part of the regional outreach program in the Hunter

The ICAC visited the Riverina region in May 2008, holding training courses, state agency and council visits and meetings of local and state government officials in Junee, Coolamon, Albury and Cootamundra.

Approximately 250 people attended the outreach events. The community leaders' breakfast was well attended and received substantial coverage in the local media.

Raising awareness: the *Corruption Matters* newspaper

Raising awareness and the likelihood of reporting is also achieved through the ICAC's biannual newspaper. During 2007–08, agencies and councils were encouraged to more widely disseminate the newspaper to support their own messages about preventing and reporting corruption.

The ICAC received requests that an A4 version of the newspaper be made available electronically to facilitate internal distribution by email.

We responded to this request and of the two issues produced in 2007–08, the second was also distributed electronically.

Meeting the needs of multicultural communities

Some individuals come to New South Wales from cultures where corrupt conduct, as defined by the ICAC Act, may be an acceptable practice. Having settled here, these individuals may fall prey to corrupt public officials, and sometimes to members of their own community working in league with corrupt public officials. If English literacy is low, they may be even more vulnerable to corrupt exploitation.

The Non-English Speaking Background (NESB) communication strategy targeted these issues and aimed to increase reporting from affected groups.

In 2006–07 ICAC concluded its NESB project. Since then, culturally and linguistically diverse programs have been incorporated into ongoing operations. In addition to these ongoing arrangements, the following activities have featured during the reporting period:

- presentation of the project objectives at the Hunter Multicultural Interagency Meeting as part of the ICAC Hunter Rural and Regional Outreach Program in March 2008
- participation at the Office of Fair Trading Community Information Expo at Lidcombe/Auburn in May 2008.

Continuous improvement of prevention practices and knowledge

MAINTAINING the cutting-edge knowledge of CPER's staff is central to effective corruption prevention activities. Projects undertaken or completed in the past year to improve our knowledge of corruption prevention methodology include:

- Profiling the NSW Public Sector 2007: A survey of functions, risks and corruption prevention strategies. This project indicates the progress of the implementation of corruption prevention measures across the public sector since the first profiling publication in 2003
- an internal review of the first 100 ICAC public inquiries to determine what may have “encouraged, caused or allowed” corrupt conduct to occur
- a long-term follow-up of the *Managing Conflicts of Interest* toolkit resource, commenced in conjunction with the Crime and Misconduct Commission, Queensland, which jointly published the resource with the ICAC in 2003. Public sector organisations were invited to provide feedback regarding their use of the resource and suggestions for additional support on conflicts of interest. The feedback was collected near the end of 2007-2008 and is being analysed for input into future resources.

These projects provide important input into the planning of future strategies of CPER.



CPER staff at the Australian Public Sector Anti-Corruption Conference in Sydney

In addition, we undertake both internal and external professional development activities for staff, including formal and informal in-house seminars and attendance at public conferences like the Australian Public Sector Anti-Corruption Conference and the NSW Corruption Prevention Network conference. In the past year members of our staff have also prepared papers for delivery at national and international corruption prevention conferences.

THE YEAR AHEAD



Our main challenge continues to be to maximise impact with limited resources. CPER's 23 staff are responsible for the reduction of corruption risk in more than 600 agencies in NSW employing 300,000 people

Instead of trying to equally target all of government with limited resources, in the year ahead we will **trial a proactive approach that focuses on high-risk functions** such as contracts and procurement and development approvals by local government in high-risk areas such as coastal and tourist regions

We will work with the Crime and Misconduct Commission (Qld) and the Corruption and Crime Commission (WA), to make the next Australian Public Sector Anti-Corruption Conference in Brisbane in 2009 **as successful as the first**

We will **continue to educate the public sector and the public** generally about the ICAC's role and functions through our regional outreach programs, our publications and our training and education sessions





Principal Lawyer Don McKenzie and Legal Support Officer Mary Murabito



CHAPTER 5

Compliance and accountability



The ICAC **cooperates fully with our oversight bodies**, including the ICAC Inspector and the Parliamentary Committee on the ICAC

Roy Waldon
Executive Director, Legal



HIGHLIGHTS 2007-08



We ensured that 24 responses to questions on notice from the Parliamentary Committee on the ICAC and 15 responses to the ICAC Inspector were **provided in a timely, accurate and relevant way**

Although the use of statutory powers increased substantially this year (in some cases by over 40%), **all requests for the use of these powers were reviewed** by our lawyers to ensure they complied with legislative and internal requirements

Our Legal Division **developed and provided training** on all relevant legislative changes, including new surveillance device legislation

Our in-house lawyers **acted as Counsel Assisting in 60 of the 70 compulsory examinations conducted** in 2007-08, up from 45 last year

Independent audits by the NSW Ombudsman of our telecommunications interception and controlled operations records, and by the ICAC Inspector of our surveillance device records, **found that we had complied with all relevant legislative requirements**



ACCOUNTABILITY: KEY OBJECTIVES

ensure all business activity complies with regulatory and standards requirements

provide timely accurate and relevant reporting to the Inspector of the ICAC and the Parliamentary Committee on the ICAC

report publicly about the work of the ICAC

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THE ICAC Act confers significant powers and discretion on the ICAC Commissioner and ICAC staff. The ICAC is also able to exercise powers under other legislation such as the *Telecommunications (Interception and Access) Act 1979*, the *Law Enforcement (Controlled Operations) Act 1997*, the *Law Enforcement and National Security (Assumed Identities) Act 1998* and the *Listening Devices Act 1984*.

Given the extensive powers available to the ICAC it is important that there is a comprehensive accountability framework in place to ensure the ICAC's powers are not abused and that it meets its legislative responsibilities.

The ICAC has extensive internal and external compliance and accountability frameworks.

Our internal accountability mechanisms include:

- review of all applications for exercise of statutory powers by our lawyers
- strict procedural requirements for the exercise of statutory powers
- an internal committee, the Strategic Investigation Group, to oversee investigations and hearings
- the Prevention Management Group to oversee ICAC corruption prevention, education and research activities

- the Executive Management Group to oversee corporate governance and budgeting and provide overall strategic direction.

The two main features of the ICAC's external accountability framework are:

- the Parliamentary Committee on the ICAC
- the Office of the Inspector of the ICAC.

The ICAC is also externally accountable for its work through:

- inspection of records of telecommunications interceptions and controlled operations by the NSW Ombudsman
- reporting to the NSW Attorney General and the judge who issued the warrant for the use of each listening device warrant
- the application of freedom of information and privacy laws, with exemption for certain functional matters
- accounting to the NSW Treasury and Audit Office for the proper expenditure of funds

- annual reporting requirements, including those in the ICAC Act.

The ICAC's actions are reviewable by the NSW Supreme Court to ensure proper exercise of its functions and powers.

The ICAC is also required by the ICAC Act to provide reasons to complainants and those required to notify the Commission of possible corrupt conduct under section 11 of the ICAC Act of its decision to discontinue or not commence an investigation and to inform that person of the reasons for the decision.

The ICAC has also implemented a range of measures to maximise accountability to the community for its day-to-day work. These measures include publishing and distributing ICAC investigation reports and posting public inquiry transcripts on the ICAC website.

Regulatory and standards requirements



A meeting of the ICAC's Strategic Investigation Group

Internal governance

This section sets out the ICAC's internal committee system that oversees major operations, programs and projects. It also details how the ICAC's Legal Division plays a key role in ensuring that the ICAC's statutory powers are exercised appropriately.

The ICAC also has a range of other internal committees for issues such as equal employment opportunity (EEO) and occupational health and safety (OHS). These committees are discussed in Chapter 6 ("Our organisation").

Strategic Investigation Group

The Strategic Investigation Group (SIG) oversees ICAC investigations and hearings.

The SIG members are:

- the Commissioner
- the Deputy Commissioner

- the Executive Director, Legal (Solicitor to the Commission)
- the Executive Director, Investigation
- the Executive Director, Corruption Prevention, Education and Research.

The SIG meets fortnightly and considers reports on progress and developments in each investigation, including progress with writing investigation reports, preparation of prosecution briefs of evidence for submission to the Director of Public Prosecutions and the general progress of prosecutions arising from ICAC investigations.

Prevention Management Group

The Prevention Management Group (PMG) oversees ICAC corruption prevention, education and research activities.

The members are the same as for the SIG with the addition of the Executive Director, Corporate Services.

The PMG meets monthly and reviews ongoing progress reports for corruption prevention, education and research projects.

Executive Management Group

The Executive Management Group (EMG) meets fortnightly and is responsible for:

- advancing the ICAC's corporate and strategic directions
- reviewing, developing and endorsing ICAC policies and procedures
- overseeing corporate planning and budgeting
- supporting the ICAC's commitment to business improvement initiatives and key result areas
- providing strategic oversight and promoting organisation wide ownership of corporate projects
- ensuring the efficient deployment of ICAC resources.

The EMG membership comprises the Commissioner, Deputy Commissioner and all Executive Directors.

Legal Division

All applications for the exercise of statutory powers are reviewed by the ICAC's Legal Division. The role of the Legal Division is to assist the ICAC to perform its principal functions and to exercise its statutory powers in a lawful, effective, ethical and accountable manner through the provision of high quality, accurate and timely legal services.

ICAC lawyers also actively participate in investigations as members of multi-disciplinary teams, instruct in and appear in compulsory examinations and public inquiries, assist with preparation of investigation reports, assist with preparation of briefs of evidence for submission to the Director of Public Prosecutions, provide training to ICAC staff on relevant statutory powers, and provide general legal advice to the ICAC. The Division is led by the Executive Director, Roy Waldon.

Using statutory powers

The ICAC has extensive powers which are regulated by statute. These statutes set out not only the powers which can be exercised but also the grounds on which the powers may be exercised and restrictions on the way the powers may be exercised.

To ensure these powers are exercised appropriately the ICAC has compiled an Operations Manual which sets out procedures for the exercise of relevant powers and provides that the reason for the exercise of a power as well as its actual exercise must be soundly based and recorded. These procedures must be followed by ICAC officers both in applying for the use of a particular power and in exercising that power. These procedures also ensure that any legislative requirements are identified and addressed.

For example, the Operations Manual procedure requires that requests for the issuing of notices under sections 21 and 22 of the ICAC Act, and for the issuing of summonses under section 35 of the ICAC Act, are to be made by way of written minute to the issuing Commissioner, which is to provide the basis for the issuing of the notice or summons. Requests by investigators are considered by the lawyer assigned to the investigation and the minutes requesting exercise of the relevant power are directed to the issuing Commissioner through the Executive Director, Legal.

Applications for listening devices, telecommunications interception, controlled operations and assumed identities are considered by the lawyer assigned to the investigation and checked thoroughly by the Executive Director before the application proceeds.

The Operations Manual is regularly updated to reflect any relevant changes to legislation and is, in any event, reviewed every two years. Any changes to the Operations Manual must be approved by the Executive Management Group.

Applications for listening device warrants are considered by judges of the NSW Supreme Court. None of the applications made during 2007–08 was rejected.

Applications for telecommunications interception warrants are usually made to members of the Administrative Appeals Tribunal (Commonwealth). During 2007–08 no applications were rejected.

Accounting for the use of statutory powers

Under the *Law Enforcement and National Security (Assumed Identities) Act 1998*, the ICAC is required to report on the use of assumed identities. In 2007–08 the ICAC authorised three new assumed identities and revoked three assumed identity authorities. It was not necessary to vary any assumed identity authority.

Assumed identities are granted and used by ICAC officers in surveillance operations on people of interest in ICAC investigations and to maintain covert arrangements.

Assumed identity records for 2007–08 were audited under section 11 of the *Law Enforcement and National Security (Assumed Identities) Act 1998*. This audit identified that the ICAC had complied with all aspects of the legislation during the reporting year. No fraudulent or other criminal activity was identified.

The NSW Ombudsman inspects the ICAC's records of telecommunications interceptions and controlled operations to ensure compliance with statutory obligations.

In 2007–08 the Ombudsman conducted two inspections of the ICAC's telecommunications interception records and one inspection of the ICAC's controlled operations records. The Ombudsman found that the records complied with all relevant legislative requirements.

Training

Training on relevant legislative requirements is an important element in ensuring that ICAC officers are kept up-to-date on legislative changes and exercise their official functions in accordance with statutory requirements. Internal training sessions have been developed to ensure relevant officers are fully aware of applicable requirements in relation to:

- the ICAC Act
- obtaining and executing search warrants
- the *Telecommunications (Interception and Access) Act 1979*
- the *Law Enforcement (Controlled Operations) Act 1997*
- protected disclosures
- the *Surveillance Devices Act 2008*.

A major challenge in 2007–08 arose from the imminent commencement of the *Surveillance Devices Act 2008*. This Act will replace the *Listening Devices Act 1984* and, in addition to regulating the use of listening devices, will also regulate the use of optical surveillance devices, data surveillance devices and tracking devices. A new training package was developed and delivered to ensure that ICAC officers were fully aware of the changes. The ICAC also developed new procedures for the exercise of powers and keeping of records under the new Act. New forms to be used to apply for warrants under the new Act were also created.

Reporting to the Inspector of the ICAC and the Parliamentary Committee on the ICAC

Parliamentary Committee on the Independent Commission Against Corruption

The Parliamentary Committee on the Independent Commission Against Corruption is the means by which the ICAC is accountable to the NSW Parliament. The Committee consists of 11 members of Parliament, selected from both the Legislative Assembly and Legislative Council. The current members of the Committee are:

- Mr Frank Terenzini MLA (Chair)
- Mr David Harris MLA (Vice-Chair)
- the Hon John Ajaka MLC
- the Hon Greg Donnelly MLC
- Reverend the Hon Fred Nile MLC
- Mr Robert Coombs MLA
- Ms Jodi McKay MLA
- Ms Lylea McMahon MLA
- Mr Jonathan O'Dea MLA

- Mr Rob Stokes MLA
- Mr John Turner MLA.

The Committee is responsible for monitoring and reviewing ICAC functions and reports. It can also examine trends in corruption. It cannot investigate particular conduct or reconsider decisions the ICAC has made on individual matters.

The Committee holds general meetings and briefings with the ICAC, prepares discussion papers, conducts hearings on issues where the views of interested parties are sought and considers matters raised by other members of Parliament or members of the public.

During 2007–08 there was one meeting of the Committee requiring the attendance of ICAC officers. This was for the purpose of reviewing the ICAC's *Annual Report 2005–06*.

The ICAC also provided detailed responses to questions on notice from the Committee on two occasions. The first occasion related to the Committee's review of the ICAC's *Annual Report*



Parliamentary Committee on the ICAC members (from left) Mr Rob Stokes MLA; Ms Jodi McKay MLA; the Hon Greg Donnelly MLC; Mr Robert Coombs MLA; Ms Lylea McMahon MLA; Mr Frank Terenzini MLA (Chair); Mr David Harris MLA (Vice-Chair); Reverend the Hon Fred Nile MLC; Mr John Turner MLA; the Hon John Ajaka MLC; Mr Jonathan O'Dea MLA

2005–06. The second occasion related to the Committee’s review of the ICAC’s *Annual Report 2006–07*.

Inspector of the ICAC

The principal functions of the ICAC Inspector are to:

- audit the operations of the ICAC 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 ICAC or officers of the ICAC
- deal with (by reports and recommendations) conduct amounting to maladministration (including delay in the conduct of investigations and unreasonable invasions of privacy) by the ICAC or officers of the ICAC
- assess the effectiveness and appropriateness of the procedures of the ICAC relating to the legality or propriety of its activities.

The Inspector has extensive powers. These include power to:

- investigate any aspect of the ICAC’s operations or any conduct of officers of the ICAC

- require ICAC officers to supply information or produce documents or other things relating to the ICAC’s operations or conduct of ICAC officers
- require ICAC officers to attend before the Inspector to answer questions or produce documents or other things relating to the ICAC’s operations or the conduct of ICAC officers
- investigate and assess complaints about the ICAC or ICAC officers
- recommend disciplinary action or criminal prosecution against ICAC officers.

Mr Graham Kelly was the Inspector of the ICAC during 2007-08.

During the course of the reporting year the Inspector conducted an audit on the ICAC’s compliance with the *Listening Devices Act 1984*. The audit showed that the ICAC had complied with the requirements of that Act.

All requests from the ICAC Inspector for access to records were complied with expeditiously during the reporting period.

Reporting publicly about the work of the ICAC

Section 76 of the ICAC Act requires the ICAC 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.

That section provides that the report shall include the following:

- a description of the matters that were referred to the ICAC
- a description of the matters investigated by the ICAC
- the time interval between the lodging of each complaint and the ICAC 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 ICAC 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 ICAC 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 report is included in the ICAC's annual report which it is required to produce in accordance with the *Annual Reports (Departments) Act 1985*.

In addition to its annual report the ICAC also publishes its investigation reports and a number of corruption prevention and research publications.

Investigation reports

The ICAC is required under the ICAC Act to prepare reports on matters referred by both Houses of the NSW Parliament and on matters involving public inquiries. These reports are presented to the presiding officer of each House who arrange for the reports to be tabled in Parliament. Each presiding officer has the discretion to make ICAC reports public immediately on presentation.

The ICAC can also produce public reports without conducting a public inquiry. In 2007–08 the ICAC presented seven investigation reports to Parliament. All the reports were immediately made public.

- *Report on an investigation into corrupt conduct associated with the regulation of brothels in Parramatta* (August 2007)
- *Report on an investigation into corrupt issuing of driver licences* (September 2007)
- *Report on corrupt manipulation of contract procurement procedures at Bankstown and Strathfield councils* (November 2007)

- *Report on an investigation into allegations of bribery relating to Wollongong City Council* (December 2007)
- *Report on an investigation into corrupt conduct of an officer at the Department of Housing's Miller office and other persons* (January 2008)
- *Report on an investigation into corruption allegations affecting Wollongong City Council – Part 1* (March 2008)
- *Report on an investigation into corruption allegations affecting Wollongong City Council – Part 2* (May 2008).
- *Corruption risks in NSW development approval processes – position paper* (September 2007)
- *Use and misuse of public sector resources – tip sheet for managers* (February 2008)
- *Use and misuse of public sector resources – tip sheet for employees* (February 2008)
- *Bribery, corrupt commissions and rewards – tip sheet* (February 2008).
- *Corruption risk management – tip sheet* (February 2008).

Corruption prevention publications

The following corruption prevention publications were produced during the reporting period:

- *Managing the risk of corruption: A training kit for the NSW public health sector* (August 2007)

The ICAC also met its target of producing two editions of the *Corruption Matters* newspaper. This publication is designed to raise awareness in the public sector and the wider community about corruption-related matters.

THE YEAR AHEAD



In 2008–09 we will:

- continue to **minimise legal costs** by ensuring that in-house lawyers act as Counsel Assisting in as many compulsory examinations as possible
- provide **expert legal support** to all public inquiries
- **develop and deliver training** to ensure our staff are aware of any new legislative changes, as well as existing requirements when exercising statutory powers.
- respond to any requests for information or assistance by the Parliamentary Committee on the ICAC or the Inspector of the ICAC in a **timely, accurate and relevant** way





ICAC staff Jan Daly, Mike Ah-Koon, Nechal Gil, Steve Osborne and Evalynn Mazurksi with MOCCA project contractors.



CHAPTER 6

Our organisation



Our new complaints handling and case management system, MOCCA, will **improve performance and provide better support** for our operations

Lance Favelle
Executive Director, Corporate Services



HIGHLIGHTS 2007-08



To improve performance and provide better support for our operational areas, we have begun **a major project to create a new complaints handling and case management system**

In line with the NSW Government's strategy on corporate services reform, we **extended our shared corporate services role** with the Health Care Complaints Commission to include administration of payroll, recruitment, worker's compensation and financial accounting services

We engaged a leading external firm to conduct **an audit on ICAC's OHS management system** in accordance with the NSW Government's safety initiatives "Working Together" and "Taking Safety Seriously"

We developed **a new Ethnic Affairs Priorities Statement** and EEO Management Plan and reviewed and implemented specific initiatives in accordance with these plans

We continued to provide staff with the opportunity to develop and enhance their skills through **attendance at 490 training activities**



ORGANISATION: KEY OBJECTIVES

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

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THE Corporate Services Division underpins the work of the ICAC by providing operational and administrative services to ensure that the Commission can conduct its statutory functions in the most effective and efficient way. Additionally, it is responsible for ensuring the Commission complies with statutory administrative operating and reporting requirements including through its independent internal audit function. The range of services provided by the Division includes payroll and human resources, staff development, risk management and security, information technology and management, corporate and strategic planning, financial management, procurement and office services.

A range of corporate services is also provided to the Health Care Complaints Commission under a shared services arrangement.

The Division's specific aims in providing these services are to:

- develop infrastructure that supports the achievement of the Commission's objectives
- develop our people to continuously improve services and systems
- establish governance structures that manage risks and monitor performance against goals
- provide a safe and productive workplace.

The Division employed 19.5 full time equivalent staff during 2007–08 and had a budget of \$2,149,289. Lance Favelle is the Executive Director of the Division.

A learning organisation

Staffing

The average full-time equivalent (FTE) number of staff employed at the Commission during 2007–08 was 116.1. This represented an increase of 4.6 from the previous reporting period. At the end of the reporting period, the Commission employed 125 staff within its five Divisions and the Executive Unit, 105 on a permanent basis, 14 on a temporary basis and six in the equivalent of SES contract positions. More detailed information about staff numbers is provided in Appendix 17.

Table 24 shows the average number of staff by Division for 2007–08 and the previous three years.

Assistant commissioners

The Governor of New South Wales, with the concurrence of the Commissioner, is responsible for appointing Assistant Commissioners to the Commission to assist the ICAC with its inquiries as the Commissioner requires. The position of Deputy Commissioner of the ICAC takes on the joint role of being an in-house Assistant Commissioner as

well as being the executive member responsible for overseeing the strategic corporate operations of the Commission.

As the Hon Jerrold Cripps QC, Commissioner and Theresa Hamilton, Deputy Commissioner presided over all public inquiries and compulsory examinations held during 2007–08, no external Assistant Commissioners were engaged during that period.

Human resources issues

Policies and procedures

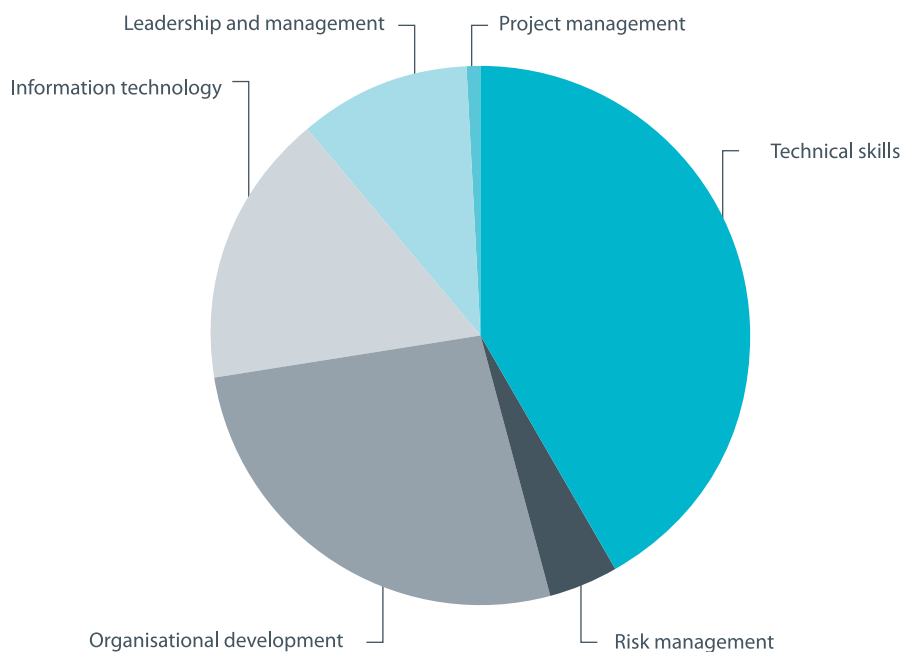
To ensure compliance with legislative requirements and government policies and procedures the ICAC systematically reviews and updates Commission-wide policies.

During 2007–08, a total of 13 policies were reviewed and updated, including policies relating to human resources, risk management, finance, and information management and technology.

Table 24: Average staff numbers by Division

Division	2007–08	2006–07	2005–06	2004–05
Executive	4.2	3.5	4.0	4.9
Corporate Services	19.5	20.4	18.0	20.8
Corruption Prevention, Education and Research	23.2	24.3	21.8	22.8
Legal	9.9	9.7	9.3	9.6
Investigation	45.0	42.2	40.0	41.4
Assessments	14.3	11.4	11.9	13.1

Figure 2: Training days per core learning stream 2007–08



All policy changes are approved by the Executive Management Group and reviewed by the Commission Consultative Group (a group comprised of staff representatives, senior executives and PSA representatives).

Staff are advised by email of changes made to policies, which are also accessible to staff on the intranet.

Learning and development

Staff are encouraged and given the opportunity to enhance their learning and skills development through attendance at seminars, conferences, in-house courses and external courses.

Learning and development is focused across ICAC's six core learning streams i.e. organisational development; risk management, information technology, project management, technical skills and leadership management as shown in Figure 2.

There was an increase in courses in information technology due to in-house training provided to staff on both the upgrade of ICAC's electronic data records management system, TRIM Desktop, and the enhancement to AURION ESS allowing staff to apply for and be paid overtime and meal allowance.

During 2007–08, there were 490 staff attendances at training sessions, which equated to an average for each staff member of 4.2 days, as displayed in Table 25. During the previous reporting period, the number of training days per employee was 5.2 days, with 803 staff attendances at training sessions. The larger number of training attendances in 2006–07

Table 25: Key quantitative results for activities relating to our organisation

Measure	Target*	2007–08	2006–07	2005–06
Average full-time equivalent staff numbers	114.3	116.1	111.5	105.2
Participants in training courses	n/a	490	803	621
Average training days per employee	>5	4.2	5.2	5.8
Speaker presentations delivered (professional recognition)	40	37	31	42

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

was due to a number of mandatory training sessions conducted for all staff in that period, including training on the new Code of Conduct, Conflicts of Interest Policy and Fraud and Risk Management Strategy.

The Commission's performance management system continues to be utilised as a major source in identifying the essential competencies needed in addition to generic competencies required across the Commission in the formulation of learning and development programs for staff.

The ICAC's Performance Agreement template has been redesigned to allow both staff and managers to rate an "individual competency" as being either "needs development" or "fully competent" or "commendable". The template also has the capacity for staff and managers to nominate

learning opportunities that would assist a staff member to become at least fully competent in the relevant competency category.

During 2007–08, we supported two staff members to take a secondment or leave without pay to undertake career opportunities in other public sector agencies.

Two nominations from staff were supported in response to the Public Sector Executive Development Program sponsored by the Department of Premier and Cabinet.

In addition to training, 27 staff further developed their skills through temporary promotional appointments, while three staff availed themselves of study leave.

Provide a safe, equitable, productive and satisfying workplace

Conditions of employment and movement in salaries and allowances

The current ICAC Award was gazetted in November 2006. This Award (Award No. 2521 of 2006) provided for a salary increase of 4% for staff employed under the Award, effective from the first full pay period on or after 1 July 2007. This increase was also applied to relevant allowances, such as the CLAS and the First Aid Officer's allowances.

Our conditions of employment are in line with those of the wider NSW public sector, and we have adopted the range of benefits for salary sacrificing prescribed by the NSW Government for public sector employees.

The conditions of employment for the Commissioner and our SES equivalent officers are outlined in their employment contracts.

The Statutory and Other Offices Remuneration Tribunal (SOORT) determined a performance-based increase of 2.5% for SES officers and the Commissioner, effective from 1 October 2007.

Industrial relations

The terms and conditions of employment of our staff are prescribed by the Independent Commission Against Corruption Award (No. 2521 of 2006). This Award, which was negotiated with the Public Service Association of NSW (PSA), commenced operation on 1 July 2006 and is due to expire on 30 June 2008.

In preparing for a new Award and in line with the NSW Public Sector Wages Policy 2007, the Commission established a Workplace Reform Focus Group to identify and review areas of potential workplace reform and changes to employment conditions. The areas identified are intended to deliver productivity improvements and cost savings allowing salary increases beyond the 2.5%

proposed to be funded by the NSW Government. The outcomes being sought by the Commission from a new Award are productivity gains, improved service delivery and a competitive salary structure.

A broad range of reform options was canvassed including increases in the weekly hours of work and changes to overtime conditions. Staff were consulted on the options and feedback was obtained. The Commission also had regard to the proposed changes to the Crown Employees (Public Service Conditions of Employment) Reviewed Award and modernisation of employment arrangements submitted to the PSA by the Public Sector Workforce Office as part of its negotiations of a new Crown Employees Award.

The Commission's bargaining parameters were submitted to the Public Sector Workforce Office for endorsement and referral to the NSW Cabinet Standing Committee on the Budget. The Commission's proposal was subsequently accepted and forwarded to the PSA in June 2008 for their consideration and upcoming new Award negotiation.

There were no industrial disputes involving the Commission or the ICAC Commissioner during the reporting period.

Risk management

During the reporting period we concentrated on promoting our investment in risk management by:

- developing a security system user guide
- developing procedures on how to respond to a medical emergency
- conducting an OHS and Risk Management Audit
- undertaking 42 probity background checks

- undertaking a risk assessment on each public inquiry and compulsory examination conducted during 2007–08.

Personnel security

The Commission gives high priority to its personnel security program through a variety of security-based processes. We have a security alarm system which is integrated with electronic access control and electronic surveillance.

During 2007–08 a comprehensive security system user guide was compiled. The security system was subject to ongoing maintenance checks with the access control doors and card readers regularly walk tested and the key pad checked daily for possible problems in order to maintain optimum performance of the system. Daily audits for unauthorised access are performed.

The Commission has a rigorous screening process for all personnel who work on premises to ensure that persons employed pose no risk. During the reporting period, 42 checks were conducted. All personnel employed receive a detailed security briefing during their induction process to promote security/ risk management awareness.

The Commission’s risk assessment policies have been updated and the emergency evacuation plan amended. Step-by-step evacuation guidelines were compiled and posted on the intranet.

Hazard reports lodged and risks controlled

During 2007–08, seven hazard reports were filed. All the hazards related to an office, not field, environment. Two examples of hazard reports

filed were a small tear in the carpet which was taped down and an electronic access control card worn by a staff member finding its way into the mouth of a paper shredder which was located in close proximity to a work bench at which the staff member was working. The shredder was relocated away from the work bench. All hazards reported were eliminated or controlled to an acceptable level.

Information security

We are conscious of the risks of disclosure of confidential information and the need to maintain high standards of security and integrity of information systems. The Commission’s commitment to information security is demonstrated by the fact that the Commission gained full accreditation to the AS7799.2:2000 Australian standard for information security in 2003.

As part of the Commission’s continued commitment to information security, in March 2007 the Commission was successful in obtaining accreditation to the latest ISO/IEC 27001:2005 International Standard for Information Security. The Commission continuously upgrades its systems and updates policies to comply with information security standards. Annual independent compliance audits are also conducted.

Table 26: Hazards reported and risks controlled

	2007–08	2006–07	2005–06
Hazards reported	7	8	7
Risks controlled to an acceptable level	7	7	7
Matters outstanding	0	1	0

Be a lead agency in our governance and corporate infrastructure

Internal governance

We place a high priority on ensuring that we maintain and improve our internal governance infrastructure. To this end, a number of operational and corporate committees have been established.

The goals and activities of three of the principal internal governance committees, the Strategic Investigations Group, the Executive Management Group and the Prevention Management Group have been outlined in Chapter 5 (“Compliance and accountability”).

Other internal committees

The Commission has in place a range of internal management and staff committees to facilitate good governance.

Audit Committee

The Commission’s Audit Committee has been established to oversee its internal audit processes, which include the organisation’s:

- financial reporting practices and activities
- accounting practices and policies
- payroll system
- development and maintenance of internal controls.

A principal role of the Audit Committee is the review of the recommendations made by the Commission’s independent internal auditors. During the course of the reporting period the internal auditors, in line with our three-year audit program, conducted an audit on the Commission’s human resources and payroll system, its financial system, OHS and risk management systems and its investigations management processes. The recommendations resulting from the audit program were delegated, with prescribed timelines for implementation within the upcoming financial year.



Access and Equity Committee members Shannon Field, Cindy Fong, Cathy Walsh, Aruni Wijetunga, Michele Smith and John Alston

Commission Consultative Group

The Commission Consultative Group (CCG) has been established to enable employees, senior management and the Public Service Association of NSW (PSA) to meet to discuss and agree on policy and procedure that relates to staff conditions of employment in addition to matters concerning access and equity and occupational health and safety. The CCG is responsible for reviewing policies and procedures submitted to it, prior to their being put forward for approval by the Commissioner. For further details regarding the CCG refer to Appendix 20.

Access and Equity Committee

The Access and Equity Committee is a key body in monitoring and implementing the Commission's Equal Employment Opportunity (EEO) Management Plan, Disability Action Plan, Aboriginal employment strategies, Spokeswomen's Program and Ethnic Affairs Priorities Statement. Equity issues that arise within the Commission are also addressed by the Committee, particularly Commission policies and training associated with EEO. Details on activities undertaken by the Committee during 2007–08 are identified in Appendix 17.

Occupational Health and Safety Committee

The Occupational Health and Safety Committee meets every quarter and its principal purpose is to monitor the Commission's occupational health and safety (OHS) in accordance with the *Occupational*

Health and Safety Act 2000 (NSW) and deal with any issues that arise. The Committee also reviews OHS practices and procedures and proactively implements practices to enhance workplace safety and employee security. In addition, the Committee conducts workplace inspections. Two inspections were conducted during 2007–08. For further details on these activities refer to Appendix 21.

Information Management and Technology Steering Committee

The Information Management and Technology Steering Committee has been established to provide a coordinated, whole-of-organisation approach to developing and managing information and digital technologies. The Committee's membership includes the Commissioner, the Deputy Commissioner and the Executive Directors of all Divisions. The Manager of the Information Management and Technology Section is responsible for providing secretarial support. As outlined in its terms of reference, the role of the Committee includes:

- determining direction, priorities and monitoring implementation of the information management and technology strategic plan
- overseeing the activities of the Information Security Coordination Group
- approving recommendations on new information management and technology initiatives



IT contractor Terry Ryan at work on the development of the MOCCA complaints handling and case management system

- endorsing the information management and technology plan budget
- endorsing information management and technology policies and procedures.

Code of Conduct

The ICAC's Code of Conduct sets out the principles the Commissioner expects staff to uphold, and prescribes specific conduct in areas considered central to the exercise of the Commission's functions. The Code of Conduct applies to all our employees and other persons engaged to do work for us, and a copy is provided to each person either as part of their letter of offer of employment or at the time of their engagement by the Commission.

All new staff as part of their induction program are provided with further information about the Commission's Code of Conduct. No changes were made to the Commission's Code of Conduct during 2007–08.

Information management and technology systems and infrastructure

At the beginning of 2007–08, we developed a new Information Management and Technology Strategic Plan 2007–10. This plan supports the Commission's corporate information requirements and business direction and provides a road map for future development.

Other initiatives during 2007–08 included implementation of new backup systems, upgrading the network security by implementing new firewalls, upgrade of TRIM electronic document and records management system to TRIM Desktop and ongoing enhancement and maintenance of our existing complaint handling and case management system (ICS).

Document Scanning

Last year we implemented document scanning for both incoming mail and documents produced under section 22 notices. This functionality was then extended to selectively scan seized property. Scanned documents are saved into the TRIM

electronic documents and records management system, and all investigation officers can access these documents from their desktops.

New complaints handling and case management system

Following a grant of funding by the Treasury for a new system to replace our ageing case management system (ICS), work commenced on development of detailed requirement specifications. As part of this exercise, business process mapping was also undertaken. Based on this design document, a tender was then issued for the supply and implementation of a new case management system. Dialog Information Technology was selected to implement a case management system based on Microsoft Dynamics. The project has been split into two stages.

Work on Stage 1 has already commenced. In this stage Dialog IT will prepare a technical design document and demonstrate how it will meet all of our requirements. Subject to successful completion of this stage, work on Stage 2 development and implementation of the system will commence. It is envisaged that the new system will be implemented by June 2009.

The new system, to be called MOCCA (Management of Cases, Complaints and Assessments), will improve performance and provide better support for our operational areas.

Surveillance and Technical Unit

During 2007–08, the storage capacity of the computer forensic SAN system was increased by 13 terabytes. This has allowed increased storage of computer forensic data obtained through search warrants. A number of computer forensic PCs were upgraded and new notebooks were purchased. Various pieces of software were also upgraded. In addition, the Commission purchased a new network storage device for the surveillance team to enhance the archiving of digital imagery. All of these measures have significantly increased the productivity of the acquisition and analysis phase of computer forensics. The Surveillance Team has also been provided with BlackBerry email devices, to provide faster and easier communication with the office while they are working in the field.

Monitoring performance and effective resource management

Setting direction and goals

Strategic plan

We presently have in place a strategic plan that extends for a four-year period. The Strategic Plan 2006–2010 sets out the Commission’s current objectives of our work, key result areas and performance measures. The plan provides the framework for the Commission to remain responsive and adaptive in its work across its main functions of investigating and preventing corruption. An annual review of the Strategic Plan is undertaken by the Executive Management Group in conjunction with the development of the Commission’s annual Corporate Plan.



Our staff performance management focuses on personal development for staff: Paul Grech, Deputy Manager, Assessments with Mark Nolan, Assessment Officer

Business plans

Each Division of the Commission prepares and implements an annual business plan, which details how the Division will contribute to the achievement of the Commission’s values, key result areas and associated objectives and performance measures. Each Division’s plan is supported by an allocated budget. A key element of the Commission’s planning cycle and process is that the Commission’s performance management system has been designed to cascade down from the Corporate Plan and relevant Divisional business plan, aligning individual position accountabilities to the Commission’s corporate objectives and targets.

Monthly staff and financial reports

The Commission’s financial performance and projected financial results are reviewed by the Executive Management Group (EMG) on a monthly basis. The EMG also receives a staff establishment report that provides an overview of staff movements and sick leave occurrences and trends. The report also provides information on projected staff numbers for the year as well as position vacancies, commencements and terminations.

Monitoring performance

Quarterly business plan reviews

The performance targets and project outcomes of the key result areas in each Division’s business plan are reported to the Executive Management Group on a quarterly basis. This process ensures expected deliverables are being achieved according to timeframes and benchmarks.

Staff performance management

We have in place a performance management system (PMS) that cascades down from our Corporate Plan and Divisional business plans, incorporating divisional key performance indicators and projects, position accountabilities and the Commission’s core competencies in individual staff performance agreements. A feature of the PMS, which supports our focus on aligning learning with performance, is the integration of an employee’s learning and development plan with his/her

performance agreement. Each staff member's learning and development plan identifies the corporate, positional and individual learning and development activities required during the period to ensure competence and maximise skill levels in order to achieve the desired performance targets and organisational goals.

Our employees have a performance agreement in place within six weeks of commencing employment and annual performance agreements are developed at the beginning of each financial year. The review process involves continual informal feedback from managers and supervisors, coupled with formal reviews occurring twice a year.

It is through our PMS that we achieve our goal of ensuring effective communication and consultation between management and staff, and that work performance can be measured in an objective, transparent and fair manner. The Commission strives to ensure through the deployment of its PMS that barriers to optimising performance are removed and that staff are provided with the necessary development and training opportunities to facilitate the attainment of corporate and operational goals.

Shared corporate services

In accordance with the NSW Government's objective to improve service delivery, realising the benefits of technologies, reducing costs and becoming more efficient through the use of economies of scale, the Commission entered into a shared corporate services arrangement with the Health Care Complaints Commission (HCCC) in 2004–05.

The Commission oversees the management of HCCC's corporate services unit on a fee-for-service basis and provides:

- corporate planning and risk management
- financial planning and financial management
- human resources management, advice, planning, training and policy development
- information management, planning on policy development, and technology planning and advice.

In 2007–08 the Commission expanded the provision of corporate services support to the HCCC to include payroll administration and financial accounting, reporting and payments.

THE YEAR AHEAD



To improve staff performance and personal development, we will:

- **increase the average number of training days** provided to each staff member from 4.2 to 5 days
- implement MOCCA, **our new complaints handling and case management system**. The second stage will include the analysis, configuration and development of the system by September 2008, and the third stage will include data migration, user acceptance testing and training and is planned to start testing in early 2009.
- finalise the re-design of **our new internet and intranet websites**, which will follow the NSW Government's guidelines on style, usability and accessibility. The new sites will enhance processes for users in the areas of online complaint lodgement, tailored information, search and navigation, download of publications, and promotion and registration for ICAC training courses





Our Finance Section prepares detailed financial statements for internal and external review.

Financial statements

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Statement by Commissioner

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, I state that:

- a. the accompanying financial statements in respect of the year ended 30 June 2008 have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983*, and the Regulation 2005, and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2) of the Act;
- b. the statements and notes exhibit a true and fair view of the financial position and transactions of the Independent Commission Against Corruption; and
- c. there are no circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'Jerrold Cripps', is positioned below the list of points.

The Hon Jerrold Cripps QC
Commissioner

17 October 2008



GPO Box 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Independent Commission Against Corruption

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Independent Commission Against Corruption (the Department), which comprises the balance sheet as at 30 June 2008, the operating statement, statement of recognised income and expense, cash flow statement, and a summary of compliance with financial directives for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Department as of 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

The Commissioner's Responsibility for the Financial Report

The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Department's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Department,
- that it has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

20 October 2008
SYDNEY

(Start of Audited Financial Statements)

Operating statement

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
Expenses excluding losses				
Operating expenses				
Employee related	2(a)	13,331	12,968	11,990
Other operating expenses	2(b)	4,689	4,361	4,154
Depreciation and amortisation	2(c)	602	590	585
Total expenses excluding losses		18,622	17,919	16,729
Less:				
Revenue				
Sale of goods and services	3(a)	695	293	211
Investment revenue	3(b)	115	75	123
Grant – digital mobile network	3(c)	–	–	82
Other revenue	3(d)	72	290	71
Total revenue		882	658	487
Gain on disposal	4	0	1	(1)
Net cost of services	20	17,740	17,260	16,243
Government contributions				
Recurrent appropriation	5	16,239	16,239	15,845
Capital appropriation	5	700	1,167	236
Acceptance by the Crown Entity of employee benefits and other liabilities	6	656	608	386
Total government contributions		17,595	18,014	16,467
Deficit for the year		(145)	754	226

The accompanying notes form part of these statements.

Statement of recognised income and expense

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2008 \$'000
Total income and expense recognised directly in equity				
Surplus/(Deficit) for the Year		(145)	754	226
Total income and expense recognised for the year		(145)	754	226
Effect of changes in accounting policies and correction of errors		-	-	-

The accompanying notes form part of these statements.

Balance sheet

AS AT 30 JUNE 2008

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
Assets				
Current assets				
Cash and cash equivalents	8	1,371	1,568	1,391
Receivables	9	793	822	822
Total current assets		2,164	2,390	2,213
Non-current assets				
Property, plant and equipment	10			
Leasehold improvements		164	165	239
Plant and equipment		710	792	900
Intangible assets	11	574	977	218
Total non-current assets		1,448	1,934	1,357
Total assets		3,612	4,324	3,570
Liabilities				
Current liabilities				
Payables	12	391	191	191
Provisions	13	1,229	1,110	1,110
Other	14	–	133	133
Total current liabilities		1,620	1,434	1,434
Non-current liabilities				
Provisions	13	9	8	8
Total non-current liabilities		9	8	8
Total liabilities		1,629	1,442	1,442
Net assets		1,983	2,882	2,128
Equity				
Assets revaluation reserve	16	428	428	428
Accumulated funds		1,555	2,454	1,700
Total equity		1,983	2,882	2,128

The accompanying notes form part of these statements.

Cash flow statement

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
Cash flows from operating activities				
Payments				
Employee-related		(12,485)	(12,360)	(11,584)
Other		(4,717)	(4,801)	(4,806)
Total payments		(17,202)	(17,161)	(16,390)
Receipts				
Sale of goods and services		481	293	211
Interest received		115	75	123
GST refund received		420	–	470
Other		66	730	209
Total receipts		1,082	1,098	1,013
Cash flows from government				
Recurrent appropriation	5	16,238	16,239	15,974
Capital appropriation	5	700	1,167	240
Cash transfers to the Consolidated Fund		(133)	–	(880)
Net cash flows from government		16,805	17,406	15,334
Net cash flows from operating activities	20	685	1,343	(43)
Cash flows from investing activities				
Proceeds from sale of plant and equipment	4	–	1	(1)
Purchases of plant and equipment		(370)	(290)	(258)
Other		(335)	(877)	(48)
Net cash flows used in investing activities		(705)	(1,166)	(307)
Net increase/(decrease) in cash		(20)	177	(350)
Opening cash and cash equivalents		1,391	1,308	1,741
Closing cash and cash equivalents	8	1,371	1,485	1,391

The accompanying notes form part of these statements.

Summary of compliance with financial directives

FOR THE YEAR ENDED 30 JUNE 2008

	2008			
	Recurrent appropriation \$'000	Expenditure / Net claim on Consolidated Fund \$'000	Capital appropriation \$'000	Expenditure / Net claim on Consolidated Fund \$'000
Original budget appropriation/expenditure				
Appropriation Act	16,239	16,239	1,167	700
Additional appropriations				
s. 21A PF&AA – special appropriation				
s. 24 PF&AA – transfer of functions between departments				
s. 28 PF&AA – Commonwealth specific purpose payments				
	16,239	16,239	1,167	700
Other appropriations/expenditure				
Treasurer's advance				
s. 22 – expenditure for certain works and services				
Transfers from another agency (s. 32 of the Appropriation Act)				
Carry-over to 2008/09 – authorised by Premier			(400)	
	0	0	(400)	0
Total appropriations				
Expenditure / Net claim on Consolidated Fund (includes transfer payments)	16,239	16,239	767	700
Amount drawn down against appropriation		16,239		700
Liability to Consolidated Fund*		–		–

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

* The "Liability to Consolidated Fund" represents the difference between the "Amount drawn down against Appropriation" and the "Total expenditure / Net claim on Consolidated Fund".

The accompanying notes form part of these statements.

Summary of compliance with financial directives (contd.)

FOR THE YEAR ENDED 30 JUNE 2008

	2007			
	Recurrent appropriation \$'000	Expenditure / Net claim on Consolidated Fund \$'000	Capital appropriation \$'000	Expenditure / Net claim on Consolidated Fund \$'000
Original budget appropriation/expenditure				
Appropriation Act	15,974	15,845	240	236
Additional appropriations				
s. 21A PF&AA – special appropriation				
s. 24 PF&AA – transfer of functions between departments				
s. 28 PF&AA – Commonwealth specific purpose payments				
	15,974	15,845	240	236
Other appropriations/expenditure				
Treasurer's advance				
s. 22 – expenditure for certain works and services				
Transfers from another agency (s. 28 of the Appropriation Act)				
	0	0	0	0
Total appropriations				
Expenditure / Net claim on Consolidated Fund (includes transfer payments)	15,974	15,845	240	236
Amount drawn down against appropriation		15,974		240
Liability to Consolidated Fund*		129		4

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

1. Summary of significant accounting policies

(a) Reporting entity

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 the NSW public sector administration. These financial statements report on all the operating activities under the control of the Commission.

The Independent Commission Against Corruption is a NSW government department. 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.

This financial report for the year ended 30 June 2008 has been authorised for issue by the Commissioner on 17 October 2008.

(b) Basis of preparation

The Commission's financial statements are a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Regulation 2005; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent Government Sector Agencies or issued by the Treasurer under section 9(2) of the Act.

The financial statements are prepared in accordance with the historical cost convention, except for leasehold improvement non-current assets which are recorded at valuation.

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 expressed in Australian currency.

(c) Statement of compliance

The financial report complies with Australian Accounting Standards, which include the Australian Accounting Interpretations.

(d) Income recognition

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

(i) Parliamentary appropriations

Parliamentary appropriations are generally recognised as income when the Commission obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following year. As a result, unspent appropriations are now accounted for as liabilities rather than revenue.

The liability is disclosed in Note 14 as part of "Current liabilities – Other". The amount will be repaid and the liability will be extinguished next financial year.

(ii) Sale of goods

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards or ownership of the assets.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment revenue

Interest revenue is recognised as it accrues using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(e) Employee benefits and other provisions

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

Liabilities for salaries and wages (including non-monetary benefits), annual and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled. There is no liability for long-term annual leave i.e. > 12 months.

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.

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

(ii) Long-service leave and superannuation

The Commission's liabilities for long service leave and 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 NSWTC 07/04) 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.

Long service leave on-costs are not assumed by the Crown Entity and are the responsibility of the Commission, except for the related superannuation on-costs and long service leave accruing while on long service leave.

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 (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions.

(f) 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.

(g) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except:

- the GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of the item of expense
- receivables and payables are stated with GST included
- in the cash flow statement.

(h) Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Commission. Cost is the amount of cash or cash equivalents paid or the fair value of the acquisition or construction or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

(i) Capitalisation thresholds

Property, plant and equipment and intangible assets acquired with an expected life in excess of one year and with a value of \$5,000 and above (or forming part of a network costing more than \$5,000) are capitalised.

(j) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

As the Commission does not own land, building or infrastructure assets, management does not believe that the revaluation of physical non-current assets every five years is warranted, unless it becomes aware of any material difference in the carrying amount of any class of assets. The last revaluation was completed on 30 June 2004 and was based on an independent assessment.

Most of the Commission's assets are non-specialised assets with short useful lives and are therefore measured at depreciated historical cost, as a surrogate for fair value.

(k) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, the Commission is effectively exempted from AASB 136 *Impairment of Assets and impairment testing*. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured

at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(l) 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. The Commission's leasehold improvements when constructed were projected to have a useful life of fifteen years or the unexpired period of the lease. The Commission's plant and equipment, when purchased, are projected to have a useful life of five years.

The Commission reviewed the depreciation rate for computer equipment and computer software and applied a revised useful life estimate of four years to purchases from 2004–05 and onwards.

(m) Maintenance and repairs

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

(n) 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 effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense. The Commission has no finance lease arrangements.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(o) 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 are amortised using the straight line method over four years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the Commission is effectively exempted from impairment testing (refer paragraph (k) above).

(p) Loans and receivables

Loans and 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 accounted for in the operating statement when impaired, derecognised 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.

(q) 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.

For financial assets at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the operating statement.

Any reversals of impairment losses are reversed through the operating statement, where there is objective evidence, except 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.

(r) De-recognition of financial assets and financial liabilities

A financial asset is derecognised 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 or transferred control, the asset is recognised to the extent of the Commission's continuing involvement in the asset.

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 derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(s) Payables

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

(t) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued and initially measured at fair value, where material. After initial recognition, the liability is measured

at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised, less accumulated amortisation, where appropriate.

The Commission has reviewed its financial guarantees and determined that there is no material liability to be recognised for financial guarantee contracts at 30 June 2008 and at 30 June 2007.

(u) Budgeted amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments the effects of additional appropriations, sections 21A, 24 and/or 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on the carried forward actual amounts, i.e. per the audited financial statements (rather than carried forward estimates).

(v) Comparative information

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

(w) New Australian Accounting Standards / Interpretations issued but not effective

The following new Accounting Standards / Interpretations have not been applied and are not yet effective (NSW TC 08/04). However, the Commission is not able to reliably measure the impact of the initial application of these standards on the financial results of the Commission.

- AASB 101 (Sept 2007) and AASB 2007-8 regarding presentation of financial statements
- AASB 1004 (Dec 2007) regarding contributions

- AASB 1049 (Oct 2007) regarding the whole of government and general government sector financial reporting
- AASB 1050 (Dec 2007) regarding administered items
- AASB 1052 (Dec 2007) regarding disaggregated disclosures
- AASB 2007-9 regarding amendments arising from the review of AASs 27, 29 and 31

- Interpretation 4 (Feb 2007) regarding determining whether an arrangement contains a lease
- Interpretation 1038 (Dec 2007) regarding contributions by owners.

(x) Joint venture - Australian Public Sector Anti-Corruption Conference 2007

The Commission entered into an agreement with the Crime and Misconduct Commission (Qld) and the Corruption and Crime Commission (WA) to organise and conduct the inaugural national conference on public sector corruption to be held in Sydney (NSW) in October 2007 (APSACC 2007). APSACC 2007 formally concluded and the joint venture agreement terminated in June 2008.

Due to the success of the inaugural conference it is anticipated that the conference will be continued on an bi-annual basis. A new joint venture agreement has been drawn up for the APSACC 2009 with the Crime and Misconduct Commission (Qld) as the venture's administration partner. The Commission contributed \$50,000 in seed funding to the APSACC 2009 joint venture.

2. Expenses including losses

	2008 \$'000	2007 \$'000
(a) Employee related expenses		
Salaries and wages (including recreation leave)	10,874	10,095
Superannuation – defined benefit plans	328	274
Superannuation – defined contribution plans	679	615
Long service leave	315	65
Workers compensation insurance	104	108
Contractor & temporary assistance	241	96
Payroll tax and fringe benefits tax	790	737
	13,331	11,990
* Employee-related expenses capitalised in Note 11 - Intangible assets		
Salaries and wages (including recreation leave)	24	–
Contractor & temporary assistance	61	–
	85	–
(b) Other operating expenses		
Auditor's remuneration		
Audit or review of the financial reports	31	34
Bad and doubtful debts	–	–
Operating lease rental expense		
Minimum lease payments	2,003	1,777
Insurance	71	36
Cleaning	19	19
Electricity	53	46
Travelling, air fares and subsistence	115	87
Motor vehicles	18	22
Consultancies	–	–
External legal fees	577	125
Transcript fees	139	65
Fees for services	126	289
Contract security services	196	222
Training	167	149
Advertising and publicity	68	56
Books and subscriptions	92	122
Postal and telephone	141	149
Printing	104	103
Stores and specialised supplies	95	107
Minor computer equipment/licences	132	151
Courier and freight	8	9
Maintenance*	236	218
Other	298	368
	4,689	4,154
* Reconciliation – Total maintenance		
Maintenance expense – other (non-employee-related), as above	236	218
Employee-related maintenance expense included in Note 2(a)	–	–
Total maintenance expenses included in Note 2(a) + 2(b)	236	218

	2008 \$'000	2007 \$'000
Depreciation and amortisation		
Depreciation		
Computer equipment	317	301
Plant and equipment	97	91
	414	392
Amortisation		
Leasehold improvements	75	81
Intangibles – computer software	113	112
	188	193
Total depreciation and amortisation	602	585

3. Revenues

	2008 \$'000	2007 \$'000
(a) Sale of goods and services		
Corporate services support – Health Care Complaints Commission	385	192
APSAC Conference 2007	242	–
Presentation and seminar fees	68	19
	695	211
(b) Investment revenue		
Interest	115	123
	115	123
(c) Grants and contributions		
Digital Mobile Network – Commerce	–	82
	–	82
(d) Other revenue		
Other	72	71
	72	71

4. Gain on disposal

	2008 \$'000	2007 \$'000
Written down value of assets disposed		
Property, plant and equipment	–	1
	–	1

5. Appropriations

	2008 \$'000	2007 \$'000
Recurrent appropriations		
Total recurrent draw downs from Treasury (per Summary of compliance)	16,239	15,974
Less: liability to Consolidated Fund (per Summary of compliance)*	–	(129)
	16,239	15,845
Comprising:		
Recurrent appropriations (per Operating Statement)	16,239	15,845
Capital appropriations		
Total capital draw downs from Treasury (per Summary of compliance)	700	240
Less: liability to Consolidated Fund (per Summary of compliance)*	–	(4)
	700	236
Comprising:		
Capital appropriations (per Operating statement)	700	236

* The liability to Consolidated Fund is recognised in the Balance sheet as a Current liability – other

6. Acceptance by the Crown Entity of employee benefits and other liabilities

	2008 \$'000	2007 \$'000
The following liabilities and/or expenses have been assumed by the Crown Entity:		
Superannuation (defined benefit)	327	273
Long service leave	269	59
Payroll tax (on employer superannuation contributions)	60	54
	656	386

7. Program / activities of the Commission

The Independent Commission Against Corruption operates under a single program for Treasury reporting purposes. For the 2007–08 financial year this program was identified as 5.1.1 Investigation, Community Education and Prevention of Corruption.

Program objective

To minimise corrupt activities and enhance the efficiency and integrity of government administration.

Program description

Investigation of possible corrupt conduct, advice for public authorities on ways in which to prevent corrupt conduct and education of the community about the detrimental effects of corruption.

8. Current assets – cash and cash equivalents

	2008 \$'000	2007 \$'000
Cash at bank and on hand	1,371	1,391
	1,371	1,391

For the purposes of the Cash flow statement, cash includes cash on hand, cash at bank, short term deposits and bank overdraft.

Cash and cash equivalents in the Balance sheet are reconciled to cash at the end of the financial year as shown in the Cash flow statement as follows:

	2008 \$'000	2007 \$'000
Cash and cash equivalents (per Balance sheet)	1,371	1,391
Closing cash and cash equivalents (per Cash flow statement)	1,371	1,391

9. Current assets – receivables

	2008 \$'000	2007 \$'000
Sale of goods and services	20	3
Other receivables	248	319
Prepayments	189	500
	457	822

Management expects to receive all amounts due – therefore no impairment provision has been raised.

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

	Leasehold improvements \$'000	Plant and equipment \$'000	Computer equipment \$'000	Total \$'000
At 1 July 2007				
At cost	574	1,441	1,339	3,354
Accumulated depreciation / amortisation	(335)	(1,094)	(786)	(2,215)
Net carrying amount	239	347	553	1,139
At 30 June 2008				
At cost	574	1,287	1,458	3,319
Accumulated depreciation / amortisation	(410)	(951)	(1,084)	(2,445)
Net carrying amount	164	336	374	874

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	Total \$'000
Year ended 30 June 2008				
Net carrying amount at start of year	239	347	553	1,139
Additions	–	97	141	238
Disposals	–	(250)	(22)	(272)
Depreciation / amortisation w/b on disposal	–	238	19	257
Depreciation / amortisation expense	–	(96)	(317)	(413)
Net carrying amount at end of year	239	336	374	949
At 1 July 2006				
At cost	574	1,280	1,241	3,095
Accumulated depreciation / amortisation	(257)	(1,004)	(480)	(1,741)
Net carrying amount	317	276	761	1,354
At 30 June 2007				
At cost	574	1,441	1,339	3,354
Accumulated depreciation / amortisation	(335)	(1,094)	(786)	(2,215)
Net carrying amount	239	347	553	1,139
Year ended 30 June 2007				
Net carrying amount at start of year	317	276	761	1,354
Additions	–	161	98	259
Depreciation / amortisation expense	(78)	(90)	(306)	(474)
Net carrying amount at end of year	239	347	553	1,139

11. Intangible assets

	Software \$'000	WIP \$'000	Total \$'000
At 1 July 2007			
Cost (gross carrying amount)	959	–	959
Accumulated amortisation	(741)	–	(741)
Net carrying amount	218	–	218
At 30 June 2008			
Cost (gross carrying amount)	994	335	1,329
Accumulated amortisation	(756)	–	(756)
Net carrying amount	238	335	573
Year ended 30 June 2008			
Net carrying amount at start of year	218	–	218
Additions	133	335	468
Disposals	(97)	–	(97)
Amortisation w/b on disposal / transfer	97	–	97
Amortisation expense	(113)	–	(113)
Net carrying amount at end of year	238	335	573
	Software \$'000	WIP \$'000	Total \$'000
At 1 July 2006			
Cost (gross carrying amount)	910	–	910
Accumulated amortisation	(631)	–	(631)
Net carrying amount	279	–	279
At 30 June 2007			
Cost (gross carrying amount)	959	–	959
Accumulated amortisation	(741)	–	(741)
Net carrying amount	218	–	218
Year ended 30 June 2007			
Net carrying amount at start of year	279	–	279
Additions	51	–	51
Amortisation expense	(112)	–	(112)
Net carrying amount at end of year	218	–	218

12. Current liabilities – payables

	2008 \$'000	2007 \$'000
Accrued salaries, wages and on-costs	92	43
Accrued expenses	300	148
	392	191

13. Current/non-current liabilities – provisions

	2008 \$'000	2007 \$'000
Current		
Employee benefits and related on-costs		
Recreation leave (includes annual leave loading)	995	909
Payroll tax and fringe benefits tax payable	4	1
Long-service leave on-costs not assumed by Crown	230	200
	1,229	1,110
Non-current		
Employee benefits and related on-costs		
Long-service leave on-costs not assumed by Crown	3	3
Provision for payroll tax on long-service leave	6	5
	9	8
Aggregate employee benefits and related on-costs		
Provision – current	1,229	1,110
Provision – non-current	9	8
Accrued salaries, wages and on-costs (Note 12)	92	43
	1,330	1,161

14. Current liabilities – other

	2008 \$'000	2007 \$'000
Recurrent allocation	–	129
Capital allocation	–	4
Liability to Consolidated Fund	–	133

15. 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 financial 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 risks. Further quantitative and qualitative disclosures are included throughout this financial report.

The Executive Director Corporate Services has overall responsibility for the establishment and oversight of risk management and reviews and agrees 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.

Compliance with policies is reviewed by the Commission's internal auditors (Deloitte Touche Tohmatsu) and the Audit Committee on a continuous basis.

(a) Financial instrument categories

Financial assets class	Note	Category	Carrying Amount 2008 \$'000	Carrying Amount 2007 \$'000
Cash and cash equivalents	8	n/a	1,371	1,391
Receivables ¹	9	Loans and receivables	601	519
Payables ²	12	Financial liabilities measured at amortised cost	354	170

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

2. Excludes unearned revenue (not within the 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. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (Tcorp) 11 am unofficial cash rate adjusted for a management fee to Treasury. The average interest rate during the period was 5.84%. The average rate for the year ended 2006–07 was 5.14%.

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures

as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Commission is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2008: \$8,025; 2007: \$nil) and not less than 12 months past due (2008: \$9,950; 2007: \$2,809) are not considered impaired and together these represent 100% of the total trade debtors. All of the Commission's debtors are other government departments or government authorities. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

	Total	Past due but not impaired	Considered impaired
2008			
< 3 months overdue	\$1,750	\$1,750	
3 months – 6 months overdue	\$8,200	\$8,200	
> 6 months overdue	–	–	
2007			
< 3 months overdue	\$2,809	\$2,809	
3 months – 6 months overdue			
> 6 months overdue			

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7.

(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 years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and other 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 Treasurer's Direction 219.01. 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. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

(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.

16. Changes in equity

	Accumulated funds		Asset revaluation reserve		Total equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance at the beginning of the financial year	1,700	1,474	428	428	2,128	1,902
Surplus/(deficit) for the year	(145)	226	-	-	(145)	226
Accumulated funds as at 30 June	1,555	1,700	428	428	1,983	2,128

17. Commitments for expenditure

	2008 \$'000	2007 \$'000
(a) Other expenditure commitments		
Aggregate other expenditure for the acquisition of goods/services contracted for at balance date and not provided for:		
Not later than one year	63	36
Later than one year and not later than five years	-	-
Later than five years	-	-
Total (including GST)	63	36
(b) Operating lease commitments		
Future non-cancellable operating lease rental not provided for and payable:		
Not later than one year	1,892	1,870
Later than one year and not later than five years	727	2,389
Later than five years	-	-
Total (including GST)	2,619	4,259

The total "operating lease commitments" above includes potential input tax credits of \$238,132 (30 June 2007 - \$387,185) that are expected to be recoverable from the ATO. The operating lease commitments represent the eight-year lease for the current accommodation at Piccadilly Centre and motor vehicle leases.

18. Budget review

Net cost of services

There was a variance of \$480,000 between budgeted and actual net cost of services. This variance can be attributed to higher than anticipated legal counsel expenses and employee-related expenses resulting from increased investigation activities during 2007-08. The increased expenditure was offset by increased revenue from the provision of shared corporate services to the Health Care Complaints Commission and the inaugural Australian Public Sector Anti-Corruption Conference held in October 2007.

Assets and liabilities

Current assets were \$226,000 under budget as the result of decreased receivables (prepaid July rent and insurance for 2008-09) offset by a corresponding increase in cash balances.

Non current assets were \$486,000 lower than budgeted due to decreased net value of plant and

equipment and an increase in software intangible purchases.

Liabilities were higher than budgeted by \$187,000 due to increase in current liabilities (expenditure accruals) as at year end for rent and insurance. There was also a slight increase in provision for employee-related expenses.

Cash flows

The Commission's revenue increased by \$301,000 compared to budget due to the expanded shared corporate services provided to the Health Care Complaints Commission and the APSAC 2007 Conference initiative mentioned earlier.

Capital appropriation was lower than the authorised limit by \$467,000 due to unavoidable delays experienced with the capital project to replace the Commission's existing Case Management System (ICS). The NSW Treasury has authorised the transfer of the capital authorisation limit to the 2008-09 financial year.

19. Joint Venture Australian Public Sector Anti-Corruption Conference 2007

	2008 \$'000	2007 \$'000
Revenue	746	261
Expenses	(711)	(80)
Joint Venture Surplus	35	181

The Commission entered into an agreement with the Crime and Misconduct Commission (Qld) and the Corruption and Crime Commission (WA) to organise and conduct a national conference on public sector corruption in Sydney in October 2007. Each party to the agreement contributed an initial payment of \$50,000 towards the cost of delivery of the project in 2005-06.

The joint venture operations formally concluded in June 2008. The Commission absorbed one-third of the venture's revenue and expenses pursuant to the venture agreement. The venture seed funding of \$150,000 and surplus of \$35,000 were transferred to the Crime & Misconduct Commission (Qld) for APSACC 2009 and the APSACC 2007 bank account closed as at 30 June 2008.

20. Reconciliation of cash flows from operating activities to net cost of services

	2008 \$'000	2007 \$'000
Net cash used on operating activities	685	(43)
Cash flows from Government / appropriations	(16,805)	(15,334)
Acceptance by Crown Entity of employee benefits and other liabilities	(656)	(386)
Depreciation	(602)	(585)
Increase in provision for employee entitlements	(120)	(17)
Increase/(decrease) in receivables	(42)	137
Increase in payables	(200)	(14)
Net gain on sale of assets	-	1
Net cost of services	(17,740)	(16,241)

(End of Audited Financial Statements)



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APPENDIX 1 – Complaints profile

Table 27: Allegations contained in complaints and reports (section 10, section 11 and protected disclosures) received in 2007–08

	Section 10 complaints (s10s)	% of alleged conduct in s10s	Protected disclosures (PDs)	% of alleged conduct in PDs	Section 11 reports (s11s)	% of alleged conduct in s11s	Total	% of alleged conduct in s10s, s11s and PDs
Assault / sexual assault / misconduct / harassment	28	2	6	1	35	3	69	2
Breach of policy or procedure	209	11	83	14	143	14	435	13
Bribery / gift / secret commission	126	7	31	5	81	8	238	7
Collusion	227	12	51	8	61	6	339	10
Drug / alcohol traffic / use	11	1	3	0	22	2	36	1
Fabricate / falsify info / forgery / fraud / tamper info	121	7	42	7	133	13	296	9
Failure to advertise appropriately, e.G. Contracts	30	2	19	3	9	1	58	2
Failure to disclose / abuse of conflict of interest	136	7	51	8	59	6	246	7
Failure to take action / negligence	166	9	34	6	45	4	245	7
Favouritism / nepotism	181	10	99	16	59	6	339	10
Harassment / victimisation / discrimination	118	6	53	9	44	4	215	6
Improper use of information	57	3	20	3	46	4	123	4
Lack of accountability	151	8	40	7	47	5	238	7
Misuse / theft of resources by public official	105	6	37	6	169	16	311	9
Pervert course of justice / tamper	35	2	2	0	7	1	44	1
Threats / extortion / blackmail / undue influence	52	3	22	4	27	3	101	3
Type of corrupt conduct unspecified / other	71	4	16	3	40	4	127	4
Total	1,824		609		1,027		3,460	

Note: One matter may make allegations about more than one conduct type. For each type of matter, totals and percentages are derived from the number of conduct type allegations (not the number of matters).

Table 28: Percentage of types of allegations received for all matters during 2007-08 compared to the previous two years

Conduct	2005-06	%	2006-07	%	2005-06	%
Assault / sexual assault / misconduct / harassment	79	2.4	84	2.8	79	2
Breach of policy or procedure	450	13.9	353	11.7	546	13
Bribery / gift / secret commission	202	6.3	171	5.7	269	6
Collusion	288	9.0	209	7.0	386	9
Drug / alcohol traffic/use	24	0.7	50	1.7	42	1
Fabricate / falsify info / forgery / fraud / tamper info	251	7.8	231	7.7	334	8
Failure to advertise appropriately, e.g. contracts	39	1.2	42	1.4	66	2
Failure to disclose / abuse of conflict of interest	230	7.1	160	5.3	278	7
Failure to take action / negligence	248	7.6	167	5.5	321	8
Favouritism/nepotism	225	7.0	222	7.4	376	9
Harassment / victimisation / discrimination	241	7.5	195	6.5	263	6
Improper use of information	106	3.3	79	2.6	144	3
Lack of accountability	128	4.0	77	2.6	322	8
Misuse/theft of resources by public official	276	8.6	220	7.3	327	8
Pervert course of justice / tamper evidence / perjury	56	1.7	44	1.4	52	1
Threats / extortion / blackmail / undue influence	88	2.7	45	1.5	111	3
Type of corrupt conduct unspecified / other	297	9.2	657	21.9	235	6
Total	3,228		3,006		4,151	

Table 29: Workplace activities described in complaints and reports (section 10, section 11 and protected disclosures) received in 2007–08

	Section 10 complaints (s10s)	% of workplace activity allegations in s10s	Protected disclosures (PDs)	% of workplace activity allegations in PDs	Section 11 reports (s11s)	% of workplace activity allegations in s11s	Total	% of workplace activity allegations in s10s, s11s and PDs
Allocation of paid hours	4	0	11	2	20	2	35	1
Allocation of public goods and services	114	6	17	3	41	4	172	5
Building and development applications / rezoning	574	30	65	10	110	10	749	20
Cash handling / credit card management	15	1	4	1	68	6	87	2
Codes of conduct	56	3	25	4	150	14	231	6
Dismissal	12	1	3	0	1	0	16	0
Disposal of public assets, tendering, contracting	100	5	35	5	39	4	174	5
E-corruption / IT security	2	0	2	0	10	1	14	0
Elections	20	1	0	0	0	0	20	1
Employment practices	219	11	211	33	181	17	611	17
Government grants	14	1	1	0	9	1	24	1
Internal reporting	32	2	28	4	17	2	77	2
Law enforcement	158	8	21	3	47	4	226	6
Law enforcement – courts / tribunals	92	5	1	0	16	1	109	3
Licensing / qualifications / certificates / regulations	78	4	7	1	74	7	159	4
Other – area of workplace activity unspecified	82	4	16	2	34	3	132	4
Post-separation employment	2	0	0	0	0	0	2	0
Purchase of goods & services, tendering, contracting	107	6	68	11	75	7	250	7
Secondary employment	13	1	3	0	26	2	42	1
Staff management	73	4	71	11	44	4	188	5
Type of corrupt conduct unspecified / other	2	0	0	0	0	0	2	0
Use of confidential information	79	4	20	3	34	3	133	4
Use of public resources	96	5	37	6	90	8	223	6
Total no. of activities	1,944		646		1,086		3,676	

Note: One matter may make allegations about multiple workplace activities. For each type of matter, totals and percentages are derived from the number of workplace activity allegations (not the number of matters).

Table 30: Comparison of workplace activities described in complaints and reports by years received 2005–06 to 2007–08

Activity	2005–06		2006–07		2007–08	
	Total	%	Total	%	Total	%
Other – area of workplace activity unspecified	21	0.8	394	16.7	132	4
Building & development applications / rezoning	99	3.7	332	14.1	749	20
Employment practices	408	15.2	296	12.6	611	17
Codes of conduct	71	2.6	290	12.3	231	6
Purchase of goods & services / tendering / contracting	114	4.2	128	5.4	250	7
Use of public resources	26	1.0	127	5.4	223	6
Law enforcement	148	5.5	126	5.4	226	6
Licensing/qualifications / certificates / regulations	14	0.5	97	4.1	159	4
Disposal of public assets / tendering / contracting	20	0.7	84	3.6	174	5
Law enforcement – courts / tribunals	351	13.1	82	3.5	109	3
Staff management	16	0.6	80	3.4	188	5
Allocation of public goods & services	61	2.3	71	3.0	172	5
Use of confidential information	199	7.4	57	2.4	133	4
Cash handling / credit card management	130	4.8	48	2.0	87	2
Internal reporting	163	6.1	46	2.0	77	2
Secondary employment	326	12.1	22	0.9	42	1
Allocation of paid hours	4	0.1	19	0.8	35	1
Elections	156	5.8	18	0.8	20	1
e-corruption / IT security	28	1.0	15	0.6	14	0
Government grants	104	3.9	12	0.5	24	1
Dismissal	84	3.1	8	0.3	16	0
Post-separation employment	143	5.3	3	0.1	2	0
Sponsorship	0	0.0	0	0.0	2	0
Total no. of activities	2,686		2,355		3,676	

Table 31: Section 10 complaints by government sector

Government sector	
Local government	464
Transport, ports and waterways	117
Government and financial services	102
Law and justice	81
Community and human services	65
Custodial services	57
Health	45
Policing	45
Natural resources and environment	35
Education (except universities)	25
Land, property and planning	23
Consumer and trade	16
Aboriginal affairs and services	13
Universities	12
Parliament	12
Energy	10
Other – unspecified	7
Tourism, sport, recreation and gaming	6
Employment and industrial relations	5
Emergency services	3
Arts and heritage	2

Note: Some section 10 complaints relate to more than one sector.

Table 32: Section 10 complaints by workplace activity

Workplace activity	
Building and development applications / rezoning	574
Employment practices	219
Law enforcement	158
Allocation of public goods and services	114
Purchase of goods and services	107
Disposal of public assets / tendering / contracting	100
Use of public resources	96
Law enforcement – courts / tribunals	92
Other – area of workplace activity unspecified	84
Use of confidential information	79
Licensing / qualifications / certificates / regulations	78
Staff management	73
Codes of conduct	56
Internal reporting	32
Elections	20
Cash handling / credit card management	15
Government grants	14
Secondary employment	13
Dismissal	12
Allocation of paid hours	4
E-corruption / IT security	2
Post-separation employment	2

Note: Some section 10 complaints relate to more than one workplace activity type.

Table 33: Section 10 complaints by conduct alleged

Conduct alleged	
Collusion	227
Breach of policy or procedure	209
Favouritism / nepotism	181
Failure to take action / negligence	166
Lack of accountability	151
Failure to disclose / abuse of conflict of interest	136
Bribery / gift / secret commission	126
Fabricate / falsify info / forgery / fraud / tamper with information	121
Harassment / victimisation / discrimination	118
Misuse / theft of resources by public official	105
Type of corrupt conduct unspecified / other	71
Improper use of information	57
Threats / extortion / blackmail / undue influence	52
Pervert course of justice / tamper with evidence / perjury	35
Failure to advertise appropriately, e.g. contracts	30
Assault / sexual assault / misconduct / harassment	28
Use or traffic of drugs or alcohol	11

Note: Some section 10 complaints relate to more than one conduct type.

Table 34: Protected disclosures by government sector

Government sector	
Local government	92
Transport, ports and waterways	41
Custodial services	38
Health	27
Universities	18
Education (except universities)	17
Natural resources and environment	11
Community and human services	10
Government and financial services	8
Energy	7
Land, property and planning	7
Emergency services	6
Law and justice	2
Arts and heritage	2
Aboriginal affairs and services	2
Consumer and trade	1
Other / unspecified	1

Note: Some protected disclosures relate to more than one sector.

Table 35: Protected disclosures by workplace activity

Workplace activity	
Employment practices	211
Staff management	71
Purchase of goods and services / tendering / contracting	68
Building and development applications / rezoning	65
Use of public resources	37
Disposal of public	35
Internal reporting	28
Codes of conduct	25
Law enforcement	21
Use of confidential information	20
Allocation of public goods and services	17
Other – area of workplace activity unspecified	16
Allocation of paid hours	11
Licensing/qualifications/certificates/regulations	7
Cash handling/credit card management	4
Dismissal	3
Secondary employment	3
E-corruption / IT security	2
Government grants	1
Law enforcement – courts / tribunals	1

Note: Some protected disclosures relate to more than one workplace activity type.

Table 36: Protected disclosures by conduct alleged

Conduct alleged	
Favouritism / nepotism	99
Breach of policy or procedure	83
Harassment / victimisation / discrimination	53
Collusion	51
Failure to disclose / abuse of conflict of interest	51
Fabricate / falsify info / forgery / fraud / tamper with information	42
Lack of accountability	40
Misuse / theft of resources by public official	37
Failure to take action / negligence	34
Bribery / gift / secret commission	31
Threats / extortion / blackmail / undue influence	22
Improper use of information	20
Failure to advertise appropriately, eg contracts	19
Other / unspecified corrupt conduct	16
Assault / sexual assault / misconduct / harassment	6
Use or traffic of drugs or alcohol	3
Pervert the course of justice / tamper with evidence / perjury	2

Note: Some protected disclosures relate to more than one conduct type.

Table 37: Section 11 reports by government sector

Government sector	
Local government	183
Health	84
Custodial services	67
Universities	51
Government and financial services	48
Transport, ports and waterways	40
Natural resources and environment	25
Community and human services	20
Law and justice	18
Energy	16
Education (except universities)	14
Land, property and planning	10
Emergency services	10
Tourism, sport, recreation and gaming	9
Policing	5
Arts and heritage	5
Consumer and trade	4
Aboriginal affairs and services	3
Parliament	1
Employment and industrial relations	1
Other / unspecified	1

Note: Some section 11 reports relate to more than one sector.

Table 38: Section 11 reports by workplace activity

Workplace activity	
Employment practices	181
Codes of conduct	150
Building and development applications / rezoning	110
Use of public resources	90
Purchase of goods and services / tendering / contracting	75
Licensing / qualifications / certificates / regulations	74
Cash handling / credit card management	68
Law enforcement	47
Staff management	44
Allocation of public goods and services	41
Disposal of public assets / tendering / contracting	39
Other – area of workplace activity unspecified	34
Use of confidential information	34
Secondary employment	26
Allocation of paid hours	20
Internal reporting	17
Law enforcement – courts / tribunals	16
E-corruption / IT security	10
Government grants	9
Dismissal	1

Note: Some section 11 reports relate to more than one workplace activity type.

Table 39: Section 11 reports by conduct alleged

Conduct alleged	
Misuse / theft of resources by public official	169
Breach of policy or procedure	143
Fabricate / falsify info / forgery / fraud / tamper info	133
Bribery / gift / secret commission	81
Collusion	61
Failure to disclose / abuse of conflict of interest	59
Favouritism / nepotism	59
Lack of accountability	47
Improper use of information	46
Failure to take action / negligence	45
Harassment / victimisation / discrimination	44
Type of corrupt conduct unspecified / other	40
Assault / sexual assault / misconduct / harassment	35
Threats/extortion/blackmail/undue influence	27
Drug / alcohol traffic / use	22
Failure to advertise appropriately, e.g. contracts	9
Pervert the course of justice / tamper with evidence / perjury	7

Note: Some section 11 reports relate to more than one conduct type.

APPENDIX 2 – Statutory reporting

Table 40: Reports under section 76(2)(ba)

Section	Reporting requirements	Result
76(2)(ba)(i)	Time interval between the lodging of each complaint and the Commission deciding to investigate the complaint	See Table 41 for details
76(2)(ba)(ii)	Number of complaints where investigations were commenced but were not finalised during 2007–08	15
76(2)(ba)(iii)	Average time taken to deal with complaints	87 days
	Actual time taken to investigate any matter in which a report is made	See Table 42 for details
76(2)(ba)(iv)	Total number of compulsory examinations during 2007–08	70
	Total number of public inquiries conducted during 2007–08	11
76(2)(ba)(v)	Number of days spent during 2007–08 in conducting public inquiries	51
76(2)(ba)(vi)	Time interval between the completion of each public inquiry conducted during 2007–08 and the furnishing of a report on the matter	See Table 43 for details

Report under section 76(2)(d)

During 2007-08 the ICAC furnished information to the:

- NSW Crime Commission (financial and other material to enable the Crime Commission to consider taking proceedings for forfeiture of assets under the Criminal Assets Recovery Act 1990);
- NSW Police Force (various intelligence disseminations);
- Police Integrity Commission (various intelligence disseminations);
- Department of Corrective Services (intelligence information on potential threat to an inmate); and
- Australian Taxation Office (address details of person of interest).

Table 41: Time interval between the lodging of each complaint and the Commission deciding to investigate the complaint – section 76(2)(ba)(i)

Date received	Date decided to investigate	Time interval (days)	Date received	Date decided to investigate	Time interval (days)
4 Dec 2006	10 Jul 2007	218	22 Nov 2007	18 Dec 2007	26
22 Jan 2007	23 Aug 2007	213	13 Dec 2007	15 Jan 2008	33
3 Jan 2007	10 Jul 2007	188	20 Dec 2007	15 Jan 2008	26
27 Jun 2007	3 Jul 2007	6	7 Jan 2008	15 Jan 2008	8
28 Jun 2007	5 Jul 2007	7	8 Nov 2007	17 Jan 2008	70
6 Jul 2007	17 Jul 2007	11	19 Feb 2008	29 Apr 2008	70
16 Jul 2007	19 Jul 2007	3	11 Feb 2008	26 Feb 2008	15
23 Jul 2007	26 Jul 2007	3	22 Feb 2008	5 Mar 2008	12
27 Jul 2007	2 Aug 2007	6	28 Feb 2008	18 Mar 2008	19
27 Jul 2007	23 Aug 2007	27	28 Feb 2008	18 Mar 2008	19
8 Aug 2007	12 Sep 2007	35	3 Mar 2008	29 Apr 2008	57
27 Aug 2007	30 Aug 2007	3	5 Mar 2008	29 Apr 2008	55
16 Oct 2007	30 Oct 2007	14	7 Mar 2008	22 Apr 2008	46
16 Oct 2007	30 Oct 2007	14	17 Mar 2008	29 Apr 2008	43
16 Oct 2007	30 Oct 2007	14	26 Mar 2008	29 Apr 2008	34
16 Oct 2007	30 Oct 2007	14	1 Apr 2008	29 Apr 2008	28
16 Oct 2007	30 Oct 2007	14	8 Apr 2008	15 Apr 2008	7
16 Oct 2007	30 Oct 2007	14	2 Apr 2008	22 Apr 2008	20
16 Oct 2007	30 Oct 2007	14	16 Apr 2008	22 Apr 2008	6
6 Nov 2007	11 Dec 2007	35	17 Apr 2008	2 May 2008	15
12 Nov 2007	22 Nov 2007	10	18 Apr 2008	24 Apr 2008	6
20 Nov 2007	27 Nov 2007	7	22 May 2008	2 Jun 2008	11
28 Nov 2007	13 Dec 2007	15	3 Jun 2008	3 Jun 2008	0
3 Dec 2007	13 Dec 2007	10	16 Jun 2008	19 Jun 2008	3
15 Nov 2007	13 Dec 2007	28		Average	32

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

Table 42: Actual time taken to investigate any matter in respect of which a report is made – section 76(2)(ba)(iii)

Investigation classification	Date received	Date completed	Time taken to investigate (days)
Investigation	30 Mar 2007	27 May 2008	425
Investigation	13 Apr 2007	18 Dec 2007	250
Investigation	4 Jun 2007	13 May 2008	345
Investigation	13 Sep 2007	18 Jun 2008	280
Investigation	19 Oct 2007	27 May 2008	222
Preliminary investigation	9 May 2007	25 Sep 2007	140
Preliminary investigation	24 Jul 2007	30 Aug 2007	38
Preliminary investigation	31 Jul 2007	12 Mar 2008	226
Preliminary investigation	24 Sep 2007	30 Oct 2007	37
Preliminary investigation	19 Oct 2007	27 May 2008	222
Preliminary investigation	5 Nov 2007	12 Mar 2008	129
Preliminary investigation	22 Nov 2007	16 Apr 2008	147
Preliminary investigation	7 Jan 2008	27 May 2008	142
Preliminary investigation	18 Feb 2008	16 Apr 2008	59

Table 43: Time interval between the completion of each public inquiry and the furnishing of a report – section 76(2)(ba)(vi)

Public inquiry (Operation name)	Date public inquiry complete*	Date investigation report tabled	Days from end of public inquiry to tabling
Corrupt conduct associated with the regulation of brothels in Parramatta (Pelion)	28 May 2007	22 Aug 2007	86
Corrupt issuing of driver licences (Sirona)	15 Jun 2007	20 Sep 2007	97
Manipulation of contract procurement procedures at Bankstown and Strathfield Councils (Torrens)	31 Aug 2007**	15 Nov 2007	76
Allegations of bribery affecting Wollongong City Council (Berna)	12 Nov 2007	20 Dec 2007	38
Allegations that Douglas Norris received payments to expedite applications for public housing (Greenway)	5 Oct 2007	31 Jan 2008	118
Corruption allegations affecting Wollongong City Council – Part 1 (Atlas)	20 May 2008	4 Mar 2008	***
Corruption allegations affecting Wollongong City Council – Part 2 (Atlas)	20 May 2008	28 May 2008	8

* The ICAC 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.

** No public inquiry held in this matter. Date is that for receipt of final submissions.

*** Published before end of public inquiry.

APPENDIX 3 – Prosecutions and disciplinary actions arising from ICAC investigations

Progress of prosecution matters in 2007–08

The tables below show the progress of prosecution matters in 2007–08. The date in brackets next to the investigation name is the date the investigation report was published. The offences recommended are those recommended by the ICAC for consideration by the Director of Public Prosecutions (DPP).

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

Operation Agnelli: Investigation into the conduct of certain senior officers of the NSW Grains Board (August 2003)

Name	Graham Lawrence
Offences recommended	s.176 Crimes Act (director or officer publishing fraudulent statements)
DPP advice	Further DPP requisitions received on 11 February 2008
Status	Obtaining additional material in answer to DPP requisitions
Name	John Fitzgerald
Offences recommended	s.176 Crimes Act (director or officer publishing fraudulent statements)
DPP advice	Further DPP requisitions received on 11 February 2008
Status	Obtaining additional material in answer to DPP requisitions

Operation Unicorn: Investigation into certain transactions of Koompahtoo Local Aboriginal Land Council (April 2005)

Name	Bill Smith
Offences recommended	s.249B Crimes Act (corrupt rewards) and s.178BB Crimes Act 1900 (obtain money by false or misleading statement)
DPP advice	Further DPP requisitions received on 13 June 2008

Status	Obtaining additional information in response to DPP requisitions
Name	Adam Perkins
Offences recommended	s.249F Crimes Act (aiding, abetting etc corrupt rewards)
DPP advice	DPP requisitions received on 13 June 2008
Status	Obtaining additional information in response to DPP requisitions
Name	Bob Scott
Offences recommended	s.249F Crimes Act (aiding, abetting etc corrupt rewards)
DPP advice	DPP requisitions received on 13 June 2008
Status	Obtaining additional information in response to DPP requisitions
Name	Kim Wilson
Offences recommended	s.249F Crimes Act (aiding, abetting etc corrupt rewards)
DPP advice	DPP requisitions received on 13 June 2008
Status	Obtaining additional information in response to DPP requisitions
Name	Dale Holt
Offences recommended	s.249F Crimes Act (aiding, abetting etc corrupt rewards)
DPP advice	DPP requisitions received on 13 June 2008
Status	Obtaining additional information in response to DPP requisitions
Name	Stephen Griffen
Offences recommended	s.178BB Crimes Act (obtain money by false or misleading statement)
DPP advice	Further DPP requisitions received on 13 June 2008
Status	Obtaining additional information in response to DPP requisitions

Operation Cordoba: Investigation into relationship between certain Strathfield Councillors and developers (June 2005)

Name	John Abi-Saab
Offences recommended	s.100A Crimes Act (blackmail by threat to publish), s.87 ICAC Act (give false/misleading evidence), s.80(c) ICAC Act (wilfully make false statement) and s.89 ICAC Act (procure false testimony)
DPP advice	On 3 February 2006 DPP advised sufficient admissible evidence to proceed with one offence under s.89 ICAC Act. On 21 November 2006 DPP advised sufficient admissible evidence to proceed with five offences under s.80(c) ICAC Act, 6 offences under s.87 ICAC Act and one offence under s.100A Crimes Act
Status	s.100A offence for trial in November 2008. Other matters adjourned to August 2008 for mention

Name	Alfred Tsang
Offences recommended	s.249B Crimes Act (corrupt rewards)
DPP advice	On 28 August 2006 DPP advised sufficient evidence to proceed with two offences under s.249B Crimes Act
Status	Convicted November 2007. Sentenced to four months periodic detention

Operation Cassowary: Investigation into safety certification and the operations of the WorkCover NSW Licensing Unit (December 2005)

Recommendations were made in this report that consideration be given to obtaining the advice of the DPP with respect to the prosecution of 18 named individuals for various criminal offences. Briefs of evidence in relation to all matters were provided to the DPP in December 2007. Currently awaiting advice from the DPP.

Operation Ambrosia: Investigation into schemes to fraudulently obtain building licences (December 2005)

Recommendations were made with respect to 36 persons. Three matters have been finalised. Briefs of evidence in relation to 30 persons are with the DPP awaiting advice. Briefs in relation to two persons are being finalised to send to the DPP.

Name	Yousseff Nehme
Offences recommended	Aiding, abetting, counselling or procuring offences under s.178BA Crimes Act 1900 (obtaining valuable thing by deception) and s.307A Crimes Act 1900 (making false statement to public authority). Section 87 ICAC Act 1988 (false evidence)
DPP advice	On 31 January 2008 DPP advised sufficient admissible evidence to proceed with 12 offences under s.249B Crimes Act 1900 (corrupt reward), 12 offences under s.307A Crimes Act 1900 (aid and abet false statement) and one offence under s.319 Crimes Act 1900 (pervert course of justice)
Status	Listed in court

Operation Hunter: Investigation into the conduct of an officer of the Local Court Registry at Penrith (February 2006)

Name	Faraj Harb
Offences recommended	s.178 BA Crimes Act (obtaining valuable thing by deception)
DPP advice	On 11 December 2006 DPP advised sufficient admissible evidence to proceed with two offences under s.178BA Crimes Act and one offence under s.178BB Crimes Act 1900 (make false statement with intent to deceive)
Status	DPP withdrew s.178BB prosecution. Pled guilty to s.178BA matters in July 2007 and sentenced to 104 hours community service

Operation Inca: Investigation into the cover-up of an assault on an inmate at Parramatta Correctional Centre Penrith (June 2006)

Name	Jeffrey Strange
Offences recommended	s.319 Crimes Act (pervert the course of justice), s.80(c) ICAC Act (wilfully make false statement) and s.87 ICAC Act (false evidence)
DPP advice	On 26 April 2007 DPP advised sufficient evidence to proceed with 2 offences under s.80(c) ICAC Act and two offences under s.87 ICAC Act
Status	Proceedings current

Name	Shannon Wade
Offences recommended	s.87 ICAC Act (false evidence)
DPP advice	On 26 April 2007 DPP advised sufficient evidence to proceed with one offence under s.80(c) ICAC Act and one offence under s.87 ICAC Act
Status	DPP withdrew proceedings in April 2008

Operation Cadmus: Investigation into the case management and administration of community service orders (September 2006)

Name	Hicham (Michael) Ishac
Offences recommended	s.319 Crimes Act (pervert the course of justice), s.308H Crimes Act (unauthorised access to data) and s.87 ICAC Act (false evidence)
DPP advice	On 10 June 2008 DPP advised sufficient evidence to proceed with offences under s.319 Crimes Act and five offences under s.87 ICAC Act 1988
Status	Court Attendance Notices served 30 June 2008

Name	John Tourni
Offences recommended	s.319 Crimes Act (pervert the course of justice) and s.87 ICAC Act (false evidence)
DPP advice	On 10 June 2008 DPP advised sufficient evidence to proceed with offences under s.319 Crimes Act and s.87 ICAC Act
Status	Court Attendance Notices issued

Name	Elias Khoury
Offences recommended	s.319 Crimes Act (pervert the course of justice) and s.87 ICAC Act (false evidence)
DPP advice	On 10 June 2008 DPP advised sufficient evidence to proceed with offences under s.319 Crimes Act 1900, s.87 ICAC Act, and s.80(c) ICAC Act (mislead ICAC officer).
Status	Court Attendance Notices served 30 June 2008

Name	Brian Khouzame
Offences recommended	s.319 Crimes Act (pervert the course of justice) and s.87 ICAC Act (false evidence)
DPP advice	On 10 June 2008 DPP advised sufficient evidence to proceed with offences under s.319 Crimes Act and s.87 ICAC Act
Status	Court Attendance Notices served 30 June 2008
Name	Mariam Tourni
Offences recommended	No offences recommended
DPP advice	On 10 June 2008 DPP advised sufficient evidence to proceed with offences under s.319 Crimes Act and s.87 ICAC Act
Status	Court Attendance Notices served 30 June 2008
Name	Faride Hilal
Offences recommended	s.87 ICAC Act (false evidence)
DPP advice	Awaiting DPP advice
Status	Awaiting DPP advice
Name	Arthur Bullen
Offences recommended	s.319 Crimes Act (pervert the course of justice) and s.80 ICAC Act (mislead ICAC officer)
DPP advice	Awaiting DPP advice
Status	Awaiting DPP advice
Name	Hammurabi Barhy
Offences recommended	s.178BA Crimes Act (obtain money by deception), s.318 Crimes Act (use false instrument), and s.89 ICAC Act (procure false testimony)
DPP advice	Awaiting DPP advice
Status	Awaiting DPP advice

Operation Aztec: Investigation into sale of surplus public housing properties (October 2006)

Recommendations were made in this report that consideration be given to obtaining the advice of the DPP with respect to the prosecution of three named individuals for various criminal offences. Briefs of evidence in relation to all matters were sent to the DPP in August 2007. Awaiting advice from the DPP.

Operation Quilla: Investigation into defrauding the RTA and RailCorp in relation to the provision of traffic management services (December 2006)

Recommendations were made in this report that consideration be given to obtaining the advice of the DPP with respect to the prosecution of two named individuals for various criminal offences. Briefs of evidence in relation to all matters were sent to the DPP in April 2008. Awaiting advice from the DPP.

Operation Persis: Investigation into corrupt conduct associated with RailCorp air-conditioning contracts (June 2007)

Recommendations were made in this report that consideration be given to obtaining the advice of the DPP with respect to the prosecution of four named individuals for various criminal offences. Briefs of evidence in relation to all matters were sent to the DPP in April 2008. Awaiting advice from the DPP.

Operation Pelion: Investigation into corrupt conduct associated with the regulation of brothels in Parramatta (August 2007)

Recommendations were made in this report that consideration be given to obtaining the advice of the DPP with respect to the prosecution of 11 named individuals for various criminal offences. Briefs of evidence in relation to all matters were sent to the DPP in June 2008. Awaiting advice from the DPP.

Operation Sirona: Investigation into corrupt issuing of driver licences (September 2007)

Recommendations were made in this report that consideration be given to obtaining the advice of the DPP with respect to the prosecution of three named individuals for various criminal offences. Briefs of evidence in relation to all matters were sent to the DPP in June 2008. Awaiting advice from the DPP.

Operation Berna: Investigation into allegations of bribery relating to Wollongong City Council (December 2007)

A recommendation was made in this report that consideration be given to obtaining the advice of the DPP with respect to the prosecution of one named individual for various criminal offences. A brief of evidence is being prepared.

Operation Greenway: Investigation into corrupt conduct of an officer at the Department of Housing's Miller office and other persons (January 2008)

Recommendations were made in this report that consideration be given to obtaining the advice of the DPP with respect to the prosecution of five named individuals for various criminal offences. Briefs of evidence are being prepared.

Progress of disciplinary matters in 2007–2008

Operation Inca: Investigation into the cover-up of an assault on an inmate at Parramatta Correctional Centre Penrith (June 2006)

Name	Jeffrey Strange
ICAC recommendation	Consideration of disciplinary action under Part 2.7 of <i>Public Sector Employment & Management Act 2002</i> for engaging in misconduct
Status	Suspended awaiting outcome of prosecution proceedings

Operation Sirona: Investigation into corrupt issuing of driver licences (September 2007)

Name	Paul McPherson
ICAC recommendation	Consideration of disciplinary action with view to dismissal
Status	Dismissed May 2007

Operation Greenway: Investigation into corrupt conduct of an officer at the Department of Housing's Miller office and other persons (January 2008)

Name	Douglas Norris
ICAC recommendation	Consideration of disciplinary action with view to dismissal
Status	Dismissed April 2008

APPENDIX 4 – Implementation of corruption prevention recommendations

WHERE the ICAC makes corruption prevention recommendations to an agency in a Commission investigation report, the agency is asked to report to the Commission on the implementation of these recommendations.

Tables 44 and 45 show the information received from agencies in 2007–08, including the number and percentage of recommendations that agencies

have addressed. During 2007–08 subject agencies reported that more than 80% of recommendations were addressed. A recommendation is considered to have been addressed when it has either been implemented, action is being taken to implement it, or the agency has considered the recommendation and found an alternative way of addressing the issue.

Table 44: 24-month progress reports received in 2007–08

Agency	Report	Received	Recommendations		
			Total	Addressed*	% Addressed
<i>Report on investigation into safety certification and the operations of the WorkCover NSW Licensing Unit</i> Investigation report tabled December 2005					
WorkCover NSW	Final	Dec 2007	19	19	100%
<i>Report on investigation into schemes to fraudulently obtain building licences</i> Investigation report tabled December 2005					
TAFE NSW	Final	Feb 2008	8	8	100%
VETAB	Final	Feb 2008	7	7	100%
Office of Fair Trading	Final	Mar 2008	8	8	100%
Minister for Education	Final	Feb 2008	1	1	100%
<i>Report on investigation into the conduct of an officer of the Local Court Registry at Penrith</i> Investigation report tabled February 2006					
Attorney General's Department of NSW	Final	**	12	10	83%

* Addressed includes fully implemented, partially implemented or not agreed.

** Final report was due February 2008.

Table 45: 12-month progress reports received in 2007–08

Agency	Report	Received	Recommendations		
			Total	Addressed*	% Addressed
<i>Report on an investigation and systems review of corruption risks associated with HSC take-home assessment tasks</i>					
Investigation report tabled March 2007					
Board of Studies NSW	Progress	Apr 2008	14	14	100%
NSW Department of Education	Progress	Apr 2008	5	5	100%
Minister for Education	Progress	Apr 2008	1	1	100%
<i>Report on investigation into defrauding the RTA and RailCorp in relation to provision of traffic management services</i>					
Investigation report tabled December 2006					
Roads and Traffic Authority NSW	Progress	Feb 2008	16	16	100%
RailCorp NSW	Progress	**	14	–	0%
<i>Report on investigation into sale of surplus public housing properties</i>					
Investigation report tabled October 2006					
NSW Department of Housing	Progress	Oct 2007	4	4	100%

* Addressed includes fully implemented, partially implemented or not agreed.

** Progress report was due February 2008.

APPENDIX 5 – The ICAC and litigation

THE ICAC has been involved in two matters that have been the subject of litigation during the reporting year.

Case 1 (Supreme Court)

In June 2005 the ICAC received a request made under the provisions of the *Freedom of Information Act 1989* (“the FOI Act”) for access to a report made to its then Operations Review Committee (“the ORC report”).

The FOI Act provides that the ICAC is exempt from the provisions of the FOI Act in relation to, *inter alia*, its complaint handling and investigative functions. The ORC report clearly related to these functions. In these circumstances the request was denied.

In August 2005 the applicant brought proceedings in the Administrative Decisions Tribunal (ADT) seeking a review of the ICAC’s decision to not grant access to the ORC report.

On 20 January 2006 the ADT ruled that as the ICAC was exempt from the provisions of the FOI Act in relation to, *inter alia*, its complaint handling and investigative functions, the ADT had no jurisdiction to hear or determine the application.

The applicant subsequently appealed this ruling to the ADT Appeal Panel.

On 16 April 2006 the ADT Appeal Panel held that the ADT had jurisdiction to review a determination by the ICAC not to give access to the ORC report.

The ICAC appealed to the Supreme Court.

The appeal was heard on 19 February 2007. Judgement was given on 2 March 2007 in favour of the ICAC. The judgement set aside the orders made by the ADT Appeal Panel on 16 April 2006 and restored the orders made by the ADT on 20 January 2006.

In November 2007, after considering submissions from the defendant, the Supreme Court granted the ICAC an order requiring the defendant to pay the ICAC’s costs of the Supreme Court proceedings.

The defendant has appealed the Supreme Court decision.

Case 2 (Administrative Decisions Tribunal)

In July 2006 the ICAC received a request made under the provisions of the *Freedom of Information Act 1989* (“the FOI Act”) for access to a report made to its then Operations Review Committee (“the ORC report”).

The request was denied on the basis that the ICAC is exempt from the provisions of the FOI Act in relation to, *inter alia*, its complaint handling and investigative functions. The ORC report clearly related to these functions.

In March 2007 the applicant brought proceedings in the ADT seeking a review of the ICAC’s decision to not grant access to the ORC report. Both parties have filed and served submissions. The ADT is yet to determine the matter.

APPENDIX 6 – Legal change

THERE were no significant amendments to the *Independent Commission Against Corruption Act 1988* in the reporting period.

The *Statute Law (Miscellaneous Provisions) Act 2007* made some minor amendments to sections 67, 68 and 69 of the ICAC Act by changing references to the Chairman and Vice-Chairman of the Committee on the ICAC to Chair and Deputy Chair respectively. A minor typographical error in section 104(3)(b) of the ICAC Act was also corrected.

A number of amendments were made to the *Telecommunications (Interception & Access) Act 1979*. The main change affecting the ICAC was the transfer of functions in sections 282 and 283 of the *Telecommunications Act 1997* to the

Telecommunications (Interception & Access) Act 1979. These functions give certain agencies, including the ICAC, access to telecommunications data. The major changes were the creation of separate rules for historical and prospective access to data, the creation of new secondary disclosure and use provisions and new record-keeping and reporting requirements.

The *Surveillance Devices Act 2008* was passed during the reporting period but was not due to commence until the 2008–09 reporting period. It regulates the installation, use, maintenance and retrieval of surveillance devices and makes provision for the keeping of relevant records. Once commenced, it will repeal the *Listening Devices Act 1984*.

APPENDIX 7 – Complaints against ICAC officers

THE ICAC Act provides for the appointment of an Inspector of the ICAC. The functions of the Inspector include dealing with:

- complaints of abuse of power, impropriety and other forms of misconduct on the part of the ICAC or officers of the ICAC
- conduct amounting to maladministration (including, without limitation, delay in the conduct of investigations and unreasonable invasions of privacy) by the ICAC or officers of the ICAC.

Accordingly, persons who wish to complain about the conduct of an officer of the ICAC may now do so to the Inspector or to the ICAC.

In September 2005 the ICAC entered into a Memorandum of Understanding (MOU) with the Inspector. The MOU provides that the ICAC will

notify the Inspector of complaints against ICAC officers it receives that come within the Inspector's functions.

The Inspector may decide to investigate matters directly or ask the ICAC to undertake the investigation and report its findings to the Inspector.

The ICAC received seven complaints about ICAC staff in 2007–08. All were from external sources.

All of these matters were handled internally, six by the Solicitor to the Commission and one jointly by the Solicitor to the Commission and the Manager Human Resources and Administration. All seven matters were finalised in the reporting period.

No instances of misconduct or maladministration were found.

APPENDIX 8 – 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 Act establishes a number of information protection principles. These information protection principles only apply to the ICAC in connection with the exercise by the ICAC of its administrative and educative functions.

In accordance with the PPIP Act the ICAC developed a privacy management plan. The ICAC operated in accordance with this plan during 2007–08.

Part 5 of the PPIP Act sets out mechanisms for a person who has been aggrieved by certain conduct of a public sector agency to seek review of that conduct. The relevant conduct is:

- (a) the contravention by a public sector agency of an information protection principle that applies to the agency,
- (b) the contravention by a public sector agency of a privacy code of practice that applies to the agency,
- (c) the disclosure by a public sector agency of personal information kept in a public register.

No reviews have been required or conducted under Part 5 of the PPIP Act during 2007–08.

APPENDIX 9 – Statement of affairs

Structure and functions of the ICAC

The ICAC's organisational structure is shown in Appendix 15.

The ICAC's functions are set out in sections 13 and 14 of the ICAC Act. The ICAC's main functions are to investigate and expose corruption affecting the NSW public sector, prevent corruption and educate the public about corruption issues. These functions are described comprehensively in the body of the Annual Report.

Effect of functions on members of the public

The ICAC does not provide services directly to members of the public.

Members of the public may be involved in ICAC investigations of allegations of corrupt conduct. As such they may be subject to the exercise of statutory powers by the ICAC. These include power to:

- require production of documents or other things (section 22 ICAC Act);
- require the giving of evidence at a compulsory examination or public inquiry (sections 30 and 31 ICAC Act);
- obtain and execute a search warrant (section 40 ICAC Act);
- obtain a warrant to use a listening device (section 19 ICAC Act);
- obtain a warrant to intercept telecommunications;
- conduct controlled operations;
- make reports on investigations containing findings against individuals, including findings that named persons have engaged in corrupt conduct, and recommendations relating to consideration being given to prosecution for specified criminal offences.

Arrangements for public participation in ICAC policy development

The ICAC does not directly involve members of the public in policy formulation.

Documents held by the ICAC

The ICAC's administrative, research and education roles are covered by the *Freedom of Information Act 1989* ("the FOI Act"), but its corruption prevention, complaint handling, investigative and report functions are exempt. The categories of ICAC documents covered by the FOI Act include:

- research reports
- administrative policy documents, such as personnel policies
- general administration documents, such as accounts and staff records.

In addition, the ICAC publishes investigation reports and corruption prevention material which is available to the public. All publicly available publications are available on the ICAC's website: www.icac.nsw.gov.au.

Access arrangements

The ICAC is committed to public awareness and involvement in its activities. General enquiries – either by post, telephone, email or visit – are welcome.

Arrangements can be made to obtain or inspect copies of documents available under the FOI Act by contacting the Solicitor to the Commission, who is the ICAC's FOI officer. Requests made under the FOI Act for access to documents held by the ICAC should be accompanied by a \$30 application fee. People wishing to be considered for a reduction in fees should set out reasons in their applications. Those holding a current health care card are eligible for a 50% reduction.

Contact details for the ICAC are shown at the front of this Annual Report.

APPENDIX 10 – Freedom of information requests

Section A: Numbers of new FOI requests

Information about the numbers of new FOI requests received, those processed, and those incomplete from the previous period.

FOI requests	Personal	Other	Total
A1 New (including transferred in)	0	3	3
A2 Brought forward	0	0	0
A3 Total to be processed	0	0	3
A4 Completed	0	3	3
A5 Transferred out	0	0	0
A6 Withdrawn	0	0	0
A7 Total Processed	0	3	3
A8 Unfinished (carried forward)	0	0	0

Section B: What happened to completed requests?

Completed requests are those on line A4 above.

Result of FOI request	Personal	Other
B1 Granted in full	0	0
B2 Granted in part	0	1
B3 Refused	0	2
B4 Deferred	0	0
B5 Total completed	0	3

Section C: Ministerial certificates

The number of certificates issued during the period.

C1 Ministerial certificates issued	0
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Section D: Formal consultations

The number of requests requiring consultations (issued) and total number of formal consultations for the period.

	Issued	Total
D1 Number of requests requiring formal consultation(s)	0	0

Section E: Amendment of personal records

The number of requests for amendment processed during the period.

Result of amendment request	Total
E1 Agreed	0
E2 Refused	0
E3 Total	0

Section F: Notation of personal records

The number of requests for notation processed during the period.

F3 Number of requests for notation	0
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Section G: FOI requests granted in part or refused

The basis of disallowing access and the number of times each reason is cited in relation to completed requests which were granted in part or refused.

Basis of disallowing or restricting access	Personal	Other
G1 Section 19 (application incomplete, wrongly directed)	0	0
G2 Section 22 (deposit not paid)	0	0
G3 Section 25(1)(a1) (diversion of resources)	0	0
G4 Section 25(1)(a) (exempt)	0	3
G5 Section 25(1)(b), (c), (d) (otherwise available)	0	0
G6 Section 28(1)(b) (documents not held)	0	0
G7 Section 24(2) (deemed refused, over 21 days)	0	0
G8 Section 31(4) (released to medical practitioner)	0	0
G9 Totals	0	3

Section H: Costs and fees of requests processed during the period

	Assessed costs	FOI fees received
H1 All completed requests	\$0	\$0

Section I: Discounts allowed

The numbers of FOI requests processed during the period where discounts were allowed.

Type of discount allowed	Personal	Other
I1 Public interest	0	3
I2 Financial hardship – pensioner/child	0	0
I3 Financial hardship – non-profit organisation	0	0
I4 Totals	0	3
I5 Significant correction of personal records	0	0

Section J: Days to process

The number of completed requests (A4) by calendar days (elapsed time) taken to process.

Elapsed time	Personal	Other
J1 0–21 days	0	3
J2 22–35 days	0	0
J3 Over 35 days	0	0
J4 Totals	0	3

Section K: Processing time

The number of completed requests (A4) by hours taken to process.

Processing hours	Personal	Other
K1 0–10 hrs	0	3
K2 11–20 hrs	0	0
K3 21–40 hrs	0	0
K4 Over 40 hrs	0	0
K5 Totals	0	3

Section L: Reviews and appeals

The number finalised during the period.

L1	Number of internal reviews finalised	0
L2	Number of Ombudsman reviews finalised	0
L3	Number of District Court appeals finalised	0

Details of internal review results – in relation to internal reviews finalised during the period.

Grounds internal review requested	Personal		Other		
	Upheld	Varied	Upheld	Varied	
L4	Access refused	0	0	0	0
L5	Deferred	0	0	0	0
L6	Exempt matter	0	0	0	0
L7	Unreasonable charges	0	0	0	0
L8	Charge unreasonably incurred	0	0	0	0
L9	Amendment refused	0	0	0	0
L10	Totals	0	0	0	0

Comparison with previous year

In 2006–07 the ICAC received five FOI requests relating to other matters. All these requests were dealt with in that period.

Impact on the ICAC

The impact on the ICAC of handling these requests was minimal.

APPENDIX 11 – Participation in significant committees

AUSTRAC client liaison meetings

Participating ICAC staff member: Raymond Kwan, Special Financial Investigator

Australian Transaction Reports and Analysis Centre (AUSTRAC) clients liaise with the financial transactions tracking agency on a half-yearly basis. Meetings which are organised by AUSTRAC are attended by representatives from the ICAC and other federal and state agencies to discuss matters in relation to the *Financial Transaction Reports Act 1988*.

Australian Police Professional Standards Council – Project 11 Surveillance

Participating ICAC staff member: Surveillance Team Leader

This council was formed to produce and formalise professional qualifications, standards and best practice across all jurisdictions in the area of surveillance.

Inter-agency Technical Committee

Participating ICAC staff member: Paul Empson, Senior Technical Operative

This is a sub-committee of the annual Law Enforcement Telecommunications Interception Conference. The committee meets quarterly to discuss issues relating to the delivery of material from telecommunications carriers and to share solutions for overcoming technical problems. Representatives of the telecommunications carriers also attend and provide information and research results on industry initiatives and solutions.

Interception Consultative Committee

Participating ICAC staff member: Paul Empson, Senior Technical Operative

This committee is made up of representatives from law enforcement and investigative agencies. It deals with legal, policy and technical issues relating

to the administration of interceptions. The ICAC is also represented on subcommittees and provides technical advice to the committee.

Inter-departmental Committee for Department of Corrective Services

Participating ICAC staff member: Steve Osborne, Chief Investigator

This committee meets monthly and includes representatives from state and federal law enforcement agencies, including the Police Integrity Commission and the ICAC. The committee oversees and makes decisions about the department's custodial witness protection program.

Joint Initiatives Group

Participating ICAC staff members: Paul Grech, Deputy Manager, Assessments; Jacqueline Fredman, Manager, Assessments; Nechal Gill, Senior Assessment Officer

This group meets bi-monthly and is a network of state and federal complaint-handling bodies. Members share information and resources about complaint handling and alternative dispute resolution issues as well as arranging occasional seminars on complaint handling matters.

Joint Outreach Initiatives Network

Participating ICAC staff members: Yvonne Miles, Manager, Education & Public Affairs

This network comprising state and federal complaint handling agencies meets bi-monthly to share ideas and information about each other's outreach activities. Where appropriate, joint initiatives are planned.

Law Enforcement Advisory Committee

Participating ICAC staff member: David Casserly, Chief Investigator, Surveillance and Technical Unit

This committee meets quarterly and includes representatives of law enforcement agencies, the communications industry, the Commonwealth Department of Broadband, Communications and the Digital Economy, and the Attorney-General's Department. The Australian Communications and Media Authority seeks input from the committee to inform their administration of Parts 13–15 of the *Telecommunications Act 1997*. The committee also provides a forum for consultation between the communications industry and law enforcement and national security agencies.

Local Government Liaison Group

Participating ICAC staff members: Jacqueline Fredman, Manager, Assessments; Paul Grech, Acting Manager, Assessments; Lewis Rangott, Acting Principal Officer, Local Government and Planning

This group meets quarterly and brings together representatives from the Office of the NSW Ombudsman, the Department of Local Government and the ICAC to discuss common initiatives, integrity and better practice in NSW local government.

NSW Corruption Prevention Network

Participating ICAC staff member: Nicola Dunbar, Principal Officer, Public Sector

This is a network of public sector staff who work to promote corruption prevention strategies through corruption prevention forums and encourages formal and informal networks of practitioners.

NSW Digital Evidence Group

Participating ICAC staff member: Clinton Towers, Special Investigator, Forensics

This group meets quarterly and brings together representatives from law enforcement agencies to discuss issues relating to computer forensics and the acquisition of digital evidence.

Protected Disclosures Act Implementation Steering Committee

Participating ICAC staff members: Theresa Hamilton, Deputy Commissioner; and Linda Waugh/Robert Waldersee, Executive Director, Corruption Prevention, Education and Research

The committee did not meet in 2007–08.

Public Sector Rehabilitation Coordinators Network Forum

Participating ICAC staff members: Virginia Tinson, Manager, Human Resources and Administration; Cathy Walsh, Senior Human Resources Officer

This forum is coordinated by the Treasury Managed Fund for NSW public sector agency rehabilitation (return-to-work) coordinators. The forum provides an opportunity to educate and disseminate information to agencies that assists them in managing their return-to-work programs while encouraging best practice management.

Special Networks Committee

Participating ICAC staff member: Paul Empson, Senior Technical Operative

This committee includes representatives of intercepting agencies and is the discussion forum for telecommunications interception capability projects and related contractual issues. It meets quarterly before the Interception Consultative Committee and sends its minutes to this committee.

'Whistling While They Work' Project Steering Committee

Participating ICAC staff members: Linda Waugh / Robert Waldersee Executive Director, Corruption Prevention, Education and Research; Evalynn Mazurski, Senior Research Officer

This committee oversees the progress of work on the "Whistling While They Work: Enhancing the Theory and Practice of Internal Witness Management in Public Sector Organisations" project. The committee must formally meet at least once a year across the course of the three-year project.

Identity Crime Working Group

Participating ICAC staff members: The Hon Jerrold Cripps QC, Commissioner; Linda Waugh, Executive Director, Corruption Prevention, Education and Research

The group meets regularly to discuss issues relating to identity crime and to identify ways to assist public sector agencies to reduce identity fraud. It works closely with the Australian Government on development of the National Identity Security Strategy.

APPENDIX 12 – ICAC publications in 2007–08

Investigation reports

Aug 2007	<i>Report on an investigation into corrupt conduct associated with the regulation of brothels in Parramatta (Operation Pelion)</i>
Sep 2007	<i>Report on an investigation into corrupt issuing of driver licences (Operation Sirona)</i>
Nov 2007	<i>Report on corrupt manipulation of contract procurement procedures at Bankstown and Strathfield councils (Operation Torrens)</i>
Dec 2007	<i>Report on an investigation into allegations of bribery relating to Wollongong City Council (Operation Berna)</i>
Jan 2008	<i>Report on an investigation into corrupt conduct of an officer at the Department of Housing's Miller office and other persons (Operation Greenway)</i>
Mar 2008	<i>Report on an investigation into corruption allegations affecting Wollongong City Council – Part One (Operation Atlas)</i>
May 2008	<i>Report on an investigation into corruption allegations affecting Wollongong City Council – Part Two (Operation Atlas)</i>

Corruption prevention and research

Aug 2007	<i>Managing the risk of corruption: a training kit for the NSW public health sector</i>
Sep 2007	<i>Corruption risks in NSW development approval processes – position paper</i>
Feb 2008	<i>Bribery, corrupt commissions and rewards – tip sheet for NSW public officials</i>
Feb 2008	<i>Corruption risk management – tip sheet for NSW public officials</i>
Feb 2008	<i>Use and misuse of public sector resources – tip sheet for managers</i>
Feb 2008	<i>Use and misuse of public sector resources – tip sheet for employees</i>

Corporate publications

Oct 2007	<i>ICAC Annual Report 2006–07</i>
Dec 2007	<i>Section 54 report guidelines: what to include in your report to the ICAC</i>
Dec 2007	<i>Section 11 report guidelines for principal officers: reporting corrupt conduct to the ICAC</i>
Apr 2008	<i>Corruption and Anti-Corruption Executive Program Scholarships (leaflet)</i>

Corruption Matters newspaper

Dec 2007	<i>Corruption Matters, Issue No. 30</i>
May 2008	<i>Corruption Matters, Issue No. 31</i>

APPENDIX 13 – Summary of training engagements, presentations and delegation visits

Table 46: Training engagements in 2007–08

Date	Trainer	Workshop/Session	Location
Department of Commerce – Procurement Certification Program			
4 Jul 2007	Marg Ludlow	Probity in procurement	Sydney
29 Aug 2007	Paula Ware	Probity in procurement	Sydney
24 Sep 2007	Paula Ware Marg Ludlow	Probity in procurement	Sydney
5 Dec 2007	Marg Ludlow	Probity in procurement	Sydney
6 Jun 2008	Lewis Rangott	Probity in procurement	Sydney
Sutherland Shire Council			
11 Jul 2007	Marg Ludlow Margaret Sutherland	Corruption prevention for managers	Sydney
19 Jul 2007	Marg Ludlow Nicola Dunbar	Corruption prevention for managers	Sydney
Growth Centres Commission			
5 Sep 2007	Lewis Rangott	Corruption prevention for managers (1)	Sydney
5 Sep 2007	Lewis Rangott	Corruption prevention for managers (2)	Sydney
Department of Community Services			
16 Oct 2007	Marg Ludlow	Corruption risks in regulatory role	Sydney
6 Nov 2007	Marg Ludlow	Corruption risks in regulatory role	Sydney
16 Nov 2007	Marg Ludlow	Corruption risks in regulatory role	Sydney
5 Feb 2008	Marg Ludlow	Corruption risks for regulatory role	Sydney
19 Feb 2008	Marg Ludlow	Corruption risks for regulatory role	Sydney
APSAC Conference 2007			
23 Oct 2007	Steve Osborne Dianne McCarthy (CMC) Marg Ludlow	Fact finding and inquiry workshop	Sydney
23 Oct 2007	Lewis Rangott John Boyd (CMC)	Corruption prevention for managers	Sydney
23 Oct 2007	Alexandra Mills Paula Ware	Corruption prevention in higher education sector	Sydney

Date	Trainer	Workshop/Session	Location
26 Oct 2007	Lewis Rangott John Boyd (CMC)	Corruption prevention for managers	Sydney
26 Oct 2007	Jay Lawrence Helen Couper (CMC) Marg Ludlow	Fact finding & inquiry workshop	Sydney
26 Oct 2007	Commissioner Linda Waugh	International delegates workshop	Sydney
ANU Short Course – Corruption and Anti-Corruption, Asia Pacific School of Economics and Government			
2-8 Nov 2007	Alexandra Mills	The organisation of anti-corruption agencies	Sydney
2-8 Nov 2007	Marg Ludlow	Introduction to the ICAC	Sydney
2-8 Nov 2007	<i>Executive Panel:</i> Deputy Commissioner Roy Waldon Mick Symons Linda Waugh	Role and functions of the ICAC	Sydney
2-8 Nov 2007	Jacqueline Fredman	Receiving and assessing allegations	Sydney
2-8 Nov 2007	Steve Osborne Jay Lawrence	Investigating allegations of corrupt conduct	Sydney
2-8 Nov 2007	Michael Nest Alexandra Mills	Preventing corruption	Sydney
2-8 Nov 2007	Yvonne Miles Bill Kokkaris	Communication and education about corruption	Sydney
Hunter Outreach Program			
20 Nov 2007	Marg Ludlow Chris Wheeler (Deputy Ombudsman)	Local government workshop: Better management of protected disclosures	Cessnock
20 Nov 2007	Bill Kokkaris	Kurri Kurri High School workshop: Legal studies	Kurri Kurri
21 Nov 2007	Deirdre Cooper Julie Walton	Local government workshop: Corruption prevention for managers	Cessnock
21 Nov 2007	Steve Osborne Jay Lawrence	Local government workshop: Fact-finder	Cessnock
21 Nov 2007	Bill Kokkaris	Rutherford Technology High School workshop: Legal studies	Maitland
21 Nov 2007	Bill Kokkaris	Maitland Boys High School workshop: Legal studies	Maitland
11 Mar 2008	Marg Ludlow Chris Wheeler (Deputy Ombudsman)	State government workshop: Better management of protected disclosures	Charlestown
11 Mar 2008	Bill Kokkaris	Callaghan College Jesmond Campus High School workshop: Legal studies	Newcastle

Date	Trainer	Workshop/Session	Location
12 Mar 2008	Vicki Klum Margaret Sutherland	State government workshop: Corruption prevention for managers	Charlestown
13 Mar 2008	Steve Osborne Jay Lawrence	State government workshop: Fact-finder	Charlestown
NSW Registry of Births, Deaths and Marriages			
26 Feb 2008	Deirdre Cooper Margaret Sutherland	Corruption prevention for managers	Sydney
4 Mar 2008	Deirdre Cooper Alina Hughes	Corruption prevention for managers	Sydney
ICAC Calendar Workshop for NSW Public Sector			
26 Feb 2008	Steve Osborne Jay Lawrence	Fact-finder	Sydney
28 Feb 2008	Lewis Rangott Marg Ludlow	Corruption prevention for managers	Sydney
5 Mar 2008	Alexandra Mills Paula Ware	Corruption prevention for managers	Sydney
5 Mar 2008	Marg Ludlow Chris Wheeler (Deputy Ombudsman)	Better management of protected disclosures	Sydney
Department of Housing			
25 Mar 2008	Alexandra Mills Paula Ware	Corruption prevention for managers tailored for senior executive	Sydney
Department of Health			
1 Apr 2008	Marg Ludlow Chris Wheeler (Deputy Ombudsman)	Better management of protected disclosures	Sydney
30 Apr 2008	Marg Ludlow Chris Wheeler (Deputy Ombudsman)	Better management of protected disclosures	Sydney
Department of State and Regional Development			
16 Apr 2008	Marg Ludlow Deirdre Cooper	Corruption prevention for managers	Sydney
Lithgow City Council, Orange City Council, Bathurst Regional Council and Forbes Shire Council			
2 May 2008	Julie Walton Giselle Tocher	Corruption prevention for managers	Lithgow
TAFE NSW – Western Sydney Institute Blacktown College			
6 May 2008	Marg Ludlow Margaret Sutherland	Corruption prevention for managers	Sydney
Department of Health South Eastern Sydney Illawarra Area Health Service			
07 May 2008	Marg Ludlow Chris Wheeler (Deputy Ombudsman)	Better management of protected disclosures	Sydney

Date	Trainer	Workshop/Session	Location
Riverina Outreach Program			
12 May 2008	Jay Lawrence Steve Osborne	Fact-finder	Wagga Wagga
13 May 2008	Marg Ludlow Chris Wheeler (Deputy Ombudsman)	Better management of protected disclosures	Wagga Wagga
13 May 2008	Bill Kokkaris Steve Osborne	Narrandera High School workshop: Legal studies	Narrandera
14 May 2008	Alexandra Mills Margaret Sutherland	State government workshop: Corruption prevention for managers	Wagga Wagga
14 May 2008	Bill Kokkaris Steve Osborne	Wagga Wagga High School workshop: Legal studies	Wagga Wagga
15 May 2008	Deirdre Cooper Julie Walton Ben Marx	Local government workshop: Corruption prevention for managers	Wagga Wagga
18 Jun 2008	Margaret Sutherland Michael Nest Shannon Field	Local Aboriginal Land Council training	Wagga Wagga
19 Jun 2008	Margaret Sutherland Michael Nest Shannon Field	Local Aboriginal Land Council training	Griffith
Department of Commerce delivering to Growth Centres Commission			
4 Jun 2008	Lewis Rangott	Probity in tender evaluation	Sydney
TransGrid			
18 Jun 2008	Marg Ludlow Lewis Rangott	Corruption prevention for managers	Sydney
Department of Ageing, Disability and Home Care			
20 Jun 2008	Marg Ludlow Vicki Klum	Corruption prevention for managers	Sydney
Penrith City Council			
25 Jun 2008	Julie Walton Alina Hughes	Corruption prevention for managers (1)	Sydney
25 Jun 2008	Julie Walton Alina Hughes	Corruption prevention for managers (2)	Sydney

Table 47: Speaking engagements in 2007–08

Date	Organisation	Presenter	Subject	Location
24 Jul 2007	Chester Hill High School	Sue Bolton	The role of the ICAC	Sydney
25 Jul 2007	Australian Institute of Local Government Rangers	Alexandra Mills Julie Walton	Corruption risks for local government rangers	Sydney
26 Jul 2007	Community Relations Commission	Bill Kokkaris	Induction of new translators and interpreters	Sydney
16 Aug 2007	Hallmark conferences and events	Lewis Rangott	Panel: Accountability of decision makers in the development application process	Sydney
5 Sep 2007	Westmead Children's Hospital	Vicki Klum	Managing conflicts of interest	Sydney
20 Sep 2007	Chartered Secretaries Association	Mick Symons	Building an ethical culture within a public sector agency	Adelaide
21 Sep 2007	NSW Local Government Internal Audit Network	Lewis Rangott	How to minimise risks associated with staff selection – Good and effective recruitment practices in the public sector and local government	Sydney
21 Sep 2007	North Coast Area Health Service	Vicki Klum	The ICAC: Strengthening the corruption resistance of the NSW health sector	Grafton
25 Sep 2007	NSW Parliament	Deirdre Cooper	An introduction to the work of the ICAC – Electorate officers vital information course	Sydney
23 Oct 2007	NSW Parliament	Deirdre Cooper	An introduction to the work of the ICAC – Electorate officers vital information course	Sydney
24 Oct 2007	APSAC Conference	Commissioner	Opening address	Sydney
24 Oct 2007	APSAC Conference	Mick Symons	Panel discussion: The aftermath of investigations – corruption prevention outcomes	Sydney

Date	Organisation	Presenter	Subject	Location
24 Oct 2007	APSAC Conference	Lynn Atkinson	Contracting services, containing risks: Case studies in government procurement	Sydney
24 Oct 2007	APSAC Conference	Alina Hughes	Managing the risks with licensing – implications across Australia	Sydney
25 Oct 2007	APSAC Conference	Commissioner	Corruption risks in local government planning processes	Sydney
25 Oct 2007	APSAC Conference	Linda Waugh	Panel Discussion: Corruption prevention in the public sector – what are the key issues and does it really work?	Sydney
25 Oct 2007	APSAC Conference	Commissioner	Panel Discussion: The role of oversight bodies – help or hindrance	Sydney
26 Oct 2007	Small Business Development Corporation	Deirdre Cooper	Conflicts of interest	Sydney
27 Nov 2007	NSW Parliament	Deirdre Cooper	An introduction to the work of the ICAC – Electorate officers vital information course	Sydney
28 Nov 2007	Local Government Procurement	Lewis Rangott	Corruption risks with tendering, purchasing and contract management with case studies	Sydney
29 Nov 2007	Australian National Parking Association	Alexandra Mills Julie Walton	Corruption risk in parking enforcement	Sydney
30 Nov 2007	Game Council NSW	Lynn Atkinson	Corruption prevention for Game Council councillors and staff	Orange
15 Feb 2008	Local government internal ombudsman's network	Lewis Rangott	Recent developments, ICAC reports and issues of concern to the ICAC and local government.	Sydney
3 Mar 2008	NSW Parliament	Vicki Klum	An introduction to the work of the ICAC – Electorate officers vital information course	Sydney
28 Mar 2008	Warringah Council	Julie Walton	Corruption: Real life messages for local government	Sydney

Date	Organisation	Presenter	Subject	Location
15 Apr 2008	Holroyd Council	Margaret Sutherland Jacqueline Fredman	Role of ICAC and how allegations are managed. Governance issues for local government	Sydney
22 Apr 2008	ASEAN Integrity Dialogue 2008	Roy Waldon	Best practice integrity management	Kuala Lumpur, Malaysia
5 May 2008	LGMA Governance Network	Lewis Rangott	Corruption prevention issues arising from recent investigations	Port Stephens
14 May 2007	European Anti Corruption Agencies Workshop	Mick Symons	Comparison of anti-corruption agencies (“Catch me if you can”)	Lisbon, Portugal
15 May 2008	Integrity Legal – organisers of Sydney Government Lawyer Convention.	Roy Waldon	Functions and legal processes of the ICAC	Sydney
15 May 2008	Local Government and Shires Association	Paul Grech, Giselle Tocher	Mandatory reporting requirements of councils	Sydney
15 May 2008	Integrity Legal – Sydney Government Lawyer Convention	Roy Waldon	Functions and legal processes of the ICAC	Sydney
15 May 2008	ACI Conference	Deputy Commissioner	Cultural corruption – is prevention the cure?	Melbourne
26-28 May 2008	China-Australia Human Rights Technical Cooperation Program	Don McKenzie	Anti-corruption seminar	Tianjin, China
28 May 2008	Department of Health	Vicki Klum	Introducing the ICAC	Sydney
2 Jun 2008	NSW Parliament	Deirdre Cooper	An introduction to the work of the ICAC – Electorate officers vital information course	Sydney
11 Jun 2008	Asian Anti-Corruption Conference	Deputy Commissioner	Exposing corruption: three essentials for an effective anti-corruption body. An ICAC perspective on the effective detection and investigation of corruption	Doha, Qatar

Table 48: International and out-of-jurisdiction delegations received in 2007–08

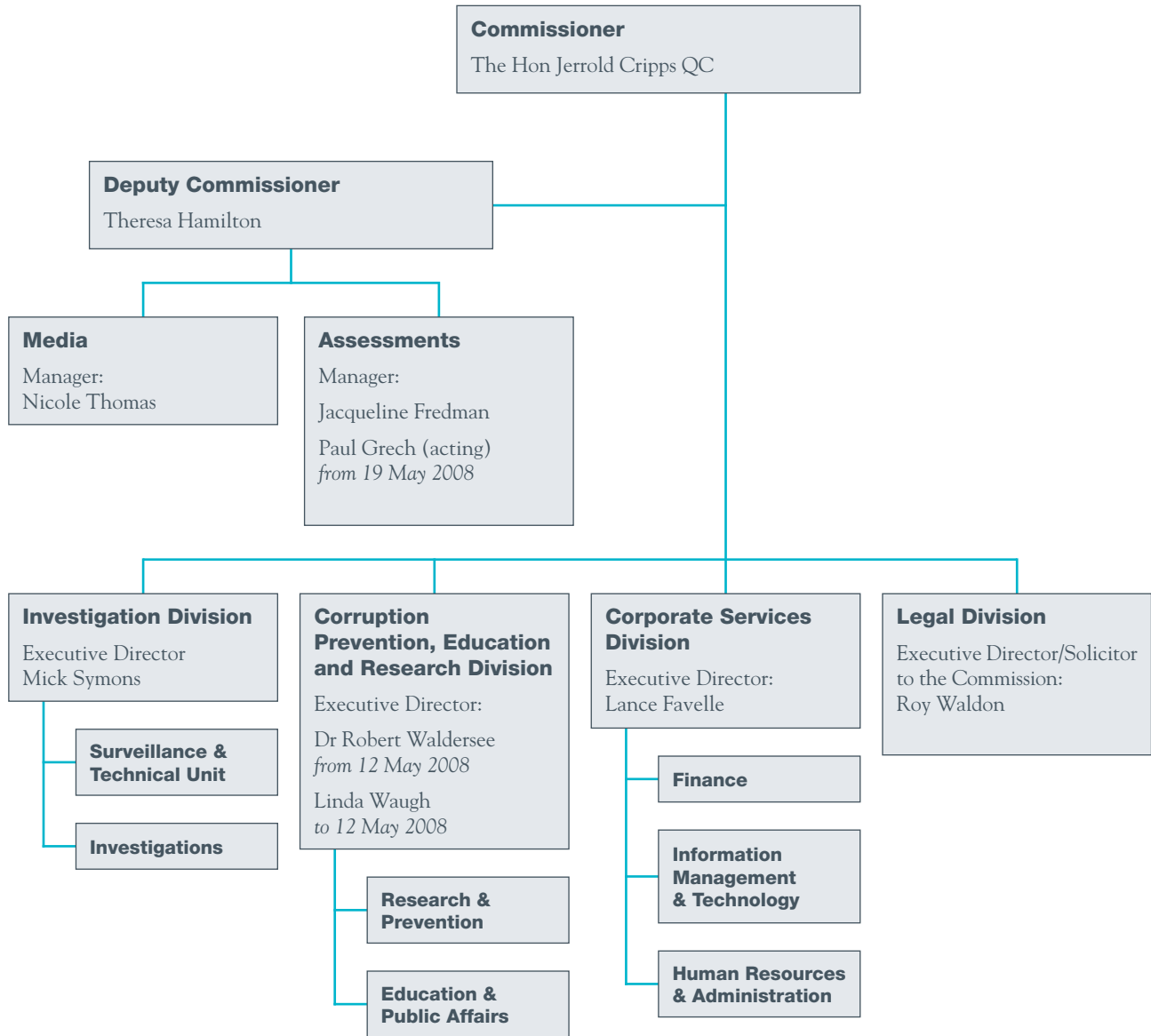
Date	Name of delegation	Purpose of visit	Officers meeting delegation
2 Jul 2007	Judges from Gansu Province China	To obtain information about investigating and preventing corruption in the public sector	Lynn Atkinson Patrick Broad
06 Aug 2007	Ms Imelda Higgins	Information gathering on anti-corruption measures and eliminating weaknesses	Deputy Commissioner
08 Aug 2007	Baghdad Ministry of Human Rights	Human rights matters including anti-corruption methodologies	Patrick Broad Lynn Atkinson
24 Aug 2007	Iranian delegation part of HREOC/AusAID Program visit	To learn about good governance and oversighting of public officials	Lynn Atkinson
12 Nov 2007	Vietnamese Parliamentary Group	To learn from the Commission's experiences in anti-corruption practice and the policy measures and procedures that have proven effective in Australia	Linda Waugh
15 Nov 2007	Nigel Savidge, Asia Development Bank	Opportunity to get a better understanding of how the ICAC undertakes its corruption prevention work and its educational role	Mick Symons Linda Waugh
4 Dec 2007	Community Education Division of Anti-Corruption Agency, Malaysia	To learn about programs to educate the community to prevent corruption	Linda Waugh
10 Mar 2008	Iraqi Ministry of Human Rights and other relevant agencies.	To learn about good governance and oversighting of public officials	Alexandra Mills
31 Mar 2008	Chinese delegation from Supreme People's Procurate	To examine Australian methods for dealing with official corruption	Roy Waldon
5 May 2008	Korean Independent Commission Against Corruption (KICAC)	To learn about good governance and oversighting of public officials	Steve Osborne Lynn Atkinson
26 May 2008	Abu Dhabi Audit Authority	To learn about governance of the ICAC and the range of services the ICAC offers	Commissioner Roy Waldon
10 Jun 2008	Iraq Commission on Public Integrity	To learn about preventing corruption through education programs	Mick Symons Alexandra Mills

APPENDIX 14 – Overseas travel

Table 49: Work-related overseas travel by Commissioner and Commission staff in 2007–08

Date	Countries visited	Purpose	Cost to the ICAC
The Hon Jerrold Cripps QC, Commissioner			
7 November – 11 December 2007	Hong Kong	Attend opening of new ICAC Building and IAACA Conference and General Meeting	\$6,401.41
Clinton Towers, Special Investigator (Forensic) – Surveillance & Technical Unit			
11 April – 3 May 2008	United States	Receive Encase software training	\$7,257.00
Don McKenzie, Principal Lawyer			
27 November – 1 December 2007	New Zealand	Deliver Master of Public Administration research project at Australia and New Zealand School of Government	\$1,793.90
26–28 May 2008	China	Deliver training to China–Australia Human Rights Technical Cooperation Program	nil
Theresa Hamilton, Deputy Commissioner			
6–16 June 2008	Qatar	Attend and present at Asia Anti-Corruption Conference	\$266
Roy Waldon, Solicitor to the Commission			
21–22 April 2008	Malaysia	Attend and present at ASEAN Integrity Dialogue 2008	nil
Mick Symons, Executive Director Investigations			
11–17 May 2008	Portugal	Attend and present at second Meeting of the Network on Anti-Corruption Agencies (ANCORAGE - NET)	\$394.40
Alexandra Mills, Principal Officer Public Sector			
19–21 September 2007	Spain	Attend and present at Conference of European Group of Public Administration	\$656.50
Michael Nest, A/Senior Corruption Prevention Officer			
3–4 March 2008	Canada	Research methods used to prevent corruption in Indigenous organisations	nil

APPENDIX 15 – Organisational chart



APPENDIX 16 – Chief Executive Officer and Senior Executive Service

Executive remuneration, Commissioner and Executive Officers Level 5 and above

The Governor of New South Wales appointed the Commissioner, the Hon Jerrold Cripps QC for a five-year term on 14 November 2004. Mr Cripps's conditions of employment are outlined in his instrument of appointment and his salary, including any increases to his salary, is paid in line with the determination provided by the Statutory and Other Offices Remuneration Tribunal (SOORT) for puisne judges. The Commissioner's salary is calculated at 160% of the remuneration of a NSW Supreme Court puisne judge. On 1 October 2007, Mr Cripps received a 2.5% salary increase to his total remuneration package (TRP). His current TRP is \$511,808. No fringe benefits were paid for the relevant reporting period.

Theresa Hamilton is the incumbent of the Deputy Commissioner's position, which is remunerated at the equivalent of a SES Officer Level 5. Ms Hamilton was statutory appointed to the position by the Governor of New South Wales in January 2007 for a five-year term and her current TRP is \$240,875.

Performance of Deputy Commissioner

The Commission is required under annual reporting legislation to report on the performance of any SES officers at Level 5 or above. During the period 2007–08, Ms Hamilton, Deputy Commissioner was the only ICAC senior officer in this category. Ms Hamilton commenced her appointment as Deputy Commissioner in January 2007, and the Commissioner has assessed her overall performance as outstanding. She has successfully met the criteria contained in her performance agreement, including the provision of high-quality and timely operational and strategic advice.

Ms Hamilton acts as the ICAC's main point of liaison with its external oversight bodies, namely the Office of the Inspector of the ICAC and the Committee on the ICAC. She also liaises at a

senior level with the office of the Director of Public Prosecutions about the progress of prosecutions arising from ICAC investigations, and with CEOs and other senior executive officers in various government departments and agencies.

As the Commissioner's delegate, she approves the use of the ICAC's compulsory powers, and presides at ICAC compulsory examinations and public inquiries as required by the Commissioner.

Ms Hamilton directly supervises the Manager, Assessments and the Media Manager. In her role as direct line manager for the Assessments Section, she has continued to work with the Manager to provide a Business Plan which includes redefined Key Results Areas for the section and recognises a commitment to training and support for the staff of the section.

Ms Hamilton also supports the Commissioner by undertaking a direct supervisory role in respect of the ICAC Executive Directors responsible for:

- investigations
- corruption prevention, education and research
- legal services
- corporate services.

Executive management

The Commission's Executive Management Team during the period 2007–08 consisted of:

- the Hon Jerrold Cripps QC, Commissioner, BA LLB (Sydney) LLM (Sydney)
- Theresa Hamilton, Deputy Commissioner, LLB (University of Queensland)
- Linda Waugh, Executive Director, Corruption Prevention, Education and Research, BA, Double Major in Psychology (University of Queensland), Post Grad Dip

of Psychology (University of Queensland),
MBA (University of Queensland) – to 28
April 2008

- Robert Waldersee, Executive Director, Corruption Prevention, Education and Research, BA (Sydney) MA(Sydney) MA Clinical Psychology (University of Nebraska) PhD Management (University of Nebraska) – from 12 May 2008
- Lance Favelle, Executive Director, Corporate Services, B Com (UNSW) CPA (ASCPA)
- Mick Symons, Executive Director, Investigation, LLB with Hons (Adelaide), BBus (Marketing) (University of Sth Aust), Grad Cert Management (Charles Sturt), Grad Dip Legal Practice (Adelaide), Grad Dip Fraud Investigation (Charles Sturt) MBA (Adelaide)
- Roy Waldon, Executive Director Legal and Solicitor to the Commission, LLB Hons (University of Tasmania).

Comparisons with previous years of the number of executive positions at the end of the 2007–08 reporting period, in conjunction with the numbers of female SES equivalent staff are given in the following tables.

Table 50: Total number of SES equivalent staff in 2007–08 compared to previous years

SES Level	2007 –08	2006 –07	2005 –06	2004 –05
Commissioner	1	1	1	1
Level 5	1	1	1	1
Level 3	1	1	1	1
Level 2	2	2	2	2
Level 1	1	1	1	1
Total	6	6	6	6

Table 51: Number of female SES equivalent staff at 30 June 2008 compared to previous years

Year	Number
2007–08	1
2006–07	2
2005–06	1
2004–05	1

APPENDIX 17 – Access and equity

THE ICAC has a strong commitment to Equal Employment Opportunity (EEO) with a new EEO Management Plan developed in October 2007. The Plan ensures that the Commission has indicators in place, with appropriate associated strategies, to enable the Commission to realise the aims of its EEO program.

The ICAC's Access and Equity Committee plays a major role in monitoring and implementing equity issues within the Commission, in particular the Plan, and participates in the review of policies associated with EEO.

In 2007–08 there were a number of changes to the composition of the ICAC's Access and Equity Committee as a result of staff leave arrangements. The members of the committee during 2007–08 were:

- Cindy Fong, Finance (resumed following return from maternity leave)
- Jacqueline Fredman, Assessments (commenced maternity leave May 2008)
- Paul Grech, Assessments (replaced J Fredman while on maternity leave)
- Bill Kokkaris, Corruption Prevention, Education and Research
- Jay Lawrence, Legal
- Steve Osborne, Investigation
- Michele Smith, Executive Unit
- Shannon Field, Assessments (commenced February 2008)
- Virginia Tinson, Human Resources and Administration
- Cathy Walsh, Human Resources and Administration

Lance Favelle, Executive Director Corporate Services, was the senior management representative. During 2007–08 the ICAC's Spokeswoman, Susan Hay, resigned and ceased

to be an active member on the Committee. The designated committee member for reporting on activities undertaken by the Spokeswomen's Program was Virginia Tinson, Manager Human Resources and Administration.

During 2007–08 the following outcomes were achieved:

- all new staff attended an EEO/diversity training session
- EEO/diversity refresher training was conducted for current staff who had previously received their initial training more than two years ago
- all training sessions were conducted by an accredited external consultant familiar with the ICAC's policies and procedures on EEO and discrimination, harassment and bullying prevention and grievances. In total 56 staff undertook training during 2007–08
- attendance of 10 staff at a full day merit selection techniques training course
- review and enhancement of Policy 50 ("Career development opportunities for ICAC officers within the Commission")
- review and update of Policy 52 ("Recruitment and employment policy and procedures").

The year ahead

Our key access and equity strategies will focus on the development of a new three-year EEO Management Plan which will encompass the following:

- provision of EEO and diversity training for new staff and existing staff
- review of relevant Commission policies e.g. Policy 51 (Permanent employment)

- provision of grievance handler training to managers and other identified staff
- review of the Commission's Employee Assistance Program (EAP)
- define strategies to increase Aboriginal and Torres Strait Islander representation in the workforce
- refresher training in merit selection for identified staff
- adherence to the Department of Premier and Cabinet's circular *Assistance for people with writing difficulties*
- review and update of Commission Policy 54 ("Flexible work arrangements") to include any variations resulting from the new ICAC Award.

Work arrangements

The Commission is fully in support of staff undertaking flexible work practices to assist in achieving a work/life balance. This is particularly inherent to its working philosophy to enable staff to meet their responsibilities relating to child care arrangements, elder care commitments and to address emergency situations where there are unforeseen circumstances.

A number of staff were granted permission to work from home on a short-term basis and/or to reduce their full-time work status to temporary part-time to assist with balancing work and family commitments. In addition, 87 staff took a total of 127 days of Family and Community Service (FACS) leave and 45 staff took a total of approximately 107 days of carer's leave.

Employee Assistance Program

The ICAC's contract with an external provider to provide counselling services to staff and their immediate family was renewed for a further two-year period until September 2009. To accommodate the needs of staff additional services were negotiated with the provider. The dedicated Employee Assistance Program (EAP) intranet site and related EAP policy was updated to reflect the new services.

All new staff were made aware of the availability of the EAP as part of the corporate induction program.

Recruitment and merit selection training

All new managers and those staff in positions identified as relevant to be trained in merit selection techniques undertook training conducted by an accredited external consultant. During 2007–08 a total of 10 staff attended a full-day training course.

Strategies to increase Aboriginal and Torres Strait Islander representation

In 2006–07 the Commission established, but did not fill, an Indigenous Assessment and Liaison Officer position. Funding under the permanent employment category of the Elsa Dixon Aboriginal Employment Program was applied for again in 2007–08 and was awarded to the Commission. The Commission successfully filled the position in November 2007.

The role of the Indigenous Assessment and Liaison Officer is to assist the Commission address indigenous issues through the management of complaints and other information received by the Commission that involve suspected corrupt conduct from individual Indigenous people and/or the community regarding Government agencies dealing with Indigenous portfolios. The position would also act as a liaison role combined with project work and training work that arises within the Corruption Prevention, Education and Research area relating to Indigenous affairs.

Strategies to increase Aboriginal and Torres Strait Islander representation within the Commission's workforce continue to be implemented through the Commission's EEO Management Plan.

NSW Aboriginal Affairs Plan

The Commission developed and implemented strategies during 2007–08 to assist in achieving the NSW Aboriginal Affairs Plan's corporate priority relating to service delivery planning. As part of its Rural and Regional Outreach Program the Commission conducted two corruption prevention workshops for Local Aboriginal Land Council (LALC) staff and office holders in the Riverina region. Participants from nine LALCs in the region attended the workshops. The workshops utilised a flexible corruption prevention training resource that the Commission developed specifically for this sector. This resource consists of eight training modules that deal with the issues that face LALC staff and office holders in small communities,

for example best practice in recruitment and procurement and the corruption risks associated with joint ventures.

The ICAC officer recruited under the Elsa Dixon scheme was involved in the preparation and delivery of the training.

The Commission's training package, with its targeted corruption prevention message, serves as a useful reinforcement to the mandatory governance training the NSW Aboriginal Land Council (NSWALC) has been conducting with LALC Boards following amendments to the *Aboriginal Land Rights Act 1983*.

In addition to the training delivered through the Rural and Regional Outreach Program, the Commission has provided corruption prevention advice to some LALCs in response to matters that came to the ICAC's attention in the 2007–08 period. The corruption prevention advice is provided with the aim of strengthening corruption resistance in those agencies and minimising the risk of corrupt conduct occurring.

NSW Government Action Plan for Women

The NSW Government Action Plan for Women is a whole-of-government approach to improving the economic and social participation of women in NSW society. The Action Plan provides the community with a comprehensive picture of the work being done by government for the women of NSW. Although the Commission is not required to have an action plan for women, it continuously strives to ensure that it promotes the NSW Government's strategies relating to women, and to identify and remove structural barriers to the employment of women at all levels, and that women are given fair access to its services.

Through its EEO Management Plan and comprehensive policy framework, the Commission ensures that it has in place an array of development opportunities and programs specifically targeted to assist its female employees, which is conducive to promoting workplaces that are responsive to all aspects of women's lives.

The Commission's policy on Career Development Opportunities for ICAC Officers was reviewed during the course of the reporting period to ensure that the Policy actively encourages employees to gain skills and experience in at least one other area of employment apart from their principal specialisation. In order to facilitate a work environment that supports a balance between work

and family responsibilities the Commission also has in place an array of parental leave policies and flexible work arrangement policies.

The ICAC has a skilled and diverse workforce, and supports the NSW Government's Action Plan for Women's objective for promoting the position of women by having women represent 49% of its total workforce. This percentage comprises 97% of women who earn in excess of \$51,784 per annum whilst 40% earn in excess of \$84,738 per annum. Please refer to Table 52, "Staff numbers by salary levels 2007–08".

The ICAC also has in place a program which actively sponsors female staff in attending related conferences; seminars and information sessions – the Spokeswomen's Program.

Spokeswomen's Program

The Commission's Spokeswoman resigned from the position during the course of the reporting period. Although a new Spokeswoman has not been elected, the Spokeswomen's Program's Liaison Officer, the Manager of Human Resources and Administration, continues to secure a budget for the Program and promote the Program's core strategies for providing development opportunities, particularly in leadership-related areas, to female staff.

The Spokeswomen's Program strategies for 2007–08 focused on sponsoring female staff to attend a number of courses:

- Sydney Breakfast hosted by UNIFEM in March 2008 as part of the International Women's Day celebrations
- Public Sector Management Program coordinated by the Department of Premier and Cabinet to address management training for senior staff, front line and middle managers. One female staff member was sponsored to attend the Program during the reporting period.
- NSW Executive Development Programs coordinated through the Department of Premier and Cabinet for 2008. The three courses available were the Executive Master of Public Administration (EMPA); Graduate Diploma in Public Administration (Graduate Diploma) and the Executive Development Program (EDP) and two female staff members were nominated to enrol

- Leadership Toolkit Forum held by the Australian Women and Leadership Forum in November 2007 to explore a range of critical leadership issues for women within the context of gender dynamics
- the New Supervisor's course was attended by two female staff members new to the role of managing staff

Equal employment opportunity (EEO) and diversity program

The Commission's EEO Management Plan, Disability Action Plan and Ethnic Affairs Priority Statement provides the foundation for meeting the NSW Government's benchmarks that represent employment indicators of people from identified EEO groups. A number of key strategies have been developed within these plans to facilitate the process. The percentage figures in Table 53 (EEO groups) and Table 54 (Distribution Index)

reflect the Commission's achievements in meeting the NSW Government benchmarks and the accompanying distribution index. An indication in the outcome of the success of the ICAC's broader EEO and diversity program can be seen by the EEO Group Aboriginal People and Torres Strait Islanders' increasing by 100% from the previous reporting period and the EEO Group People with a Disability increasing by 8.4% from the previous reporting period.

Tables 53 and 54 illustrate the percentage and trends of ICAC staff in relation to the various EEO employment groups against the established NSW Government benchmarks. Table 52 (Staff numbers by salary level 2007–08) and Table 56 (Staff numbers by employment basis 2007–08) show the gender and EEO target groups of staff by salary level and employment basis, that is, permanent, temporary, full-time or part-time.

Table 52: Staff numbers by salary level 2007–08

Level	Total staff	Respondents*	Men	Women	Aboriginal people and 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
< \$35,266	0	0	0	0	0	0	0	0	0
\$35,266 – \$46,319	1	1	1	0	0	0	0	1	1
\$46,320 – \$51,783	2	2	0	2	0	0	0	0	0
\$51,784 – \$65,526	25	25	7	18	2	9	6	1	0
\$65,527 – \$84,737	34	33	17	16	0	10	8	5	2
\$84,738 – \$105,923	41	40	23	17	0	10	7	7	2
> \$105,923 (non-SES)	16	16	10	6	0	3	2	2	1
> \$105,923 (SES)	6	6	5	1	0	0	0	0	0
Total	125	123	63	60	2	32	23	16	6

* Two staff members requested that their details be withheld from the workforce profile survey from which this EEO data is extracted.

Table 53: Trends in the representation of EEO groups

EEO group	Benchmark	2008	2007	2006	2005	2004
Women	50%	49%	55%	54%	53%	51%
Aboriginal people and Torres Strait Islanders	2%	1.6%	0.8%	0%	0%	0%
People whose first language was not English	20%	18%	17%	21%	19%	22%
People with a disability	12%	13%	12%	11%	12%	11%
People with a disability requiring work-related adjustment	7%	4.8%	0.8%	1.8%	3.5%	4.3%

NOTE: Staff numbers are as at 30 June. Excludes casual staff.

Table 54: Trends in the Distribution Index of EEO groups

A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by ODEOPE.

EEO group	Benchmark	2008	2007	2006	2005	2004
Women	100	91	91	89	86	91
Aboriginal people and Torres Strait Islanders	100	*	*	*	*	*
People whose first language was not English	100	95	95	98	97	98
People with a disability	100	*	*	*	*	*
People with a disability requiring work-related adjustment	100	*	*	*	*	*

* The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.

Note: Staff numbers are as at 30 June. Excludes casual staff.

Table 55: Average full-time equivalent staffing 2004–5 to 2007–08

2004–05	112.6
2005–06	105.2
2006–07	111.5
2007–08	116.1

Table 56: Staff numbers by employment basis 2007–08

Level	Total staff	Respondents*	Men	Women	Aboriginal people and 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
Permanent full-time	97	95	51	44	2	28	22	15	6
Permanent part-time	8	8	1	7	0	3	0	1	0
Temporary full-time	11	11	5	6	0	1	1	0	0
Temporary part-time	3	3	1	2	0	0	0	0	0
Contract – SES	6	6	5	1	0	0	0	0	0
Contract – non-SES	0	0	0	0	0	0	0	0	0
Training positions	0	0	0	0	0	0	0	0	0
Retained staff	0	0	0	0	0	0	0	0	0
Casual	0	0	0	0	0	0	0	0	0
Total	125	123	63	60	2	32	23	16	6
<i>Subtotals</i>									
Permanent	105	103	52	51	2	31	22	16	6
Temporary	14	14	6	8	0	1	1	0	0
Contract	6	6	5	1	0	0	0	0	0
Full-time	108	106	56	50	2	29	23	15	6
Part-time	11	11	2	9	0	3	0	1	0

* Two staff members requested that their details be withheld from the workforce profile survey from which this EEO data is extracted.

Table 57: Employment basis for 2007–08 compared to previous four years

Employment basis		2007–08	2006–07	2005–06	2004–05	2003–04
Permanent	Full-time	97	99	91	88	95
	Part-time	8	3	4	8	6
Temporary	Full-time	11	10	8	9	10
	Part-time	3	3	1	2	1
Contract	SES	6	6	6	6	5
	Non-SES	0	0	0	0	0
	Trainee	0	0	0	0	0
Total		125	121	110	113	117

APPENDIX 18 – Disability Action Plan

THE ICAC's 2006-08 Disability Action Plan is a commitment to the ongoing review and improvement of services and facilities for people with disabilities.

The Plan assists the Commission with providing equitable services for people with a disability and eliminate, as far as possible, disability discrimination and barriers to access.

The Plan focuses on delivering set outcomes against identified key result areas and performance measures. During 2007–08 the following was achieved:

- training in merit selection techniques by all new managers and those staff in positions identified as relevant to be trained
- participation at the Australian Employers' Network disability forums
- focus on return-to-work plans for staff with work-related injuries as prepared by an external accredited provider
- review of established work practices and purchase of recommended ergonomic equipment to assist staff in the performance of their duties
- review of the emergency evacuation procedures to address issues with staff who have mobility difficulties that may complicate their evacuation in an emergency
- training on EEO, equity, harassment, bullying prevention and grievances for new staff and refresher training for current staff
- support to requests for flexible work arrangements
- continued use of TTY facilities for hearing-impaired callers.

APPENDIX 19 – Ethnic Affairs Priorities Statement

THE ICAC is committed to delivering appropriate services to the culturally, and linguistically diverse community in New South Wales and ensures that there is equitable access to all Commission services.

The ICAC's 2007–08 Ethnic Affairs Priorities Statement (EAPS) Plan identifies initiatives that have been designed to increase the profile and understanding of cultural diversity issues with our staff, and clients, and in building positive relations with culturally and linguistically diverse (CALD) communities.

Achievements during 2007–08 are as follows:

- development of the 2007–08 Ethnic Affairs Priorities Statement (EAPS) and Management Plan in accordance with the NSW Government's principles of multiculturalism
- participation at the Lidcombe Auburn Community Expo organised by the Office of Fair Trading Community. The fair targets multicultural community workers
- modification of the Rural and Regional Outreach Program to include multicultural interagency meetings where appropriate
- presentation at the 2007 Corruption and Anti-Corruption Executive Program on the ICAC's NESB project
- engagement of accredited interpreters as required for enquiries and compulsory examinations
- update of the intranet with the 2008 days of religious significance for multicultural NSW and the bilingual skills directory to include new staff who have identified as having the ability to speak Cantonese, Chinese, French and Spanish.

The year ahead

In accordance with the Community Relations Commission guidelines, a new three-year plan is to be developed for the period 2008–2011. The plan will include the following strategies:

- review and evaluation, following implementation of ICAC's new Management of Case Complaints Assessment (MOCCA) system, of demographic statistics collected from telephone callers to determine any service enhancements required for non-English speaking people
- update the intranet to include the annual designated days of religious significance for multicultural NSW
- identification of relevant training for staff to assist them to liaise with clients from CALD backgrounds
- ongoing review of the ICAC's Community Language Allowance Scheme (CLAS) and the update of the bilingual skills directory
- finalisation of a policy on the use of bilingual staff for translation and interpreting services to improve the handling of complaints from people of CALD backgrounds
- awareness of the availability of ICAC's multilingual resources on the website and in hard copy, and ongoing dissemination of ICAC media releases
- presentations on the ICAC to interagency workers as part of the ICAC Outreach program
- monitor investigations identifying those with issues involving CALD communities and determine appropriate communication strategies
- continued use of accredited interpreters as required for enquiries and compulsory examinations.

APPENDIX 20 – Commission Consultative Group

THE Commission Consultative Group (CCG) provides the forum for staff, management and the Public Service Association of NSW (PSA) to discuss and agree on policy and procedure that relates to staff conditions of employment, and matters concerning access and equity and occupational health and safety.

The CCG meets on a monthly basis and in addition to handling policy matters, it also provides a mechanism for staff to raise any issues that may

relate to the ICAC Award. The CCG also ensures that the Access and Equity Committee and the Occupational Health and Safety Committee operates in accordance with the ICAC Award and other relevant legislation.

The CCG membership at the end of June 2008 is shown in Table 58 below.

Table 58: Commission Consultative Group membership as at 30 June 2008

Staff representatives	
Bill Kokkaris	Corruption Prevention, Education and Research
Julian O'Connell	Legal
Andrew Browning	Investigation
John Alston	Corporate Services Public Service Association delegate
Sharon Osborne	Investigation Public Service Association delegate
Senior management representatives	
Theresa Hamilton	Deputy Commissioner
Lance Favelle	Executive Director, Corporate Services
Robert Waldersee	Executive Director, Corruption Prevention, Education and Research
Mick Symons	Executive Director, Investigation
Roy Waldon	Executive Director, Legal/ Solicitor to the Commission
Human Resources representative	
Virginia Tinson	Manager, Human Resources and Administration
Public Service Association representatives	
Garry Harris	Industrial Officer
Shane Howes	Organiser
Executive Officer	
Michele Smith	Personal Assistant to the Commissioner / Deputy Commissioner

APPENDIX 21 – Occupational health and safety

THE ICAC strives to ensure the health, safety and welfare at work of all staff, clients and others who visit the Commission.

The Commission is required to fulfil its statutory obligations with respect to occupational health and safety (OHS). Furthermore, it is necessary for the Commission to adopt a management framework for OHS based on the NSW Government’s safety initiatives – “Working Together” and “Taking Safety Seriously”. This requires, by June 2008, an independent assessment of the ICAC’s OHS management system. The assessment addresses compliance against the OHS Improvement Standard 2007 as well as evaluating the adequacy of OHS management system implementation and utilisation. The Commission engaged Deloitte Touche Tohmatsu (“Deloitte”) to undertake an assessment of the processes and controls in place to manage OHS. In performing this audit, Deloitte applied APS8, the Professional Statement on Management Consulting Services issued by the Australian Accounting Bodies.

Similar to the last reporting period, the Commission is on course to achieve the five targets for 2005–08 in the Working Together Strategy. As at December 2007, the Commission had achieved an 83% reduction in workplace injuries from the baseline period 2001–02 and a 100% reduction in the average cost of claims for the six-month period to December 2007.

During 2007–08, the following outcomes were also achieved:

- VDU eye examinations for all new staff
- ergonomic workstation assessments for all new staff
- availability to staff of reimbursement of the costs of receiving the flu vaccine
- electrical testing and tagging of relevant equipment
- OHS presentations by an OHS Committee member to all new staff.

Table 59: OHS incidents, injuries and claims 2007–08

Body stress	1
Mental stress	0
Journey to/from work	1
Fall, trip, slip	2
Hitting objects	1*
Other non-specified	0
Heat, radiation, electricity	1**
Total injuries 2007–08	6
Number of workers’ compensation claims (provisional liability accepted)	Nil***

* Cut finger on a filing cupboard.

** Electric shock from light switch.

*** There has been a reduction in the number of workers’ compensation claims from three in 2006–07 to nil in 2007–08.

OHS Committee

The Commission’s OHS Committee for 2007–08 comprised:

- Aruni Wijetunga, chair
- Mark Nolan, Assessments
- Margaret Sutherland, CPER
- Steve Osborne, Investigation
- Mary Murabito, Legal
- Cathy Walsh, Corporate Services
- Lance Favelle, Executive
- Virginia Tinson, Human Resources.

The Committee meets every quarter. The Committee reviews OHS practices and procedures and is responsible for matters concerning safety issues within the Commission. In addition, it conducts workplace inspections. Two inspections were conducted during 2007–08.

APPENDIX 22 – Training

Table 60: Training attendance by division and core learning stream 2007–08

Core learning and development stream	Assessments	Corruption Prevention, Education and Research	Corporate services	Executive	Legal	Investigation	Total
Information technology	39	37	40	2	12	67	197
Leadership/management	6	2	0	1	1	6	16
Organisational development	17	38	13	1	9	42	120
Project management	8	1	2	1	0	3	15
Risk management	8	11	9	1	2	14	45
Technical skills	47	5	7	2	12	24	97
Total	125	94	71	8	36	156	490

APPENDIX 23 - Consultancies

THE Commission did not engage any consultants in 2007–08.

APPENDIX 24 – Payment performance indicators

ALL performance indicators relating to payment of accounts were met and there were no instances where interest was payable on overdue accounts.

Table 61: Accounts payable 2007–08

	Current	30 days	60 days	90 days
Jul–Sept 2007	\$1,822	\$222	\$0	\$0
Oct–Dec 2007	\$27,398	\$0	\$0	\$0
Jan–Mar 2008	\$0	\$0	\$0	\$0
Apr–June 2008	\$9,989	\$78	\$0	\$0

Table 62: Payments on time 2007–08

	Target	Actual	Amount paid on time	Amount paid
Jul–Sept 2007	95%	98%	\$2,035,012	\$2,082,511
Oct–Dec 2007	95%	98%	\$1,988,397	\$2,040,623
Jan–Mar 2008	95%	98%	\$1,797,864	\$1,860,482
Apr–June 2008	95%	97%	\$2,219,371	\$2,371,857

APPENDIX 25 – Electronic service delivery

APPROXIMATELY five years ago the Commission developed and implemented new external and internal websites. This allowed a secure, online reporting of corruption and achieved improved accessibility and usability and allowed improved publication of transcripts.

Implementation of the Trim Context Electronic Documents and Records Management System (EDRMS) has also provided the capability for electronic self-service for staff in creating and managing documents and files. The Trim EDRMS was updated to version 6.1.6.6962 during the reporting period which improved the search capability of the records management system.

To take advantage of the latest advances in browser-based self-service, the Commission has added electronic self-service (ESS) modules to the Aurion Human Resources system which has allowed staff to make online enquiries and to lodge and approve leave applications. This was extended

to enable staff to submit, and have approved, overtime applications via ESS. As part of the shared corporate services arrangement between the Commission and the Health Care Complaints Commission (HCCC) the Commission provides ESS for payroll and leave administration purposes to HCCC employees. All HCCC staff undertook training in January 2008 in the use of Aurion ESS. The Commission upgraded to Aurion version 9.3.03 in the second half of the reporting period.

The Commission also implemented a wired and wireless broadband internet-based remote access facility, which has provided a real-time, secure remote access to Commission staff in the field. This feature has significantly improved their operational capabilities. During the reporting period, a BlackBerry email solution was also implemented. This has allowed senior staff and field staff to keep in touch with Commission activities in real time.

APPENDIX 26 – Insurance activities

THE Commission's insurance for workers compensation, motor vehicles, public liability, property and miscellaneous items is provided by the NSW Treasury Managed Fund. The Commission's claims management for the 2007–08 fund year is reflected in the deposit premiums for 2008–09. The increase in deposit premiums of 0.6% was well under the consumer price index and is broken down as follows:

- worker's compensation insurance increase of 3.2%
- public liability insurance reduction of 17.1% due to an improvement in claims of less than \$1 million in the primary pool
- property insurance of 21.0%
- motor vehicle insurance increase of 9.6% due to an increase in the vehicle fleet.

APPENDIX 27 – Major assets

THE Commission has no major assets and does not own any real estate. The Commission's minor assets comprise leasehold improvements, computer equipment and technical plant and equipment.

APPENDIX 28 - Energy management

THE Commission is committed to the NSW Government's policies on energy management and initiatives such as the use of electricity generated from renewable resources.

Wherever possible the Commission purchases energy-efficient equipment to assist in reducing its energy consumption.

The Commission increased its electricity consumption by 12.9% on the previous reporting period due to an increase in after-hours usage attributable to unplanned refurbishment works and general Commission operations.

The consumption of electricity generated from renewable resources increased by 48% and electricity generated from coal increased by 4.5%.

There was a decrease of 20% in fuel consumption of kilometres per litre from the 2006-07 reporting period. There was an increase in the consumption of E10 fuel even though the usage of E10 fuel constitutes only 4% of the total fuel consumption.

APPENDIX 29 – Waste reduction and purchasing policy

THE Commission continues to increase the amount of waste material it recycles in line with government requirements. Actual data on the total quantity of recycled waste material is not available as recycling is managed externally by the building lessor, who does not retain data on this service.

The Commission has reduced its overall paper consumption (general office use, publications, reports, educational material, and so on) by 25% since 2006–07.

The total recycled content of all paper consumed during 2007–08 was 91% – an increase of 18% from 2006–07.

APPENDIX 30 – Code of Conduct

THE ICAC's Code of Conduct sets out the principles the Commissioner expects staff to uphold, and prescribes specific conduct in areas considered central to the exercise of the Commission's functions. The Code applies to all employees of the Commission and other persons engaged to do work for the Commission and a copy is provided to each person either as part of their letter of offer of employment or at the time of their engagement with the Commission.

All new staff as part of their induction program are provided with further information about the Commission's Code of Conduct. No changes were made to the Commission's Code of Conduct during the reporting period.

APPENDIX 31 – Review of credit card use

DURING the 2007–08 reporting period there were no irregularities in the use of corporate credit cards. I certify credit card use at the Commission has been in accordance with the Premier’s memoranda and Treasurer’s directions.

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

The Hon Jerrold Cripps QC
Commissioner

APPENDIX 32 – Major works in progress

DURING the reporting period the tendering process was completed for the project to replace the Commission's complaints handling and case management information system. This project has been costed at \$927,000, which qualifies the project as major capital works. The project will

be undertaken in three stages with the first stage, the design and proof of concept, beginning in June 2008. It is anticipated that this first stage will be completed in August 2008. During 2007–08, \$103,030 was spent on this project.

APPENDIX 33 – Guarantee of service

AS STATED in its service commitment on the ICAC website, the Commission will:

- maintain as its primary concern the protection of the public interest and the prevention of breaches of the public trust
- be tenacious in fighting corruption and maintaining its independence
- deliver services which are useful, practical, strategically targeted and appropriate
- respond to customer needs in a way which maximises the impact of ICAC activities and makes the best use of resources
- carry out its duties impartially and with integrity
- meet the standards of ethical behaviour and accountability that the ICAC promotes in its dealings with other government organisations
- have regard for the impact of its work on organisations and individuals.

The ICAC welcomes your input. Comments about your experience of ICAC activities help us improve the quality of our service. Comments may be made by phone or in writing: phone: (02) 8281 5999 or write to:

Independent Commission Against Corruption
GPO Box 500
Sydney NSW 2001

Complaints about the conduct of Commission staff should be referred to the Inspector of the ICAC:

Office of the Inspector of the ICAC
GPO Box 5341
Sydney NSW 2001

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