ANNUAL REPORT
2015-2016

ESSENTIAL TO ENSURING
TRUST IN GOVERNMENT

INTEGRITY
COMMISSION

The objectives of the Integrity Commission are to

> improve the standard of conduct, propriety and ethics in public authorities in Tasmania;

> enhance public confidence that misconduct by public officers will be appropriately investigated and dealt with; and

> enhance the quality of, and commitment to, ethical conduct by adopting a strong, educative, preventative and advisory role.

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This report and further information
about the Commission can be found on the website

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INTEGRITY COMMISSION

President
Legislative Council
Parliament House
HOBART TAS

Speaker
House of Assembly
Parliament House
HOBART TAS

Dear Mr President
Dear Madam Speaker

Annual Report for 1 July 2015 to 30 June 2016

The Integrity Commission Annual Report is presented to Parliament in accordance with the *Integrity Commission Act 2009*, sections 11(1) and 11(2). The report covers the Commission's activities and financial statements from 1 July 2015 to 30 June 2016.

Yours sincerely

Greg Melick AO RFD SC
Chief Commissioner
On behalf of the Board

Michael Easton
Acting Chief Executive Officer

October 2016

Copy to Attorney-General

INTEGRITY COMMISSION

Hon Dr Vanessa Goodwin
Attorney–General
Minister for Justice
Parliament House
HOBART TAS

Dear Attorney General

Annual Report for the year ended 30 June 2016

In accordance with section 36 of the *State Service Act 2000* and section 27 of the *Financial Management and Audit Act 1990*, I am pleased to present the Integrity Commission Annual Report for the financial year ended 30 June 2016.

Yours sincerely

Michael Easton
Acting Chief Executive Officer

October 2016

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MESSAGE FROM THE CHIEF COMMISSIONER

The Integrity Commission has in a relatively short time had an influential role in supporting the Tasmanian public sector to improve the standard of ethics and propriety. It has achieved its successes to date through both the actions of its operations (investigations) and misconduct prevention (research and education) teams. It's also important to acknowledge the role of the Commission's corporate team which manages its administrative and office functions.

In 2015–16 the Commission experienced change in some key roles. I succeeded the outgoing and inaugural Chief Commissioner, the Hon Murray Kellam AO, and am indebted to his significant legacy.

The Commission's Chief Executive Officer, Diane Merryfull, retired in October 2015. Diane joined the Commission in August 2012 and played an important role in supporting the Commission's growth from post-start-up to an established and respected integrity agency. During her tenure, Diane oversaw a dramatic expansion of the Commission's education and prevention functions, and a number of key investigations. Diane provided a strong vision for the staff, strengthening their focus on how the Commission could make a difference.

Ex-officio board member Mike Blake retired from his role as Auditor General and, as a result, from the Commission's Board in March 2016. Mike joined the inaugural Board upon the Commission's formation and played an important role in establishing the Commission's strategic direction and operational outcomes.

During 2015–16 the Commission reached some key milestones, including:

- the tabling in Parliament of a report of a 12 month own motion investigation into the receipt of gifts and benefits in selected State Service agencies The report highlighted systemic shortcomings in relation to the adherence to proper practices, policies and procedures regarding gifts and benefits:
- continued progress with local government and elected members to raise awareness of ethical risks and associated conduct. The Commission also contributed substantially to the development of new model codes of conduct for local government elected members; and
- active participation in the Independent Five Year Review of the Commission. Further information on the review is provided elsewhere in this report however, I wish to acknowledge the substantial effort of Commission staff in preparing a submission for the review, and to thank the Independent Reviewer, the Hon William Cox, AC, RFD, ED, QC for his facilitation of the review.

As part of the Commission's Board addition to the key issues outlined above, we considered:

- the Commission's strategic plan;
- communication Plan;
- board governance and delegations;
- major investigations (Operations Sierra and November);
- staffing arrangements;
- Tasmania Police Audit;
- financial management;
- misconduct prevention, education and research; and
- codes of conduct

The Board oversaw the performance of the Commission's staff to ensure they fulfilled their functions and exercised their powers in accordance with provisions of the legislation. All staff performed at a high level and demonstrated commitment and dedication to the achievement of the Commission's objectives. The Board recognises and commends the Acting Chief Executive Officer, Michael Easton, for his strong leadership and exemplary work performance during an important period in the organisation's evolution.

As an independent statutory authority, the Commission must have sufficient resources to achieve its objectives as prescribed in the Act. Our small team of education and prevention officers punches well above its weight in delivering high quality education and advice, but with more than 43,000 potential public sector 'clients' the task is enormous. Equally, our investigative and research officers work to deal with complaints about misconduct and to deliver research on specific issues, however, to be truly effective, the Commission must monitor new risk areas and consider more own motion investigations into relevant policies, practices and procedures.

'In the face of these challenges, the Commission continues to make good progress with public authorities. We have expanded our involvement with the government business and authorities sector, and continued to maintain our established relationships with State Service agencies, the local government sector and Tasmania Police'.

Significant budget cutbacks, first introduced in the 2014–15 period and outlined in this report, also had the effect of limiting the scope of operations in investigations (both as a result of complaints and in our pro-active work) and misconduct prevention, education and research activities. We have operated with reduced staff. Our investigative team reduced its effective full time capacity in order to meet these cutbacks; yet, despite these challenges, the Commission continues to achieve our objectives with public authorities. However, I am concerned about the delays in the assessment and investigation processes caused by these budgetary cutbacks which I believe could be significantly alleviated by a modest increase.

In the face of these challenges, the Commission continues to make good progress with public authorities. We have expanded our involvement with the government business and authorities sector, and continued to maintain our established relationships with State Service agencies, the local government sector and Tasmania Police. Our committed and talented staff continue to ensure the Commission evolves into an entity that engages with public authorities and produces real change.

I believe that many of the teething problems associated with the establishment of organisations such as ours are now on the way to resolution. I look forward to working with the State Government to address the outcomes of the Five Year Review and to continuing to support Tasmania's public authorities, public officers and elected members on their ethical journey

Greg Melick
Chief Commissioner

MESSAGE FROM THE ACTING CHIEF EXECUTIVE OFFICER

As an entity established to improve the standard of conduct and ethics within public authorities, and to enhance public confidence that any misconduct will be appropriately dealt with, the Commission has the responsibility to work with public authorities to achieve these outcomes. In doing so, the Commission must be both collaborative and independent.

The Commission's misconduct prevention and education functions are inherently collaborative; they rely on an ongoing dialogue revolving around ethical behaviour, misconduct risks and educational needs. Our staff work closely with individual agencies, councils, boards and organisations to ensure that our services are tailored to the requirements of the specific sector or organisation. We have had a strong focus on the local government sector, and are now increasing our engagement with government businesses and other similar public sector entities to better understand that sector's specific needs and to make available practical advice and resources.

Similarly, the Commission's Operations Unit will, where appropriate, work in cooperation with the public sector to confidentially carry out investigations. The need for the Commission to carry out investigations into allegations of misconduct will always exist, and is done so to protect the privacy of all those involved. However, we employ a range of options that we obtain information in the most efficient and least intrusive manner. This is particularly relevant in our investigations into 'policies, practices and procedures' where, ultimately, the Commission is seeking to be a positive influence and to ensure public officers' conduct themselves in accordance with community expectations. While we will maintain our independent voice, the delivery of tangible and useful outcomes requires public authorities to 'buy in' to our work.

Reinforcing this approach, the Commission has endorsed a Statement of Values and Conduct. The values guide our behaviour and aspirations, and ensure that we focus on the key goals and principles of the Integrity Commission Act.

> *The Commission always acts in the public interest. We strive to be a positive influence and an agent for change within the public sector.*

Our core values are:

- Respect
- Honesty
- Independence
- Accountability
- Professionalism
- Trust

I would like to acknowledge the outstanding support I have received from our new Chief Commissioner, the Board and all of the talented and committed Commission team. I am also indebted to Diane Merryfull, our previous Chief Executive Officer, for her support and guidance.

Michael Easton
Acting Chief Executive Officer

INTEGRITY COMMISSION SNAPSHOT

OUR ROLE

The Integrity Commission is an independent body established under the *Integrity Commission Act 2009* (the Integrity Commission Act) to:

- improve the standard of conduct, propriety, and ethics in public authorities in Tasmania;
- enhance public confidence that misconduct by public officers will be appropriately investigated and dealt with; and
- enhance the quality of, and commitment to, ethical conduct by adopting a strong, educative, preventative, and advisory role.

HOW WE WORK

The Commission's objectives, functions, powers, and principles of operation are set out in its legislation. The work of the Commission falls into two broad areas:

- misconduct prevention and education (educative work); and
- dealing with complaints and conducting investigations in relation to misconduct (operational work).

The statutory framework establishes the Board, the Chief Executive Officer (CEO) and, at various stages with the complaints management process, certain other appointments such as, authorised persons, assessors and investigators. The Commission has three business areas: Operations; Misconduct Prevention, Education and Research (MPER); and Corporate Services (business administration). The Parliamentary Standards Commissioner is also established under the Integrity Commission Act as an independent statutory office-holder.

MISCONDUCT PREVENTION

In performing our misconduct prevention functions, we focus on active engagement with public authorities and public officers. Wherever possible, misconduct risk management must be undertaken by the public authorities themselves as they have the greatest capacity to recognise and control their risks. The Commission provides advice and assistance through a collaborative and consultative approach that empowers public authorities and public officers to build or maintain capacity to deal with misconduct.

OPERATIONS

The Operations team deals with complaints about misconduct. It does this at two levels: through investigations, and through the auditing of actions taken by public authorities. Investigations are conducted in private and can be time-consuming due to their nature and the rules of procedural fairness. Investigations are not made public unless they are the subject of a report tabled in Parliament. Where appropriate or as otherwise required by legislation, individuals and organisations involved in an investigation may be given notification of the investigation.

The Commission has a significant role in monitoring misconduct allegations and investigations within Tasmania Police. The Commission conducts an annual audit of all complaints (both internal and external) finalised by Tasmania Police and reports on its findings to Parliament.

CORPORATE SERVICES

The Commission's in-house business administration section manages the day-to-day running of its office. This includes operational tasks such as phone, email, mail and face-to-face enquiries, information and records management, internal reporting, management of budget processes, and general administrative support.

Specialist financial and accounting services, human resources services, and information technology support are provided by the Department of Justice through a Service Level Agreement.

PARLIAMENTARY STANDARDS COMMISSIONER

Former Federal Minister for Justice, Rev. Professor Michael Tate AO, is the State's first Parliamentary Standards Commissioner. The Parliamentary Standards Commissioner is a statutory officer and independent of the Commission.[1]

The role was established under the Integrity Commission Act to provide confidential advice as requested by Parliamentarians on ethical and conduct issues. The Commissioner also provides advice to the Commission on ethical matters relating to Members of Parliament.

GOVERNANCE

CHIEF COMMISSIONER

The Chief Commissioner is appointed by the Governor after the Minister has consulted with the Parliamentary Joint Standing Committee on Integrity. The Chief Commissioner is the Chair of the Integrity Commission Board and convenes any Integrity Tribunal under the Integrity Commission Act.

BOARD

The Board ensures the Commission performs its functions appropriately and exercises its powers in accordance with sound administrative practice, the objectives of its legislation and the principles of procedural fairness. The Board also monitors and reports on the operation and effectiveness of the Integrity Commission Act.

The Board consists of the Chair and five other members: two ex-officio (Ombudsman and Auditor-General) and three of whom are appointed.

PARLIAMENTARY JOINT STANDING COMMITTEE ON INTEGRITY

The Commission is accountable to Parliament through the Joint Standing Committee on Integrity, established by under the Integrity Commission Act. Committee membership consists of members of the House of Assembly and Legislative Council, including representatives of each of the major political parties.

During the reporting period, the members of the Joint Standing Committee on Integrity were:

Legislative Council

Hon Ivan Dean MLC (Chair)
Hon Mike Gaffney MLC
Hon Tony Mulder MLC

House of Assembly

Hon Guy Barnett MP (retired from Committee on 16 August 2016)

Ms Lara Giddings MP

Mr Nick McKim MP (resigned from the House of Assembly on 4 August 2015)

Ms Rosalie Woodruff MP (appointed to Committee on 20 August 2015)

During the reporting period, the Commission met with the Committee on five occasions. This reflects a significant increase in engagement between the Commission and the Committee, and the Commission welcomes this input.

On 5 April 2016, the Commission and the Committee signed a new Communication Protocol to ensure regular and ongoing communication between the entities. The protocol outlines a regime for meetings and a basic agenda covering: risk trends and issues; reports to be released by either entity; and discussion on legislative amendments and issues. A key focus for discussion has been the Commission's review of the Model Code of Conduct for Members of Parliament, previously submitted to Parliament in 2011. The Commission submitted a revised code of conduct to the Committee in May 2016.

The Committee also monitors and reviews the performance of the functions of certain other Tasmanian integrity agencies, as well as providing guidance and advice. While the Committee can refer matters to the Commission for investigation or advice, it is not authorised to investigate any matter relating to a complaint, or to review a decision of the Commission to investigate or not investigate a particular complaint.

1 The Parliamentary Standards Commissioner is not subject to the direction or control of the Minister in respect of the performance or exercise of his or her functions or powers under s 27 (10) of the *Integrity Commission Act 2009*.

OUR BUDGET

The Commission is an agency for the purposes of the *Financial Management and Audit Act 1990* and is financially independent of any other public authority. In 2015-16, the Commission operated with a budget of $2.39m [$2.4m in 2014-15]. The budget included $60,000 for the five–year review of the Integrity Commission Act. However, the allocation was subsequently transferred to the Department of Justice as the body responsible for managing the review process. The Commission's budget also includes funding and support for the Parliamentary Standards Commissioner, a role that is independent of the Commission.

OUR PEOPLE

As at 30 June 2016, the Commission employed 15.8 full-time equivalent (FTE) staff members including the Chief Commissioner, Acting CEO, misconduct prevention and education officers, investigation officers, and corporate services staff. The increase in FTE level at 30 June 2016 – compared to 14.8 FTE at 30 June 2015 – was due to a fixed term contract established for a specific project, ceasing in early July 2016.

Following the retirement of CEO Diane Merryfull in November 2015, the Commission established interim arrangements pending the outcomes of the five-year review (Acting CEO, Acting Manager Operations, and Acting Senior Investigator).

As part of meeting the Government's savings strategy of $600,000 in 2015-16 and across the forward estimates, the Commission did not fill the General Counsel position and a 0.6 FTE Communications Officer role when they became vacant during 2014-15. In addition, three employees elected to work reduced hours, which has assisted the Commission in meeting its savings targets.

THE YEAR AT A GLANCE

Independent Five year Review

- The Commission directed considerable resources to preparing a comprehensive submission to the Independent Five-Year Review of the Integrity Commission Act.

Misconduct, Prevention, Education and Research

Public sector workshops

- A number of public sector authorities are using our modules in-house
- Targeted training reached about 700 public sector employees.

Awareness initiatives

- A further 12 public sector organisations adopted the Commission's **Speak Up** campaign, taking the total to 39.
- The **Thanks is Enough** campaign was developed to help the public sector address ethical risks relating to gifts and benefits.
- In conjunction with the campaign, a package of resources was released, including a template gifts and benefits policy, education resources and email and online communication tools.

Government businesses, boards and authorities

- Increased engagement led to 16 visits to public authorities in the sector.

Local government engagement and training

- Local government outreach saw in-house consultation with 11 councils.
- Fourteen councils signed up to the **Speak up** campaign and nine councils adopted the **Thanks is Enough** campaign.
- Councils had a high level of participation in ethical reference groups in the south, north and north-west.

- Commission staff conducted training sessions for elected members at eight councils, as well as a workshop in conjunction with the Local Government Association of Tasmania. Indoor and outdoor employees at five councils received ethical decisions training.
- Collaboration on a model code of conduct for audit panel members and provision of advice on the Local Government Association of Tasmania's revised model gifts and benefits policy.

Advice and consultancy services

- Increase in provision of requests for ethics advice from public sector employees, managers and councillors.
- Ongoing provision of consultancy advice on matters that include development of ethical frameworks and prevention of misconduct in risk areas.

Prevention and education resources

- The *IntegrityHub* e-learning environment was developed and made available.
- Flagship **'Ethical Decisions at Work'** e–learning module developed and released to public sector.
- Wide-ranging new educational and awareness resources, focused on e-learning accessible on demand, were released in response to the identification of emerging needs.

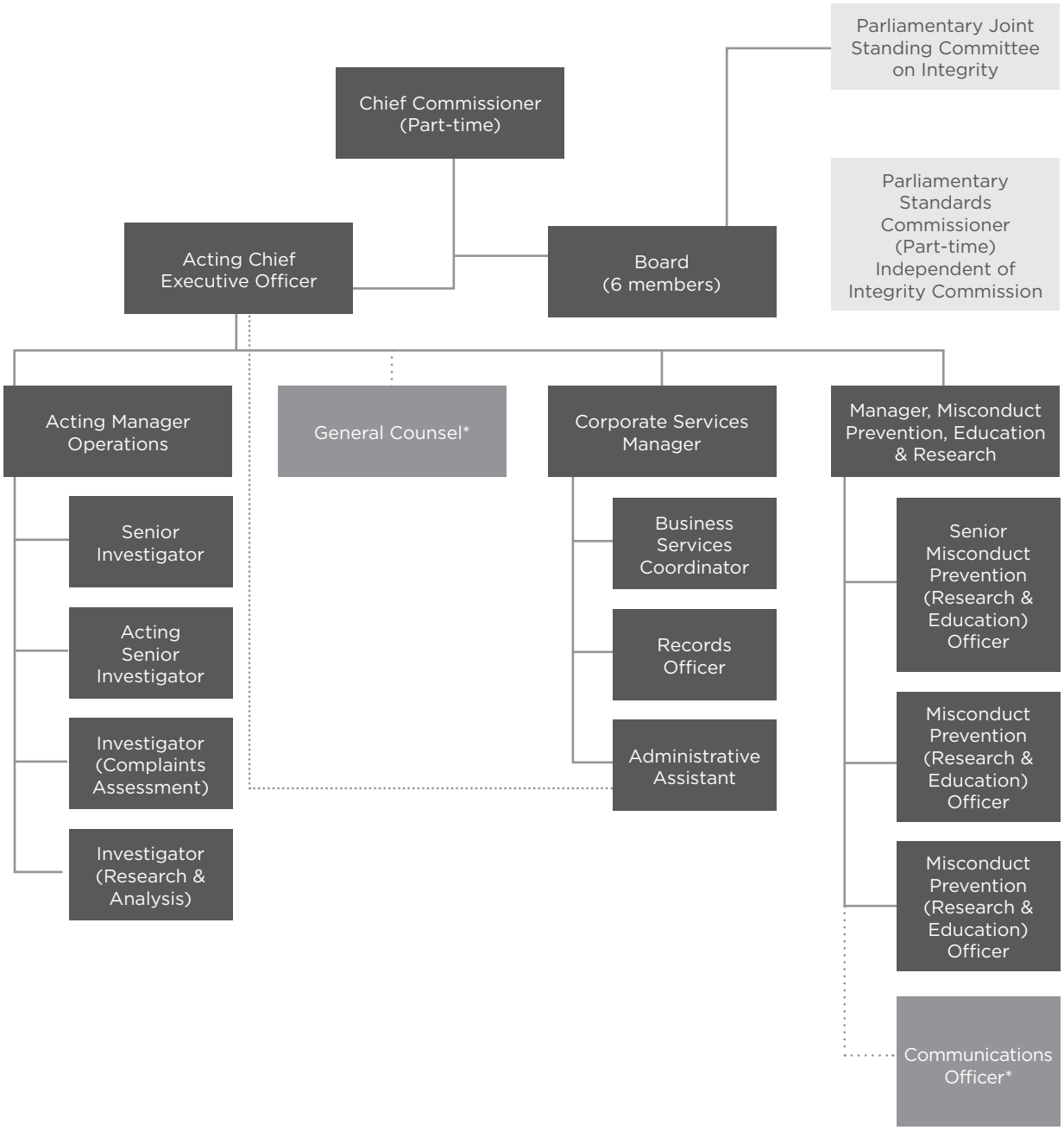
Complaints, Investigations and Audits

- The Commission received a total of 111 misconduct complaints. The most common allegations were those relating to code of conduct breaches.
- The Commission accepted six complaints for assessment and conducted five investigations (including an own motion).
- The number of notifications by public authorities about complaints of misconduct they had received increased to 78, compared with 48 the previous year. Notifications are vital in helping to identify misconduct trends.
- The Commission completed its own motion investigation, Operation Kilo, on policies, practices and procedures of State Service agencies regarding gifts and benefits, and the investigation report was tabled in Parliament.
- An audit of complaints finalised by Tasmania Police in 2014 was completed and tabled in State Parliament.
- The Commission began 15 audits of actions taken by public authorities in dealing with complaints of misconduct.
- The first review of standard operating procedures that apply to the Commission's operational tasks and functions was undertaken and will now occur every three years.
- Continued close collaboration between Operations and the Misconduct, Prevention, Education and Research teams to ensure information and understanding arising from complaints and investigations is reflected in prevention and education measures.

Communications

- The Commission's website was further developed to ensure that online information is engaging and readily accessible.
- A range of media activities were undertaken, including TV and radio interviews in response to requests.
- The Commission continued to publish its bi-annual newsletter, *Integrity Matters*, distributed electronically.
- Staff operated an information booth at the State local government conference.
- Regular e-alert advisories to stakeholders.

ORGANISATION CHART AS AT 30 JUNE 2016



*Vacant positions not filled due to budget reductions

EXTERNAL REVIEWS

Three Year Review

On 24 June 2015, the final report of the three-year review into the functions, powers and operations of the Commission, required in accordance with s 24 of the Integrity Commission Act was tabled in Parliament. This review, undertaken by the Parliamentary Joint Standing Committee, first commenced in 2014 with a progress report tabled in parliament on 26 November 2014. The review was delayed due to the March 2014 State election.

The Government's response to the review was published on 19 November 2015. The Government noted that, given the proximity of the five year review, it's response was to be considered an interim response.

Five Year Review

In accordance with s 106 of the Integrity Commission Act a review after five years operation of the Commission commenced on 1 February 2016.

The terms of reference of the review are detailed in the Integrity Commission Act and included the:

- operation of the Act in achieving its object and the objectives of the Integrity Commission;
- operation of the Integrity Commission, including the exercise of its powers, the investigation of complaints and the conduct of inquiries;
- operation of the Parliamentary Standards Commissioner, a role that is independent of the Commission;
- operation of the Parliamentary Joint Standing Committee on Integrity;
- effectiveness of orders and regulations made under the Act in furthering the objectives of the legislation and of the Integrity Commission; and
- any other matters relevant to the effect of the Act in improving ethical conduct and public confidence in public authorities.

The review was undertaken by former Governor of Tasmania and former Chief Justice of the Supreme Court of Tasmania, the Hon William Cox AC RFD ED QC. Mr Cox received 28 written submissions, of which 22 were made public. The Commission actively participated in the review by providing a comprehensive written submission and attending hearings as requested by the Reviewer. The process required considerable Commission resources and was a great opportunity to address issues from the Integrity Commission Act as well as operation issues that may have been difficult to envisage at the time of drafting.

Mr Cox provided his report to the Minister on 28 May 2016, and the report was tabled in both Houses of Parliament on 24 August 2016.

The Commission's response to the Independent Reviewer's 55 recommendations was:

- support of 38 recommendations;
- support of 12 recommendations in-principle; and
- a differing view with five of the recommendations.

The Commission's detailed response to each recommendation is available from the www.integrity.tas.gov.au and details of the review are available at www.parliament.tas.gov.au and www.integrityactreview.tas.gov.au

The State Government will consider its response to the report, and determine which recommendations are adopted for action.

The Commission will work constructively with the Government to implement the endorsed changes to the Integrity Commission Act. The Commission will also consider any relevant changes to operational and other processes related to its role under the Act.

THE BOARD OF THE INTEGRITY COMMISSION

— AS AT 30 JUNE 2016

Greg Melick AO RFD SC
CHIEF COMMISSIONER

CHIEF COMMISSIONER

Greg is an experienced barrister who is currently a part-time Deputy President of the Commonwealth Administrative Appeals Tribunal, a Major General in the Australian Defence Force Reserves, and Special Investigator for Cricket Australia. He has previously worked in private practice and government legal services and is a former Statutory Member of the National Crime Authority and the New South Wales Casino Control Authority.

EX-OFFICIO MEMBERS

Mike Blake
AUDITOR-GENERAL

Mike was appointed Tasmanian Auditor-General on 10 May 2004. He was previously Auditor-General for the Northern Territory and has been active in setting standards in accounting and auditing in Australia. He was made a member of the Public Sector Accounting Standards Board in 1999, was a member of the Urgent Issues Group representing Auditor-Generals from 2003–05, and a member of the Auditing and Assurance Standards Board from 2006–11. On 1 January 2015, Mike was appointed to the Australian Accounting Standards Board. He retired as Auditor-General and Commission Board member on 30 March 2016.

Rod Whitehead
AUDITOR-GENERAL

Rod was appointed Tasmanian Auditor-General on 30 March 2016 after a distinguished career as a chartered accountant and manager. He served as a Senior Manager at Price Waterhouse and as a partner with PBS Partners in Launceston before joining Deloitte as a partner in November 1998. He was appointed Managing Partner of Deloitte in Launceston in June 2004 and was the Managing Partner for Deloitte in Tasmania from April 2006–May 2013. In 2011, Rod was appointed Chairman of the Tasmania Regional Council of the Institute of Chartered Accountants, a position he held for two years. Rod is a Fellow of Chartered Accountants Australia and New Zealand and a registered company auditor. He joined the Commission Board on 30 March 2016.

Richard Connock
OMBUDSMAN

Richard was acting Ombudsman since January 2014 and, appointed to the role in July 2014. He was appointed Director of the Office of the Ombudsman in April 2011 and was previously the Principal Officer, Ombudsman.

He has extensive experience as a barrister and solicitor, principally in Victoria. Following his move to Tasmania in 2000, Richard shifted his focus from legal work to consultancy and before joining the Office of the Ombudsman, provided investigation, conciliation and mediation services for government agencies and private organisations.

APPOINTED MEMBERS

Luppo Prins APM

Luppo is a former Assistant Police Commissioner who was awarded the National Police Medal, the Australian Police Medal for Outstanding Service, and the Commissioner's Integrity Medal and had a 42-year career in policing. Since his retirement from Tasmania Police in 2005, he has conducted major independent investigations and reviews for the Department of Justice and the Department of Health and Human Services.

Liz Gillam

Liz is currently Chair of the Tasmanian Electoral Commission, a member of the Board of the Public Trustee, a member of the Local Government Board and a member of the board of the Hobart Women's Shelter.

Most of her working life has been in the public sector. During her time in the Tasmanian State Service, Liz held the positions of Deputy Director of the Local Government Office and Office of Status of Women. The latter part of her career was with local government, working in policy development at the Local Government Association of Tasmania.

Liz holds a Bachelor of Laws and is a Fellow of the Institute of Company Directors.

David Hudson

With a career in the State Public Service spanning 35 years, David Hudson held senior roles before leaving in 2010 as Deputy Secretary of the Department of Primary Industries, Parks, Water and Environment. He is currently undertaking a range of roles for public sector organisations, including his position as Chair of the State Grants Commission and membership of state and local government audit committees. He is a Justice of the Peace and is involved in a number of not-for-profit organisations.

BOARD MEETINGS 2015-16

INTEGRITY COMMISSION ATTENDANCE ORDINARY BOARD MEETINGS 2015–16

Meeting dates	No. in attendance	Absent	Attendance rate
2015			
6 August	6		100%
15 September	5	Greg Melick	83%
1 October	5	Liz Gillam	83%
11 December	6		100%
2016			
27 January	6		100%
25 February	6		100%
7 April	6		100%
2 June	5	Richard Connock	83%

REPORTING

REPORTING AGAINST TASMANIAN BUDGET INITIATIVES

The Commission's key initiatives in the 2015–16 Tasmanian budget were:

- working with the public and key stakeholders to enhance trust and confidence in public authorities within Tasmania;
- working cooperatively with public authorities, other integrity entities, and the Parliamentary Standards Commissioner to prevent misconduct and enhance capacity-building in dealing with misconduct;
- educating public authorities and raising public awareness about integrity and ethical conduct; and
- dealing with misconduct issues in a timely, effective and fair way in accordance with the public interest.

The Commission reports against these initiatives in Goals 1–3 of this annual report.

THE COMMISSION'S PROGRESS IN ACHIEVING ITS GOALS

The Commission identified three key goals in its Strategic Plan applicable to the reporting period:

- Goal 1: improved standard of conduct, propriety, and ethics in public authorities in Tasmania;
- Goal 2: enhanced public confidence that misconduct by public officers will be appropriately investigated and dealt with; and
- Goal 3: to be a best practice agency that is valued by the community.

Our progress against these goals is outlined in the following pages.

GOAL 1

IMPROVED STANDARD OF PROPRIETY AND ETHICS IN PUBLIC AUTHORITIES

The Commission has a primary goal of improving the standard of propriety and ethics in the State's public authorities. One of our teams is dedicated to the key roles of misconduct prevention, education and research. In addition, the Operations team plays a key role in prevention through its work in dealing with misconduct by handling complaints, conducting assessments, investigations and audits, and making reports.

Our teams work together to identify and analyse issues and trends in misconduct and in ethical risk areas. We use this information to prioritise and develop prevention and education resources to target areas of need. We collaborate to translate findings in our reports into constructive recommendations for the prevention of misconduct. We develop resources and services to assist public authorities to implement these recommendations.

Our education services, including development of education resources, have been recognised as strong elements of our misconduct prevention work across the public sector, and are widely acknowledged for their flexibility and quality. In recent years, our focus has expanded to include engagement with individual public authorities and with specific parts of the public sector. In 2015–16, we made strategic changes to expand the availability and depth of consulting services for public authorities and advisory services for public officers. These changes can be seen in performance reporting throughout this chapter.

The expansion and provision of services is a significant ongoing challenge, given the Commission's limited resources and reduced budget. We have made significant efforts to identify and implement efficiencies that maximise value for our stakeholders in areas of highest need. Efficiency strategies in 2015-16 have included:

- greater use of e–learning and flexible learning strategies and tools;
- reduction in face-to-face education delivery and presentations by Commission staff;
- delays in the release of some planned initiatives and education modules; and
- resources developed in-house, with reduced outsourcing.

ENGAGEMENT HIGHLIGHTS

Local government

The Commission continued to work closely with the local government sector in 2015-16, building strong relationships with councils and the organisations that support them. Councils have generally responded positively to the Commission's engagement, and particularly to the provision of training and advice. As a two-way engagement, councils have provided us with valuable input on key ethical issues, policies and feedback on prevention and education resources.

Follow-up meetings were held for Dorset, George Town, West Coast, Burnie City, King Island, West Tamar, Northern Midlands, Glenorchy City, Kentish/Latrobe, Central Coast and Devonport City councils.

Fourteen councils have signed up for the **Speak up** campaign and nine councils have adopted the Commission's **Thanks is Enough** campaign.

Councils have been well represented on ethical reference groups in 2015-16, including the newly-formed southern councils group and the north and north-west groups.

Training for elected members

In 2015-16 the Commission's foundational training module for elected members, *Managing Ethical Risks on Council,* was delivered to the following councils:

- Burnie City;
- Circular Head;
- Glamorgan-Spring Bay;
- Hobart City Council (follow-up session);
- King Island (follow-up session);
- Latrobe and Kentish (combined session);
- Waratah-Wynyard; and
- West Coast.

A broad cross-section of elected members attended a Local Government Association of Tasmania (LGAT) workshop in February 2016. The Commission has revised its *Managing Ethical Risks on Council* presentation to ensure that there is fresh material for elected members who have attended previous sessions, including current and relevant case studies. As part of the Commission's

approach to training, each session is customised to meet the particular needs of participants and ensure they are linked to their own council's policies and codes.

Feedback on training conducted in 2015-16 has been consistently positive. The sessions enable councils to identify specific risk areas and gaps in their information and resources. In particular, councillors have appreciated the opportunity to discuss relevant ethical issues they face in their role and possible strategies for managing them.

Training for council staff

The Commission conducted *Ethical Decisions at Work* training sessions for indoor and outdoor council employees in 2015–16 at:

- Circular Head;
- Georgetown;
- King Island (follow-up session);
- Waratah-Wynyard; and
- West Coast.

We were pleased to partner with Circular Head and Waratah-Wynyard councils in delivering training sessions for employees, with the Commission facilitating early sessions and councils' human resources staff running subsequent sessions.

Hobart City Council human resources staff conducted two *Ethical Decisions at Work* sessions as train-the-trainer sessions for managers and directors, with support from the Commission.

We are currently developing a version of the foundational module for managers. This was piloted with Burnie City Council managers in 2016 and received positive feedback.

Code of conduct for audit panels

In response to a request from councils, the Commission has been working with the Local Government Division of the Department of Premier and Cabinet (LGD) and LGAT on a model code of conduct for audit panel members. In developing the code, we consulted with a cross-section of individuals involved with audit panels, including independent members, councillors, general managers and corporate services managers. Their feedback provided the basis for identifying ethical risks to be covered by the code and suggestions on the code's format. Ethical risks covered in the code are: effective management of conflict of interest; proper use of council information; proper use of position; and appropriate interactions.

Cross-sector collaboration

The Commission has further strengthened its relationship with the LGD, with the aim of streamlining processes and clarifying messages for the local government sector. The Acting CEO participated in an Inter-jurisdictional Forum for directors of local government across Australia in March 2016, and the Misconduct Prevention team worked closely with the LGD and LGAT on the model code of conduct for councillors and model code for audit panels. The Commission also provided advice on LGAT's revised model gifts and benefits policy.

The Commission provided an information booth at the 2015 LGAT conference in 2015 and also contributed articles to *LGAT News*:

- *Making Audits Count* (How audit panels can support the ethical operation of councils);
- *Councils' codes of conduct – Forgettable or Valuable?;*
- *Ethics in your inbox*; and
- *Keeping ethically fit.*

We have strengthened our relationship with Local Government Professionals (formerly the Local Government Managers Association). This has included attending the 2015 conference, promoting training opportunities via the group's newsletter and meeting with the new Executive Officer to provide an overview of current activities and identify opportunities for future collaboration.

Government businesses, boards and authorities

In 2015-16, the Commission increased its engagement with government businesses, boards and authorities. Our engagement with this sector was further supported by a new staff appointment in November 2015.

Tasmania has 16 government businesses, including eight State-owned companies and eight government business enterprises covering a broad range of industry sectors, all of which undertake important roles within Tasmania and beyond. The degree of specific engagement with each government business is dependent on a number of factors, including: the history of engagement; requests for assistance (advice and consultation, training, review and feedback on certain matters); and involvement in working groups and event launches.

A significant number of boards, including those of government businesses and authorities, also fall within our jurisdiction. We undertook 16 visits to public authorities in this sector, across most parts of the State, to better understand how we can support the authorities to manage ethical risks and further build public confidence.

See http://www.integrity.tas.gov.au/about_the_commission/our_jurisdiction/government_businesses_and_companies for further information on the public authorities under our jurisdiction.

ETHICAL REFERENCE GROUPS

Ethical Reference Groups (ERGs) are a key mechanism for engagement and collaboration between public sector organisations and the Commission. In 2015-16, the groups have expanded to be more sector specific and membership has increased. They continue to play a valuable role, with collaboration and discussions providing tangible outcomes and improvements for member organisations and the Commission.

The purpose of ERGs is to:

- provide a primary strategic link between organisations and the Commission;
- develop members' capacity to build integrity and prevent misconduct by developing good practice and sharing resources;
- provide opportunities for cross-sector sharing, discussion of practices and challenges, research, ideas and misconduct prevention strategies;
- inform the development and improvement of prevention and education products and services provided by the Commission; and
- provide opportunities to share and gather intelligence about misconduct risk areas, emerging trends and needs across the sector and sub-sectors.

ERG membership is open to all organisations within our jurisdiction and each organisation may send one or two representatives to ERG meetings, generally held twice a year. It is a requirement that representatives are senior executives within their organisation, given the level of discussions and confidentiality requirements at meetings.

As at 30 June 2016, six ERGs are in operation:

Group	Membership	Meetings	No. of orgs
NORTHERN AGENCIES	All public authorities in the north and north-east region	Twice a year, Launceston area	13
NORTH WEST AGENCIES	All public authorities in the north-west and west region	Twice a year, Burnie-Devonport area	13
SOUTHERN AGENCIES *with three sub-groups:*	All public authorities in the south and south-east region	Once per year (as a whole group) in Hobart	44
State Service	State Service agencies and authorities	Twice a year in Hobart	15
Local Government	Councils and council-owned companies and authorities	Twice a year, Hobart area	20
GABS	GBEs, other Authorities, Boards and State-owned companies	Twice per year in Hobart	11

CONSULTANCY AND ADVICE

Advice on ethical issues

In 2015-16 the Commission experienced an increase in requests for ethics advice from individual public sector employees, public sector managers and councillors. We received requests for advice via phone and email; and in-person when attending events, conducting training and during our consultation visits with senior public officers.

The main subjects prompting requests for advice were:

- how to respond to a complex and/or sensitive ethical question;
- how to handle an ethical dilemma;
- how to deal with an ethical situation not covered by existing policies/procedures; and
- whether or not to inform a public sector organisation and/or the Commission of potential misconduct.

We assist through general guidance, discussion of options, the use of our ethical decision-making tools and directing officers to relevant resources and information. We do not provide legal or specific advice.

The Parliamentary Standards Commissioner, whose office is funded from the Commission's budget, has continued to offer confidential and independent ethical advice to Members of Parliament throughout 2015-16.

Consultancy services

We continued to develop our consultancy services to public sector organisations in 2015-16 by expanding our face-to-face engagement with public sector organisations. We are increasingly working with senior managers and heads of organisations on a range of projects and specific issues.

We have significantly extended our consultancy reach this year by providing targeted assistance to additional areas within the public sector, such as government businesses, boards and authorities.

Our consultancy focus has included:

- development and improvement of codes of conduct;
- development, integration and improvement of policies and procedures to build ethical frameworks;
- prevention of misconduct, including areas of higher risk and emerging risk areas;
- management of specific types of ethical risk, such as gifts and benefits and conflict of interest;
- integration or misconduct awareness programs and misconduct reporting into existing organisational structures; and
- learning needs analysis, including advice on the effective use of our education tools and resources within public sector organisations.

REGIONAL VISITS IN 2015-16

After identifying opportunities for communication and relationships with public authorities outside the southern region, we have implemented initiatives that include:

- regular visits for training and meetings to all councils throughout the State – including King and Flinders islands; and
- visits to public authorities, including government businesses, boards and authorities based in regional areas or those having a significant presence in the regions.

These visits continue to be valuable for public authorities and for the Commission. They provide an effective means of openly exchanging information on ethical risks, trends, training, resources and programs, as well as obtaining feedback. Topics of interest have been explored in depth and our staff members responded to diverse questions about our investigations, reports, complaints processes, training, resources and upcoming opportunities for involvement in Commission projects.

Regional visits

Type of public authority	No. of visits	North	Northwest
Councils	11	4	7
Government businesses	6	3	3
Boards and authorities	1	-	1
State Service agencies	-	-	-

PRESENTATIONS TO GROUPS AND CONFERENCES

Presentations to Groups and Conferences 2015-16

	Group / conference	Presentation	No. of participants
Jul 2015	Local Government Audit Panel Forum		40
Aug 2015	Strategic Management Program	*Ethics and Probity*	25
Oct 2015	Tasmania Police Sergeants Qualifying Course	*Ethics and Integrity*	20
Mar 2016	Inter-jurisdictional forum		20
Nov 2014	Local Government Managers Australia	Overview of the Commission	22
Feb 2015	Local Government Association of Tasmania Professional Development for Councillors	*Managing ethical risks on council*	65
Nov 2015	Tasmania Police Academy	Recruit course	19
Feb 2016	Tasmania Police Academy	Recruit course	18

EDUCATION

Resources

We provide flexible, quality resources as a cornerstone to assist public authorities to build their capacity to identify and manage areas of misconduct risk. Each of our resources addresses a specific ethical risk area and is provided in in a range of delivery media to cater for variations in learning needs. Most resources can be accessed from our website or our *IntegrityHub* e–learning environment.

We provide these resources for use in team meetings and training sessions, for uploading on in-house intranets and e–learning environments; and to individual employees for direct, immediate support.

Training resources available at 30 June 2016

Category	No. of resources
Foundation training modules	3
Extension training modules	4
Fact sheets	6
Templates	12
Guides	7
Scenarios (written)	26
Scenarios (video)	18
Quizzes	3
Flowcharts	11
Checklists	6
Explainer videos	2
E-learning activities	13

Website page views for Prevention and Education

The recent rise in the number of page views for our resource-related website landing pages is indicative of the growing awareness of, and access to, misconduct prevention and education support materials.

Year	No. of page views
2015–16	8044
2014–15	7729

Video screenshot of education resources - introducing the Commission.

'Three steps to ethical decision-making'.

New resources released in 2015-16

During 2015–16, we responded to a range of emerging needs with the development and release of an extensive suite of new education and prevention resources.

Through a concentrated effort, we have significantly increased the range of targeted resources that meet identified needs at a range of levels. This enables public authorities to conduct in-house training and provide direct support to their staff. Content scope and delivery mechanisms for resources reflect feedback from public authorities about what will best meet their needs.

New resources include:

- an e-learning version of our '*Ethical Decisions at Work'* foundations module available on demand whenever public authorities and public officers need access to it;
- development of the *IntegrityHub* e–learning environment;
- 13 e-learning activities and interactive scenarios;
- ethics 'explainer' videos;
- a new *'Introduction to the Commission'* video;
- a package of guides, flowcharts, templates, scenarios and videos to support awareness and training in management of gifts and benefits risks; and
- continuing work on new ethics and integrity training modules.

'Rate the risk' – video screenshot from module 1E screenshot - rate the risk.

'Making sense of ethics' – screen shot of video.

ETHICS AND INTEGRITY MODULES

Our modules are provided to public authorities for in-house customisation and delivery. While anecdotal evidence indicates that a high number of public officers complete in-agency modules, no data for delivery or completion of modules is available currently.

New requests for modules in 2015-16

A growing awareness of the value of our education and training role is reflected in the level of new requests from public authorities for new training modules that meet the specific needs of their employees.

New requests included:

Module	No. of requests	No. of public authorities
Ethical Decisions at Work for employees in admin/office roles [F01w]	4	4
Ethical Decisions at Work for employees in outdoor roles [F02w]	5	5
Ethical Decisions at Work (online) for all employees [F03e]	15	15
Transparency and Accountability [E02w]	3	3
Conflict of Interest [E03w]	6	6
Use of Work Resources [E04m]	5	5
Social Media at Work [E10e]	13	13

Much of the focus on module development in 2015-16 has been on our new e–learning offerings. Work has continued on other major modules due for release in 2016-17, including:

- Ethical Leadership for Board Members and Directors [E05m];
- Ethics and Integrity for Senior Leaders [E07w]; and
- Use of Work Information [E06e].

Flexible learning

In response to requests by public authorities and a positive response to the *Social Media @ Work* e-learning module, we have developed additional online workshops and resources. This is a flexible delivery method that enables greater reach for public authorities and increased flexibility for employees. Modules can be completed at any time within an eight-week training block.

Flexible learning participation 2015-16

A total of 371 public sector employees engaged in training through our flexible learning options.

Module / workshop	No. of participants
Social media @work e-learning module	140
Ethical Decisions at Work online workshop	214
Practical Ethics in the Public Sector live and online	17

Ethical Decisions at Work online

The Ethical Decisions at Work online workshop was developed to help public authorities meet their ethics training requirement under s 32 of the Integrity Commission Act. Workshops are customised for each public authority by embedding the authority's code of conduct and key ethical policies in the module. Learners are encouraged to refer to organisation-specific documents when participating in the workshop.

Customisation also means that training is specific to an employee's function, from office-based to outdoor-based, human resources/recruitment, procurement/tendering responsibilities or in relation to permits or grants. This ensures that content is immediately relevant to those undertaking training.

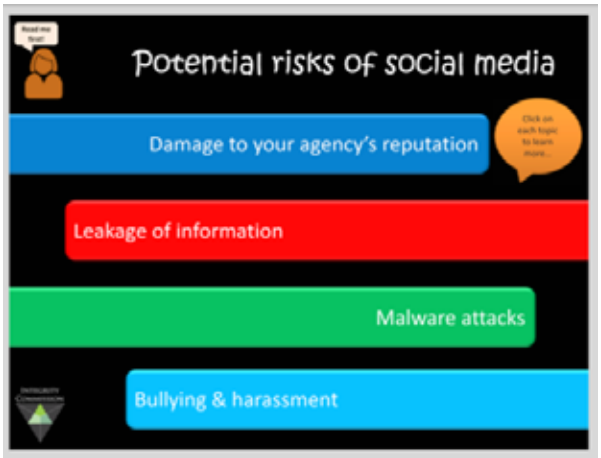
Learning activities are primarily scenario-based to encourage practical application of ethical decision-making skills in the workplace. Real-life consequences are presented for each scenario to reinforce awareness of consequences arising from decisions.

Ethical Decisions at Work completions 2015-16

Period	No. of employee completions	No. of public authorities involved
Initial roll-out (Sept - Dec 2015)	51	2
Enrolment Block #1 (March - April 2016)	32	3
Enrolment Block #2 (May - July 2016)	79	6
Enrolment Block #3 (July - September 2016)	52	4
TOTAL	**214**	**15**

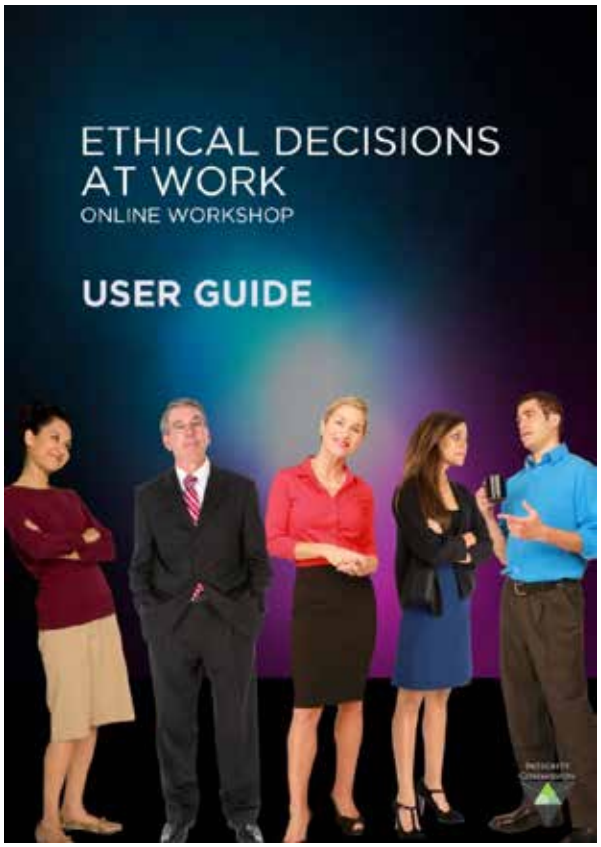
Practical Ethics in the Public Sector workshop – live and online

We developed a live, online version of the practical ethics workshop to offer greater flexibility for public sector employees and encourage participation for those in remote and regional areas. The workshop is facilitated online in real time within a virtual classroom environment.



Screenshot of e–learning module.

Example of module 1e screenshot - origin channel.



User Guide for online workshop.

Video resources and scenarios

Our video offerings are a key part of our suite of flexible learning resources. Videos are primarily designed for use in training workshops, e–learning modules and presentations. They can be accessed and used by individuals when and where they wish.

Video scenarios depict public officers in daily work situations as they grapple with ethical issues or dilemmas. Scenarios illustrate how ethical decisions are rarely simple, as well as the significant bearing that negative workplace culture and practices can have on individual behavior in relation to ethics.

In 2015-16, we expanded the range of videos to include 'explainer' and general awareness videos. These are available on our website and through Vimeo at http://vimeo.com/integritycommission.

Online usage of video resources in 2015-16

Video category	No. of videos available	No. of plays by online users *
Scenarios - conflict of interest	14	1125
Scenarios - use of work resources	7	583
Scenarios - gifts and benefits	6	571
Scenarios - confidentiality	6	534
Information and awareness videos	2	530
Scenarios - social media	5	459
Event recordings	3	147

* As some videos were released at different stages during the year, not all videos were available for the full reporting period. Videos are often used offline by public authorities and data for offline plays is not available.

Education Resources - a balancing act - video still.

'Discretion v's duty' – video still.

Speak Up awareness video screenshot.

TRAINING WORKSHOPS RUN BY THE COMMISSION

In general, we meet public sector training needs through a training model of enabling agencies to conduct their own training, supported by customised modules we have developed.

However, our officers provide some direct training through identified workshops, targeted to align with strategic requirements and specific needs. Provision of these workshops is limited by available resources.

During 2015–16, our officers facilitated training workshops that included:

- centralised offerings provided through The Training Consortium; and
- workshops provided directly to public authorities.

Workshops run by the Commission in 2015-16

Workshop	No. of sessions	No. of participants
Practical Ethics in the Public Sector workshop	4	40
Tailored workshops for various agencies	14	280
Workshops for local government elected members	22	379

POLICY AND RESEARCH

Submission to review of Local Government Act

In April 2016, the Commission was invited to make a submission to the targeted review of the *Local Government Act 1993*. The review aimed to ensure the legislative framework for local government was effective and efficient, with a focus on improvement in governance. The Commission was pleased to contribute to the review, particularly from the perspective of considerable work undertaken with the sector since 2013.

Our submission was based on the Commission's interactions and experience with councils, as well as observations arising from dealing with complaints and notifications about misconduct. In addition to addressing questions in the review, the Commission drew attention to an extract from its submission to the Independent Five-Year Review of the Integrity Commission Act and other key issues identified through its work with the sector.

We have welcomed the indication from the steering committee facilitating the review that the Commission will have the opportunity to provide feedback on any proposed amendments to the local government legislation.

Development of model code of conduct for councillors

In late 2015, the Commission was invited by the LGD to participate in the development of a model code of conduct for councillors. The Commission has a legislated responsibility to develop and improve codes of conduct throughout the Tasmanian public sector and was pleased to be involved in the process.

We were able to draw on our considerable research into best practice codes of conduct and work with public authorities such as Hobart City Council to support development of an effective code. The resulting model code of conduct is a principles-based document that will be a valuable tool for councillors and their feedback on the new code has been generally positive.

The code was introduced on 13 April 2016, with a requirement for councils to adopt it by 12 July 2016. The Commission wrote to all general managers and mayors offering, in conjunction with LGD and the LGAT, its support for implementation of the new code. As at 30 June 2016, the following councils had requested training on the new code:

- Central Coast;
- Devonport;
- George Town;
- Glamorgan Spring Bay; and
- Kingborough.

Codes of conduct for Members of Parliament

Development and improvement of codes of conduct is a key function for the Commission, as provided in the Integrity Commission Act, and is undertaken across Tasmania's public sector, including both Houses of Parliament.

Our first report, *Codes of Conduct for Members of Parliament, Ministers and Ministerial Staff in Tasmania, 2011,* provided substantial analysis and recommendations for the development of model codes of conduct for Members of Parliament, Ministers and ministerial staff.

Subsequently, the former Premier developed and implemented a Code of Conduct for Ministers and this has been further implemented by the current Premier. A 'standard of conduct' has been embedded in instruments of appointment for ministerial staff. However, to the end of 2015–16, there remains no unified code of conduct for MPs across both Houses of Parliament.

Given the limited progress in responding to recommendations of the 2011 report, the Commission reviewed the situation in December 2015 and produced a further report: *Enhancing Accountability Mechanisms for Members of Parliament and Ministerial Staff: a progress update, 2015.* In the report, we urged further action on a code of conduct for all MPs, together with cyclical reviews of the current Code of Conduct for Ministers and the standard of conduct for ministerial staff.

In May 2016, in response to a request from the Parliamentary Joint Standing Committee on Integrity, the Commission re-examined and updated the model code of conduct for MPs. The revised code applied contemporary practice and improvements for consideration by the Committee.

Parliamentary Disclosure of Interests Registers

The Commission continues to monitor the Parliamentary Disclosure of Interests Registers, in accordance with s 30 of the Integrity Commission Act. Our practice is to inspect each Member's annual return and note if the information disclosed on the forms complies with the applicable requirements of the *Parliamentary (Disclosure of Interests) Act 1996*.

Inspections in 2014–2015 noted a number of continuing administrative issues in completion of the forms. The Commission has provided further feedback to the Department of Premier and Cabinet and has recommended that consideration be given to:

- providing further guidance for specific questions;
- refining terminology to remove ambiguity; and
- providing capacity for submission of disclosures through secure electronic forms designed for greater usability and clarity. The Commission has drafted a template electronic form for consideration.

Gifts and benefits policies

Soon after it was established, the Commission identified the offer of gifts and benefits to public officers as an emerging and concerning misconduct risk. Sources of information, including complaints, prompted the Commission in 2014–15 to conduct an own motion investigation into the systems, policies and procedures of the State Service relating to receiving and declaring gifts and benefits.

Together with the findings of the resulting 2015 report, we produced and released for all public authorities a package of prevention and education resources to support more effective management of misconduct risks in this area. This included a template gifts and benefits policy, form and register, accompanied by education resources. Later in 2015, the Commission developed and released the highly successful **Thanks is Enough** campaign.

We provided consultancy services, advice and policy feedback in 2015–16 relating to the management of gifts and benefits in specific parts of the public sector, including:

- the State Service development of a revised gifts and benefits policy, for use by all State Service agencies. The Commission made a substantial contribution to work on the policy and related documents;
- a role as a key contributor to the *Model Code of Conduct for Councillors*, which was adopted by all councils by July 2016 and deals specifically with the ethics of gifts and benefits;
- collaborating with LGAT to redevelop the template gifts and benefits policy for councils and council staff;
- consultation with and advice to government businesses in relation to the review and development of their gifts and benefit policies; and
- provision of advice to a range of public authorities on improvements to policy, procedures and practices.

Whistleblower research

In 2015–16, the Commission partnered with Griffith University in a project that brought together organisations across Australia and New Zealand. The project focuses on wrongdoing across the public sector and will be one of the most comprehensive studies of whistleblowing processes undertaken internationally. We supported the project by facilitating the participation of Tasmanian public sector organisations, including Ombudsman Tasmania.

The project will provide a snapshot of the key elements of processes and procedures for managing internal reporting of wrongdoing across both public and private sectors, as well as for managing the challenges that can arise. Many organisations have whistleblowing policies but not enough is known about current best practice. The results will be used to inform guidance for how organisations can respond, including a proposed Australian and New Zealand standard for whistleblowing programs.

To find out more about the project, see www.whistlingwhiletheywork.edu.au

AWARENESS INITIATIVES

Speak Up campaign

The Commission's **Speak up** campaign is now in its second year and continues to expand. A further 12 public sector organisations adopted the campaign in 2015-16, bringing the total of **Speak up**-enabled organisations in Tasmania to 39.

Speak up helps the public sector to address any culture of silence about misconduct. It informs and supports public officers to speak up about potential or alleged misconduct in their workplace, addresses fear of possible consequences, and provides information on how to go about speaking up.

Speak up provides public officers with plain English information through a central, easily accessed location, such as an organisation's intranet. This information typically includes: an endorsement from the head of the organisation on the value of speaking up; an explanation of how misconduct information is handled and who to go to for assistance; links to related codes, policies and procedures; and references to external help.

The campaign includes a range of print, web, and video resources that public sector organisations can select and customise to their context. These elements provide a lasting and positive message throughout specific public authorities and across the sector as a whole on the importance of speaking up.

In early 2016, a range of awareness products for individual employees were designed and made available as free resources for all **Speak up**-enabled organisations. Organisations are progressively obtaining and distributing the products to employees. The awareness materials serve to keep **Speak up** front of mind for all employees, contributing to an enduring message of cultural change across Tasmania's public sector.

Thanks is Enough campaign

The **Thanks is enough** campaign was developed to help the Tasmanian public sector improve its management of ethical risks arising through gifts and benefits offered to public sector officers. It arose from the Commission's own motion investigation into policies, practices and procedures relating to receiving and declaring of gifts and benefits in the Tasmanian State Service[2]. The resulting report showed the need for careful management of this ethical risk area and further reinforced the need for straightforward, easy-to-follow advice.

Concern had been expressed particularly about heightened risk around the festive season, when gift-giving from suppliers and the public was more prevalent and the Commission identified that this was an issue affecting a wide range of Tasmanian public authorities.

The **Thanks is enough** campaign was launched in October 2015, as a lead-in to the Christmas period. The core message is that simple expressions of appreciation from the public and businesses are welcome but that gifts present risks to the employee and the public authority involved. Therefore, the preferred approach is that **Thanks is enough**.

The Commission provided all participating[3] Tasmanian public authorities with a package of awareness tools to help spread the message. These were customised for each public authority and could be distributed with minimal effort.

Targeted materials were developed for the public, suppliers and contractors including a poster that could be readily customised, template letter to suppliers, customised flyer, and image banners for websites. For employees, a customised poster and flyer, as well as image banners and intranet and email signature blocks were made available.

We also provided advice and support in response to requests from public authorities for assistance with review of gifts and benefits policies.

The campaign was strongly supported and was subsequently adapted for year-round use.

The Commission has granted permission to three interstate public agencies – two in Queensland and one in Victoria – to use the campaign for their respective organisations.

Public authorities implementing 'Thanks is enough' as of 30 June 2016

Sector	No. of authorities
Local government	9
State Service agencies	5
Government business/other	6

2 Report of the Commission No. 1 of 2015; tabled in State Parliament on 22 September 2015

3 Participation was as a result of responding to the Commission's offer sent out to all public authorities

CASE STUDY

Good practice profile: City of Hobart

Following a *Managing Ethical Risks on Council* training session held in mid- 2015, the City of Hobart requested that the Commission facilitate an additional session for Aldermen focusing on Council's code of conduct. The session provided Aldermen with the opportunity to identify key ethical issues and consider how a code of conduct can provide guidance in managing these issues.

City of Hobart staff then worked with the Commission to revise Council's code of conduct, based on feedback from Aldermen in the training session and the Commission's research into best-practice codes. This work later contributed to the Commission's input into the State Government's Model Code of Conduct for Councillors.

In 2016, the City of Hobart human resources staff adapted the Commission's foundation module *Ethical Decisions at Work and* (with support from the Commission) facilitated two train-the-trainer sessions for council directors and managers. These sessions were well received, with a number of managers and team leaders volunteering to facilitate future sessions. Training will be rolled out to all 750 City of Hobart staff in September 2016, with Council also ensuring that casual employees, contractors and volunteers all receive the core messages of the module.

CASE STUDY

Online delivery

Following the initial rollout of the Ethical Decisions at Work online workshop, the Motor Accident Insurance Board (MAIB) took the opportunity to participate in the first enrolment block of 2016. The online delivery of Ethical Decisions at Work was suitable for the MAIB, as it required flexible, resource-friendly training to coincide with employees' busy schedules. The online workshop was customised for MAIB employees with the inclusion of the organisation's branding, code of conduct and key ethical policies. Employees then referred to and applied these documents as they completed the learning activities.

The implementation of the workshop very well managed by MAIB, with all 40 employees completing within the expected timeframe. While some employees were initially hesitant to participate due to their inexperience with e-learning, they were pleasantly surprised and generally enjoyed the online learning experience.

GOAL 2

ENHANCED PUBLIC CONFIDENCE THAT MISCONDUCT WILL BE APPROPRIATELY INVESTIGATED AND DEALT WITH

REPORTING AND INVESTIGATING MISCONDUCT

The Commission's functions include receiving and assessing complaints or information involving allegations of misconduct.

Complaints must be received in writing, and can be made anonymously. A complaint may be made in person, through the post or via the Commission's website. The complaint form can be downloaded our website or completed online.

In addition to complaints received directly from the general public or within the public sector, the Commission receives notification of possible or suspected misconduct by some public authorities, including Tasmania Police. This information plays a vital role in helping the Commission track misconduct trends and patterns. It can also alert the Commission to circumstances where, as determined under the Integrity Commission Act, it may decide to assume responsibility for an investigation commenced by a public authority.

In addition, the Board of the Commission may determine to commence an 'own motion investigation'. Own motion investigations may be conducted into suspected misconduct by individual public officers or more generally, into the policies, practices and procedures of public authorities. The Commission also has specific powers to conduct own motion investigations into any matter relevant to police misconduct.

Every complaint and notification we receive is registered in an electronic case management system (CMS). The CMS helps the Commission to identify associations and links between individuals, as well as issues involving allegations of misconduct.

Dealing with complaints

The Integrity Commission Act sets out the ways in which the Commission can deal with misconduct complaints. We can:

- dismiss a complaint;
- accept a complaint for assessment;
- refer the complaint to an appropriate person for action; or
- recommend to the Premier that an inquiry be convened under the *Commissions of Inquiry Act 1995.*

Every misconduct complaint we receive goes through a triage process to inform the decision about what action should be taken. In particular, the legislation establishes a number of grounds on which the Commission can dismiss a complaint. A complaint may be dismissed if it is frivolous or vexatious, not made in good faith, lacks substance or credibility, does not relate to the functions of the Commission, is an unjustifiable use of Commission investigative resources, or if considerable time has passed since either the alleged misconduct occurred or the complainant had knowledge of the complaint subject matter.

Our ongoing experience is that most complaints are likely to be dismissed or referred to other public authorities for action. Only a small number of complaints result in investigation by the Commission itself, which is in keeping with the outcomes for similar integrity bodies elsewhere in Australia.

The Commission, in general, will not duplicate or interfere with work that it considers has been or is being undertaken appropriately by a public authority. It will therefore consider referring a matter to an appropriate person, usually the principal officer of a public authority, for action following initial assessment. This is consistent with Parliament's intent that primary responsibility for the management of misconduct in a public authority rests with that authority and the Commission should focus its limited investigative resources on the most serious or sensitive matters or where a complaint involves a designated public officer.

Where a complaint is referred for action, we can monitor and audit how that complaint has been dealt with by the authority to which it was referred. The CEO may also require the authority to report on any action they intend to take on the matter.

In considering when a complaint should be accepted into assessment, the Commission applies criteria such as:

- is there evidence of serious misconduct?
- is the subject officer a designated public officer?
- is there evidence of systemic misconduct and/or a culture of misconduct?
- does the Commission have a special capacity to obtain evidence?
- does the misconduct involve multiple agencies?
- are there strategic reasons for undertaking an assessment?

The assessment process enables the Commission to undertake preliminary investigations that can include the limited use of coercive powers as well as open source information. Following receipt of an assessment report, the CEO may determine to dismiss the complaint, to refer the complaint to any relevant public authority or person for action, or to accept the complaint for investigation. As with assessments, we apply criteria to assist consideration of when a complaint should be accepted for investigation, for example:

- is there evidence of serious misconduct?
- is the subject officer a designated public officer?
- is there evidence of systemic misconduct and/or a culture of misconduct?
- does the complaint involve multiple agencies?
- is there a need for the use of the Commission's particular investigative powers?
- are there resource implications?
- are there strategic reasons for undertaking an investigation?

Investigations are undertaken in accordance with Part 6 of the Integrity Commission Act. They are conducted in private to protect the reputation of any subject officer and to protect the integrity of the investigation itself. The length of time for investigations depends on a number of factors including complexity of the matter and what evidence is required to be obtained and analysed. Some investigations require extensive checking of information for accuracy and reliability and may necessitate obtaining information from third parties, which can delay the investigative process. As our investigative resources are limited, any decision to undertake an investigation is considered in this context.

At the completion of an investigation, the investigator must provide the CEO with a report, subject to the rules of procedural fairness. The CEO must then provide a report to the Board of the Commission. Subsequently, the Board may determine that:

- the complaint will be dismissed;
- the report will be referred to a relevant public authority or integrity entity for action (with recommendations);
- an Integrity Tribunal will be convened;
- a recommendation will be made to the Premier that a commission of inquiry be established under the *Commissions of Inquiry Act*; or
- the matter will be further investigated by the Commission.

The Commission has specific functions when allegations of misconduct relate to designated public officers, as defined in its legislation, and also with respect to allegations of police misconduct. When a complaint involves a designated public officer, the Commission can either dismiss it or deal with it itself and will only refer it after a determination of the Board following investigation.

Where a complaint involves Tasmania Police, the Commission may provide advice to the Commissioner of Police about the conduct of an investigation into police misconduct and can audit particular complaints or classes of complaints. The Commission can only investigate a complaint about serious misconduct by a police officer or misconduct by a police officer of the rank of inspector or above.

Complaints and statistics

During 2015–16 the Commission received 111 complaints, a decrease of 16% from 2014-15. We identified a total of 302 allegations of misconduct, down by 37% from the previous year and the result of a new process of measuring allegations. The previous financial year experienced significant increases in complaint numbers, a trend which appears to have leveled.

As was the case in previous years, most complaints received were either referred to the principal officer of the relevant public authority, or were not accepted or dismissed following the initial triage process. This occurs for a variety of reasons.

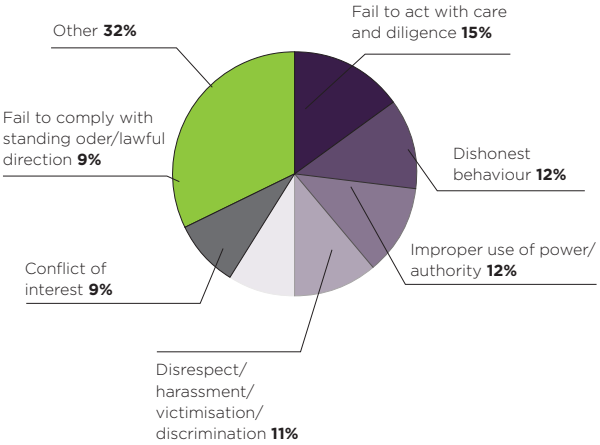
It is noted that the Commission has, over the reporting period, modified its procedures in relation to assessment of complaints. The Commission is accepting more matters for assessment to minimise the length and activity in the initial triage stage. The Commission is also seeking to minimise the length of time that complaints are held in assessment, and to minimise its use of coercive powers in that stage (a regular cause of delay). The Commission is also seeking to minimise the length of time that complaints are held in assessment, and to minimise its use of coercive powers in that stage, a regular cause of delay. This results in more matters being accepted into the investigation stage in order to, where required, utilise the coercive powers available under the Integrity Commission Act and to ensure strong and objective analysis of any received information.

Outcome of complaints	2015-16	2014-15
Not accepted/dismissed after triage	75	90
Referred for action after triage	25	33
Accepted for assessment	6	4
Investigations	3	1
Currently under consideration	5	5
Total	**114**	**133**

Misconduct types

A breach of code of conduct continues to be the most common type of allegation raised with the Commission. This is not surprising, given that many complaints relate to conduct that could amount to a breach of the State Service Code of Conduct.

Code of Conduct Breaches



Subject of complaints

Complaints about misconduct were made relating to the following public authorities:

Subject public authorities	2015-16	2014-15
Local Government		
Break O'Day Council	3	0
Brighton Council	3	0
Burnie City Council	1	1
Central Coast Council	0	0
Central Highlands Council	0	0
Circular Head Council	0	0
Clarence City Council	2	3
Derwent Valley Council	0	0
Devonport City Council	0	0
Dorset Council	1	1
Flinders Council	2	0
Glamorgan Spring Bay Council	0	1
Glenorchy City Council	0	4
George Town Council	2	1
Hobart City Council	3	3
Huon Valley Council	2	2
Kentish Council	0	1
Kingborough Council	1	0
King Island Council	0	3
Latrobe Council	0	0
Launceston Council	0	4
Meander Valley Council	0	1
Northern Midlands Council	0	0
Sorell Council	1	1
Southern Midlands Council	0	1
Tasman Council	0	0
Waratah Wynyard Council	2	2
West Coast Council	3	0
West Tamar Council	1	1
Total	**27**	**30**
Government Business Enterprises		
Forestry Tasmania	2	2
Hydro Tasmania	1	1
Motor Accidents Insurance Board	1	0
Total	**4**	**3**
State Owned Companies		
Aurora Energy	1	2
Metro Tasmania	2	1
TasNetworks	3	1
TasPorts	1	0
Total	**7**	**4**
State Service		
Department of Education	2	10
Department of Health and Human Services	8	11
Department of Justice	13	12
Department of Police and Emergency Management	26	28
Department of Premier and Cabinet	3	2
Department of Primary Industries, Parks, Water and Environment	7	9
Department of State Growth	1	2
Tasmanian Health Service	2	0
TasTAFE	1	1
Total	**63**	**75**
University of Tasmania	3	1
Tasmanian Parliament	5	3
Other public authorities[4]	13	16
	122	**129**

4 Some complaints name more than one public authority, thus the total is greater than the overall number of complaints received.

Anonymous complaints

Of the complaints received in 2015-16, 21% were submitted anonymously. In this situation, there is little prospect of seeking additional information from the complainant, who could be well-informed and able to assist further. This can make anonymous allegations difficult to investigate and complainants can never obtain feedback on their complaint.

While we respect a complainant's request that their identity remain confidential, for the above reasons the Commission encourages complainants to identify themselves.

Referring complaints

The Commission may refer a complaint of alleged misconduct to an 'appropriate person for action' under s 35 of the Integrity Commission Act where the Commission considers that the allegation does not amount to misconduct. This ensures that matters may still be addressed by the relevant agency.

The Commission may also refer a matter following assessment or investigation of a complaint. This ensures that complaints are considered by the public authority most able to effectively deal with the alleged misconduct.

Following referral, we can audit the action taken by a public authority. However, the Commission has no power or jurisdiction to direct the authority to take further or additional action to deal with the complaint, even if the Commission is not satisfied with the action taken (such as if the investigation was inadequate). Additionally, the Commission cannot take any further action in relation to the complaint. The only exception to this is where the Board of the Commission initiates an own motion investigation.

During the reporting period, the Commission referred 25 complaints to public authorities for action. This represents 23% of the total complaints received,[5] compared with 33 matters (25% of complaints) the previous year.

No complaints were referred to public authorities for action following formal assessments or investigations of complaints. In the previous year, there were two such referrals. As noted above, the Commission has now modified its procedures and is accepting more matters into assessment. This will result in a change to the complaint statistics over the coming year.

Notifications

The Commission received 78 notifications – instances of public authorities notifying the Commission about complaints of misconduct – during the reporting period. This compares to 48 notifications in the previous year.

Public authorities are encouraged to notify the Commission of such matters so that we can work with them, where identified, to improve their complaint-handling processes and to ensure that issues are adequately dealt with. Notifications are particularly important in assisting the Commission to identify specific misconduct trends. It is the Commission's view that such notifications should be mandatory.

Tasmania Police provides the Commission with the largest number of notifications, in accordance with a Memorandum of Understanding between the two bodies. Of the 78 notifications received, 36 were from Tasmania Police.

Own motion investigations and results

During the reporting period, the Commission completed one own motion investigation, Operation Kilo, which had begun on 10 July 2014. The report on Operation Kilo[6] was tabled in Parliament on 22 September 2015. The investigation considered the policies, practices and procedures of State Service agencies regarding receipt of gifts and benefits. See the case study on page 38.

A second own motion investigation, which started on 25 September 2015, was ongoing at the end of the reporting period.

5 This includes complaints referred after triage only. Complaints referred after assessment are not counted.

6 See http://www.integrity.tas.gov.au/__data/assets/pdf_file/0003/326037/Report_No_1_of_2015.pdf

Audit function

The Commission monitors or audits misconduct complaint matters dealt with or investigated by public authorities. This includes the way a public authority responds to a complaint that is referred to it for action. During the reporting period, the Commission undertook 15 audits of actions undertaken by public authorities in response to complaints about misconduct.

The nature of the audit depends on the matter and can take the form of an examination, inspection, review or investigation. The Commission considers the following criteria when determining whether to conduct an audit:

- Was there an inadequacy in the agency's investigation?
  - did the investigation accurately identify whether or not misconduct had occurred?
  - if misconduct was identified, was it appropriately addressed?
- Was insufficient information provided by the agency regarding its investigation?
  - Is the material sufficient to assess the adequacy of the investigation?
- In relation to Tasmania Police, would the matter be otherwise adequately covered in the annual audit of Tasmania Police complaints undertaken by the Commission?
- Does the Commission have sufficient resources to undertake the audit?

Occasionally, complaints we receive relate to matters that have been investigated previously by a public authority. In order to avoid duplication of effort, the Commission will often audit such investigations or seek other information from the authority before taking any specific action in relation to the complaint.

The Commission's specific auditing role of Tasmania Police is discussed below.

USE OF OPERATIONAL POWERS

The Commission has extensive powers under the Integrity Commission Act to obtain information and evidence. This may take the form of requiring witnesses or people who are subject to a complaint to attend our offices for interview or for a person to produce specific documents or other materials that relate to an investigation or assessment.

Section 47 of the Act gives an investigator and an assessor the power to compel a person to provide information, produce documents, or give evidence. The powers may also be used in an own motion investigation.

Those who are served with a s 47 Notice to attend to give evidence are entitled to be represented by a legal practitioner or other agent. In certain circumstances, a person providing information in response to a notice may make a claim for privilege, where appropriate.

Section 50 of the Integrity Commission Act also permits an investigator to enter any premises of a public authority without the need for consent or a search warrant. Other premises, where consent is not forthcoming, can be entered with a search warrant obtained pursuant to the *Search Warrants Act 1997*.

If there is a complaint involving allegations of serious misconduct, the Commission may also apply for a warrant under the *Police Powers (Surveillance Devices) Act 2006*.

The Integrity Commission Act allows for penalties for anyone who fails to comply with a Commission requirement relating to producing information or for those found to have hindered or obstructed an investigation.

Registers of powers exercised

Power	2015–16	2014–15
Section 21 Authorisations (appointment of authorised persons to assist Commission)	1	1
Section 47 Notices (attend and give evidence or produce documents or provide information)	67	53
Section 50 Power to Enter Premises	0	0
Section 51 Search Warrants	0	0
Section 53 Surveillance Device Warrants	0	0

Standard of proof

The standard of proof used by Commission investigators when making factual findings is the civil standard; that is, on the balance of probabilities. This requires proof to 'reasonable satisfaction', as distinct from the criminal standard of proof 'beyond reasonable doubt'.

In considering whether or not to make a particular finding of fact, an investigator will bear in mind what was said by Dixon J. in *Briginshaw v Briginshaw*:

> *"Reasonable satisfaction is not a state of mind that is attained or established independently of the nature and consequence of the fact or facts to be proved. The seriousness of an allegation made, the inherent unlikelihood of an occurrence of a given description, or the gravity of the consequences flowing from a particular finding are considerations which must affect the answer to the question whether the issue has been proved to the reasonable satisfaction of the tribunal. In such matters 'reasonable satisfaction' should not be produced by inexact proofs, indefinite testimony, or indirect inferences."*[7]

This approach accords with the practice of all Australian integrity agencies.

Standard Operating Procedures

Standard Operating Procedures (SOPs) provide for consistent, considered procedures that apply to a variety of the Commission's operational tasks and functions.

SOPs provide a methodology of work to ensure that legal and ethical compliance occurs and that quality control of practices is maintained during operational investigations.

A review of the 19 operational SOPs was undertaken for the first time since the Commission was established and they will now be reviewed every three years. Further SOPs will be prepared as required.

RESEARCH REPORTS

Enhancing accountability mechanisms for members of Parliament and ministerial staff

As outlined on p.23 of this report, the Commission produced a report, *Enhancing Accountability Mechanisms for Members of Parliament and Ministerial Staff: a Progress Update*, about accountability mechanisms for Members of Parliament and ministerial staff in Tasmania. The report provided an update on progress in relation to recommendations of the Commission's 2011 report, *Codes of Conduct for Members of Parliament, Ministers and Ministerial Staff in Tasmania*, which proposed a set of model codes of conduct for minister, members of Parliament, and ministerial staff.

Submission on the draft State Service Gifts, Benefits and Hospitality Policy

In May 2016, the Commission was invited to provide feedback on the draft Tasmanian State Service Gifts, Benefits and Hospitality Policy. Development of the draft policy was an outcome of the Commission's 2015 report, *An Own Motion Investigation Into Policies, Practices and Procedures Relating to Receiving and Declaring of Gifts and Benefits in the Tasmanian State Service.*

7 (1938) 60 CLR 336 at 362.

COMPLAINTS AGAINST TASMANIA POLICE

The Commission's jurisdiction over complaints about police is different to its jurisdiction over complaints about other public officers. In particular, the Commission can only investigate a complaint about serious misconduct by a police officer or a complaint about misconduct or serious misconduct by a commissioned police officer of the rank of inspector or above. 'Serious misconduct' is defined in the Integrity Commission Act as misconduct by a public officer that, if proved, would be a crime or an offence of a serious nature or misconduct, providing reasonable grounds for terminating the officer's employment.

In effect, this means that, unless the Board initiates an own motion investigation, we do not investigate complaints about misconduct by non-commissioned police officers. Such complaints are either dismissed or referred to Tasmania Police to deal with.

Under its legislation, the Commission has the power to undertake audits of the way the Police Commissioner has dealt with police misconduct. The annual audit process is undertaken in respect of complaints finalised by Tasmania Police in the preceding calendar year. Ad hoc reviews are also undertaken on a needs basis. Primarily, annual audits provide Parliament, the Tasmanian public and Tasmania Police itself with assurance that Tasmania Police deals with complaints adequately and in compliance with its legislative requirements and internal policy. Commission audits are also designed to strengthen Tasmania Police systems, practices, and procedures around complaint-handling by highlighting areas where improvements can be made.

Audit of complaints finalised by Tasmania Police in 2014

In November 2015, the Commission tabled in Parliament its audit of all 109 complaints – 96 of which were less serious (Class 1) and 13 more serious (Class 2) – made against Tasmania Police and finalised in 2014 (*Report No. 2 of 2015*). Tasmania Police cooperated fully with the audit. Key findings were:

- Tasmania Police does not demonstrate consistent policy or practice in relation to the acceptance and registration of complaints;
- record-keeping on the case management system, IAPro, remains inadequate in several respects, although there have been some improvements since the previous Commission audit;
- the majority of systemic and organisational issues emerging during complaints are recognised and/or dealt with in some way; and
- timeframes for complaint registration are improving and it is possible that overall complaint resolution timeframes are also improving.

The Commission made three recommendations aimed at improving:

- the future conduct of officers and the organisation as a whole;
- record-keeping; and
- timeliness.

Report of the Integrity Commission No. 2 of 2015: An audit of Tasmania Police complaints finalised in 2015 is available on the Commission's website.

Audit of complaints finalised by Tasmania Police in 2015

In 2016, the Commission is undertaking its fourth comprehensive audit of complaint handling by Tasmania Police. The scope for this year's audit is all complaints finalised by Tasmania Police in the 2015 calendar year.

Objectives of the 2016 audit are to:

- identify the nature of misconduct complaints;
- examine the way the Commissioner of Police has dealt with complaints generally;
- collect more in-depth data on issues of particular relevance; and
- assess progress in implementation of previous Integrity Commission recommendations.

A total of 123 complaints are being audited for 2016 with the full cooperation of Tasmania Police. This includes 101 Class 1 complaints and 22 Class 2 complaints.

The audit report is expected to be tabled in Parliament in November 2016.

COMPLAINTS AGAINST THE COMMISSION

People may make a complaint about the actions of the Commission or its officers, either directly to the Commission or to the Parliamentary Joint Standing Committee on Integrity. The committee may refer a complaint to the Commission for its response.

During the reporting period the Commission received one complaint about its operations, relating to a request for information. It was found the reasons for not providing the requested information valid in the circumstances and no further action was taken in relation to the complaint.

INFORMATION PROJECTS

The Commission continually seeks to enhance its information and intelligence databases through its education and investigation activities and information from interstate integrity agencies. The collection of information and intelligence may lead to:

- an own motion investigation;
- the identification of possible subject[8] officers;
- the identification of potential misconduct-related systemic issues;
- assistance with investigations or reports being undertaken elsewhere; or
- the retention of misconduct-related intelligence.

Information projects have formal status as the starting point for collection and analysis of targeted, meaningful intelligence that will help the Commission in its work. Information Projects do not require a complaint to be made pursuant to s 33 of the Integrity Commission Act and may be established when the CEO determines, in accordance with internal policies, that:

- the matter falls within the Commission's functions and principles pursuant to its legislation;

and is either:

- a theme of interest to the Commission; or
- a misconduct risk area, relating to:
  - an individual;
  - group;
  - company;
  - a particular issue; or
  - associations between any of these.

Open projects are regularly reviewed and audited to monitor progress. Information that is sufficiently developed may progress to an own motion investigation. Only open source information is collected for information projects. The Commission does not use its coercive powers for information projects.

During the reporting period : five new information projects were initiated; two existing information projects were finalised; and two existing projects were ongoing.

8 'Subject officers' are those persons who are the subject of a complaint(s) alleging misconduct or serious misconduct.

CASE STUDY: OPERATION NOVEMBER

Fuel theft allegations

In October 2014, the Commission received a complaint about the response of a State Service agency to allegations of fuel theft by an officer attached to that agency. The resultant investigation was completed in October 2015.

The complainant alleged that a mid-level manager had discovered evidence of misuse of a fuel card by an officer that had resulted in thousands of dollars of fuel being stolen. The complainant alleged that the mid-level manager took the evidence to three senior agency officers and that the senior officers had covered up the fuel theft to protect him and the reputation of the agency.

In undertaking the investigation, the Commission uncovered information and evidence in relation to a similar instance within the same agency of alleged fuel card misuse resulting in fuel theft. This instance was identified by the agency at about the same time as the matter subject to the complaint was finalised. The subsequent matter was also examined during the Commission's investigation as it was relevant to findings about the agency's approach to such allegations.

Evidence identified during the investigation did not indicate that decisions by officers were taken to cover up known criminal conduct, to protect officers from a legitimate criminal investigation or to protect the agency from bad publicity. However the investigation found that both matters had been handled inadequately, particularly in relation to reporting the matters to Tasmania Police.

A lack of communication between staff involved in the handling of both matters led to poor decision-making and actions and to inconsistent and flawed conclusions.

Decision-making by senior officers was, in part, based on incorrect advice from the agency's human services area in relation to how much evidence was required before the matter was referred to police. The decision to notify the suspect officers in each matter at an early stage effectively ended any chance of obtaining the best evidence of what appeared to be criminal offences. Advice to notify the suspect officers was based on a misunderstanding of when and how to apply the principle of natural justice.

The evidence showed that, while the agency had focused on dealing with the conduct in question, their

objective failed to address any underlying deficiencies within the agency that allowed both situations to occur. No preventative strategies were identified or implemented, and the outcome represented a lost opportunity to heighten the awareness among agency employees of fuel card misuse.

The Commission identified evidence that indicated the agency's inadequate response had been by other employees and, to some degree, had undermined the ethical culture of the agency.

The Operation November report was forwarded to the agency head on 7 October 2015. Although the conduct of one senior officer was of some concern, the investigation did not find that the actions or omissions of any single officer had led to an inadequate response to allegations of fuel theft. Rather, it found that the agency lacked the understanding, skills and desire to adequately deal with the misconduct allegations.

CASE STUDY: OPERATION SIERRA

Conflict of interest

In November 2014, the Commission received a complaint alleging that a manager of a State Service agency had failed to manage a conflict of interest with an external contractor. The resultant investigation was completed in November 2015.

The complainant alleged that the manager and the contractor had a long-standing professional and personal relationship, and indicated that the external contractor had been the recipient of State Government funding that appeared to be based, at least in part, on submissions made to and decisions supported by the manager's department. The contractor was paid by state and local governments for feasibility projects and concept planning, as well as the construction and maintenance of particular facilities in Tasmania.

Two months after receipt of the complaint, the employee left the State Service to take up employment with the external contractor.

The focus of the Commission's investigation was the role played by the manager in the procurement of services from the external contractor and the management of any conflict of interest in relation to historic and ongoing projects. In particular, the investigation examined the period after the manager had negotiated and accepted employment with the external contractor and the management of any conflict of interest in these circumstances. The investigation also examined how the manager's supervisor dealt with the situation.

The complaint involving the manager and the supervisor was eventually dismissed.

Notwithstanding that, the investigation revealed that there existed potential issues in relation to the declaration and management of conflicts of interest across the State Service, particularly in relation to the variation across relevant policies. After the investigation concluded, the Commissions views were forwarded to the Head of the State Service, who used the findings as a basis to initiate a review of policy and procedures for improved management of conflict of interest across the State Service.

CASE STUDY

A referral resulting in change

In August 2015, the Commission received an anonymous complaint alleging improper personal use of a government vehicle and the falsification of vehicle log books to conceal the activity by an officer from a State Service agency. It was further alleged that the officer's supervisor had failed to take action to deal with the alleged conduct.

The complaint was referred to the agency for action and identified as a matter which may involve a breach of the State Service Code of Conduct, and was investigated by an independent investigator engaged by the agency. The investigation found that the officer had on occasion, failed to comply with the relevant policy regarding vehicle use, but that it could not be established whether the officer was not given permission to home garage on any particular occasion and there was no documentary evidence confirming the instructions provided to the officer regarding vehicle use. Subsequently, an ED5[9] investigation into the matter ceased.

9 'ED' stands for Employment Directions which are issued by the Minister administering the *State Service Act 2000*. They relate to the administration of the State Service and employment matters relevant to the State Service Act.

The investigation revealed a culture within the unit of the agency which was permissive of home garaging and liberal vehicle usage. The investigation identified that the practice of home garaging was permitted within this unit of the agency, and actions were taken to ensure compliance across the unit, including:

- cancellation of all non-essential home garaging;
- abolition of non-complaint arrangements;
- review of vehicle usage and log book records;
- review of weekend and out–of–hours fuel fill–ups;
- replacement of nearly all vehicle log books with versions allowing for home garaging reporting;
- an education program; and
- development of supporting procedures to provide guidance to staff.

The agency also engaged the services of an independent auditor to audit home garaging practices across the whole agency.

Although this referral did not result in any finding or sanction against any individual officers, it did directly result in fundamental and positive changes in the procedures for a practice that was a misconduct risk to the agency. The Commission considers this to be a good outcome from a referral as it resulted in actions taken to support staff in understanding and meeting their compliance obligations, and established transparent and auditable processes to foster public confidence in the agency.

CASE STUDY: OPERATION KILO

Gifts and benefits risks

On 22 September 2015, the Commission tabled in Parliament its report on Operation Kilo, an own motion investigation into the policies, practices and procedures, or the failure of such, relating to the receipt of gifts and benefits in the Tasmanian State Service.

The investigation covered 12 State Service agencies and made one finding, which was that there was a systemic failure across the Tasmanian State Service to adhere, in practice, theory or spirit, to gifts and benefits policies, practices and procedures that should be applied under:

- the *State Service Act 2000* (Tas);
- the *State Service Regulations 2011* (Tas);
- Employment Direction No. 8 – Gifts and Benefits;
- Treasurer's Instructions No. 1101 and 1201; and
- in accordance with good practice.

The Commission's investigation examined gift policies across all agencies and audited them against mandatory State Service policies and instructions and against good practice. The Commission also examined all available agency gift registers over a defined period and compared them with records produced by companies under notice. Several people were interviewed under notice.

The report did not make any adverse findings against individuals and the Commission emphasised that the problem was of an organisational and not individual nature. The investigation revealed a fundamental problem with policies, which in practice allowed employees to take gifts provided they were declared. This policy relied on employees' and their managers' understanding of when there may be a conflict of interest in taking a gift. The investigation showed that this understanding was greatly lacking and there was widespread, poor decision-making as well as non-compliance with even the basic requirement to make a declaration. Each agency was given detailed feedback on its own policies and procedures.

The report made five recommendations which focused on changes across the State Service to policy, practices and procedures, and included provision of model policies and procedures for consideration by public authorities. In response to Operation Kilo, the Commission developed its **Thanks is Enough** campaign, as outlined on p. 25 of this report.

GOAL 3

A BEST PRACTICE AGENCY THAT IS VALUED BY THE COMMUNITY

BUSINESS PERFORMANCE

Monitoring business performance

People

All Commission staff members are State Service employees and are obliged, under the *State Service Act 2000*, to comply with the State Service Code of Conduct. The Commission staff recently developed a Statement of Values and Conduct to reflect responsibilities and desired behaviours. This replaces the Commission's earlier voluntary code of conduct.

We have adopted the Department of Justice performance management system for monitoring staff performance. Individuals have twice-yearly performance management appraisals, with the opportunity to contribute to development of their own goals and objectives, aligned with team operations and the Commission's strategic plans.

Tasmanian State Service Employee Survey

The Commission participated in the State Service workforce survey, with all Commission staff completing the survey. The Commission's results were benchmarked against the whole Tasmanian State Service (TSS). Staff were surveyed in a range of areas including job satisfaction and engagement. Research has indicated that job satisfaction may be positively linked to an organisation's performance and negatively linked to absenteeism and employee turnover. Job satisfaction is also a driver for commitment where people who are more satisfied are more likely to remain loyal to the organisation, even in the face of difficulties. Overall job satisfaction at the Commission rose by 15 percentage points since the 2014-15 survey.

	Integrity Commission %*	TSS %
Overall job satisfaction	100	71
Satisfaction with the Integrity Commission as an employer	93	70

* The 'Percentage satisfied' measure sums 'Satisfied' plus 'Strongly Satisfied' responses as a percentage of total responses.

The employee engagement index indicates employees' commitment to the Commission's goals and values and their motivation to contribute to the Commission's success. The Integrity Commission's engagement index increased by 5 percentage points from the 2014-15 survey.

	Integrity Commission %	TSS %
Engagement Index	83	68

The survey also included questions grouped into the key measurement areas of perceptions of the State Service values, employment principles, and supporting measures in the workplace. The Commission ranked higher than the Tasmanian State Service in every area surveyed, as detailed below:

	Integrity Commission %	TSS %
State Service Values		
Responsiveness	97	84
Integrity	94	73
Impartiality	100	73
Accountability	97	66
Respect	97	74
Leadership	95	65
Employment Principles		
Merit	97	62
Fair and reasonable treatment	98	72
Workforce diversity	81	68
Avenues of redress	78	68
Supporting Measures		
Feedback on performance	97	60
Effective promotion of policies and process	99	78
Role clarity	100	87
Role enablers (autonomy)	93	79
Intrinsic reward	95	79
Leading change	83	49

Corporate services

The Commission has a Service Level Agreement (SLA) with the Department of Justice for provision of specialist financial and accounting services, as well as human resources services and information technology support. The Commission is responsible for all internal reporting and management of budget processes. Our staff members have access to information materials via the Department's intranet in relation to corporate services guidelines, policies, and procedures. Although the Commission is an independent public authority, it has formally adopted a number of Department of Justice policies that are relevant to staff as State Service employees, such as financial and human resource policies.

Work health and safety

The Commission has adopted the Department of Justice Work Health and Safety System and associated policies and procedures. We are continuing to review and develop Work, Health and Safety (WH&S) policies and procedures specific to the Commission. As with other government agencies, the Commission has a Ministerial Direction to comply with *AS/NZ 4801 WHS Management Systems* by the end of 2016 and is making good progress towards achieving the target. We develop an annual Work Health and Safety Plan that sets out the Commission's intentions for improving work health, safety, wellbeing and injury management for staff. We also conduct an annual risk analysis of related issues and develop mitigation strategies.

Work, health and safety strategies employed during the reporting period include:

- quarterly safety inspections of office premises;
- quarterly reporting to the Commission's Board on WH&S matters;
- review of WH&S risk register;
- WH&S awareness for all staff and managers, first aid training and fire warden training;
- ergonomic assessments at induction, as well as follow-up assessments where required. Ergonomic assessments include manual handling awareness training;
- provision of ergonomic equipment, such as height adjustable desks as identified through ergonomic assessment;
- support for *healthy @ work* activities such healthy morning tea options and provision of fruit;
- risk-based driver training;
- two staff attended a workshop on how to create a mentally healthy workplace to facilitate development of a Mental Health and Wellbeing Strategy and Policy in 2016–17; and
- initiating a personal wellbeing program, including mental health considerations, in consultation with staff.

Audit Committee and internal audit

The Commission established an Audit Committee in 2013–14, in accordance with Treasurer's Instruction 108. The Committee comprises its CEO (chair) and Corporate Services Manager, and the Business Manager for Ombudsman Tasmania.

The Audit Committee reviewed and endorsed the Commission's annual Work Health and Safety Plan, as well as endorsing the Strategic Risk Register and Work Health and Safety Risk Register.

The Audit Committee endorsed the Commission's Evaluation Committee recommendation to appoint General & Window Cleaning Pty Ltd for cleaning services on a two-year contract from January 2016.

During 2015-16, Wise Lord and Ferguson conducted a review of the Commission's internal management and Board reporting. Four recommendations, relating to low risk matters, are being implemented.

Budget performance

In 2015–16 the Commission's budget was $2.39m, down from $2.4m in 2014–15. Our budget for 2015–16 budget included a one-off payment of $60,000 for the independent five-year review of the Integrity Commission Act, a figure that was subsequently transferred to the Department of Justice, which was given responsibility for administering the review process. At the end of the financial year, the Commission was granted an additional $18,000 as a contribution to unfunded Board costs, following approval of a Request for Additional Funding.

We were required to implement the Government's savings strategy of $500,000 in 2014–15 and $600,000 per annum thereafter. To meet the cost savings targets, the Commission reduced salary expenditure by not filling two vacant positions for a General Counsel role and a part-time Communications Officer. In addition, three staff elected to reduce full-time working hours to part-time.

The General Counsel role provided advice to the Commission's Operations unit in regard to confidential investigative matters, as well as to the Misconduct Prevention, Education and Research unit in relation to release of information and its advisory role. While the Commission is able to access Crown Law Services for general advice, it remains vulnerable in relation to confidential Commission matters and to matters requiring urgent advice, including advice provided by MPER to other agencies.

Work undertaken by the Communications Officer, such as preparation and production of the Annual Report and support for publication of other reports, content development and administration for the Commission's website, and media management has been absorbed into MPER unit responsibilities. This affects the time and resources available for its core focus and has a flow-on impact on the range and timeliness of initiatives that MPER can offer public authorities.

One of the positions reduced to part-time is that of Senior Investigator, affecting the number of investigations the Commission can undertake and timeliness of investigative reports.

The Commission operated for the full financial year under the reduced staffing strategy.

In addition to a reduction in salary-related expenditure, all non-salary expenses were reviewed for the 2014–15 budget and, unless there was a contractual obligation, the majority of expenses were reduced to help meet savings targets, with savings strategies continuing for the 2015-16 budget. The key areas of saving were in travel, consultants and supplies/consumables. In late 2014–15, the Commission negotiated significant savings in rent and utilities for its current premises and the full reduction in property expenses of $60,000 was realised over the financial year. The Commission has continued to operate with the reduced non-salary budget 2015–16.

Information management

During 2015–2016, the State Archivist endorsed a disposal authority for functional records relating to activities unique to the Commission. Development of the disposal authority was a major project and the tool enables the Commission to effectively manage its records throughout their lifecycle, from creation to management, use and disposal. An authorisation under s20 2(b) of the *Archives Act 1983* prescribes minimum retention periods for different sets of our records; whether or not records must be permanently retained as State Archives and if not, how they are to be destroyed.

Endorsement of the disposal authority enabled the Commission to develop and implement a records disposal program allowing for the lawful and accountable destruction of records no longer required for business purposes, as well as the transfer of relevant records to the Tasmanian Archives and Heritage Office (TAHO). This is a systematic, ongoing program that has been integrated into the Commission's ongoing information management process.

During the year, the Commission continued to implement the Tasmanian Government Information Security Policy Manual (ISPM), in accordance with guidance from TAHO. The ISPM requires a framework of policies, procedures and other tools be developed and implemented by all agencies to ensure a consistent approach across State Government in managing information security risks.

The Commission began upgrading its electronic record management system, TRIM, to the latest version of the product. The upgrade will be completed in early 2016–17 and enable the Commission to re–examine its business practices with the aim of making more efficient use of the system.

Employee performance

Learning and development

The Commission is committed to developing good leaders and employees who are skilled, resilient and accountable. Training and development needs are identified as part of the our performance management process.

Staff undertook a range of professional development and training during the reporting period.

General training:

- all Commission staff completed work health and safety awareness training; and
- new managers undertook managerial-level work health and safety awareness training.

Individual training and development programs and sessions included:

- Australian Public Sector Anti-Corruption Conference (APSAC);
- Certificate IV in Training and Assessment;
- Workplace mental health and wellbeing;
- IAP2 Australasia Certificate in Engagement;
- defensive driving;
- e–learning;
- Conflict in Engagement;
- Online Engagement;
- intelligence interview training;
- managing people and performance;
- effective business writing;
- Australian Anti-Corruption Commissions legal forum;
- Independent Commissioner Against Corruption legal conference;
- Information Managers Forum on emerging technologies;
- Introduction to Recordkeeping Challenges in Business Systems;
- Skills for Assertive Communication;
- de-escalation training;
- Records, Social Media and the Right to Access – the Social Media Conundrum;
- speaking confidently to groups;
- fire warden course; and
- time management skills.

Most staff members attended at least one training or development activity relevant to their needs during the reporting period.

Personnel vetting

All Commission staff are required to undergo a personnel security clearance undertaken by the Australian Government Security Vetting Agency involving a comprehensive series of assessments and background checks. This ensures individuals can be entrusted with sensitive information or resources as part of their work and confirms suitability to work in an environment that deals with sensitive information. Thoseon a contract of less than three months are required to undergo a Short Term Access security clearance process, also undertaken by the national security vetting agency, and are subject to other controls such as restricted access to Commission data.

The vetting process forms part of our risk management approach to information management as well as helping to maintain the organisation's security profile.

Communications

Website

Throughout 2015–16, the Commission has continued to focus on the usability and accessibility of its website. This has included:

- a comprehensive audit of accessibility, and completion of a suite of improvements across the site, ensuring a high level of compliance with *Web Content Accessibility Guidelines 2.0* standards;
- a review and significant improvements to the website structure, menus, navigation and page information; and
- a revised home page layout that is more oriented to user needs.

A significant number of new education and prevention resources, including new video and multimedia elements, were added to the website in 2015–16.

There was a 16% increase in the number of unique users who accessed the Commission's website in 2015–16, in comparison to 2014–15.

Media

In 2015–16, the Commission undertook the following significant media activities, including media releases and interviews in relation to:

- Operation Kilo – the policies, practices and procedures relating to receiving and declaring gifts in the Tasmanian State Service;
- the Commission's audit report of police complaints (2015);
- the Commission's annual report (2014–15);
- the Commission's Community Perceptions Survey (2015)
- retirement of the former CEO, Ms Diane Merryfull;
- a statement by the retiring Chief Commissioner – Hon. Murray Kellam AO
- the Commission's progress report on Parliamentary integrity and accountability;
- the Commission's **Thanks is Enough** awareness campaign;
- statement by the Acting CEO on conflict of interest in Tasmania's public sector; and
- the 'Whistling While they Work' international research project and Tasmanian forum.

The Commission also responded to numerous enquiries from the media throughout 2015-16.

Outreach

In October 2015 and May 2016, the Commission published the second and third issues of its newsletter. *Integrity Matters* is a bi-annual publication distributed electronically to the Commission's comprehensive mailing list. *Integrity Matters* provides readers with an overview of the Commission's activities including investigations, statistics and resources from the MPER team. *Integrity Matters* also provides relevant information on topical misconduct risk areas.

INTEGRITY MATTERS

Issue #3 May 2016

In this issue:

Introduction

Investigations uncover more than misconduct

Code of conduct providing guidance for councillors

Five year review of Commission update

Common misconceptions on conflicts of interest

Step up Speak up

Are you on a board?

'Whistling While They Work'

Misconduct and human behaviour - more than one approach needed

University of Tasmania team to evaluate Speak up roll out

Values underpin Commission approach

Introduction

Michael Easton, Acting Chief Executive Officer

As an entity established to improve the standard of conduct and ethics within public authorities, and to enhance public confidence that any misconduct will be appropriately dealt with, the Commission has the responsibility to work with public authorities to achieve these outcomes. In doing so, the Commission must be both collaborative and independent.

INTEGRITY MATTERS

Issue # 2, October 2015

Integrity Commission welcomes new Chief Commissioner

On 10 August 2015, Greg Melick AO SC was appointed as the new Chief Commissioner of the Integrity Commission. Mr Melick has replaced the outgoing Chief Commissioner, the Hon Murray Kellam AO, whose term in the role concluded on 16 August 2015 after 5 years.

Seeing clearly: transparency and accountability in the public sector

Public acceptance of Government and the roles of officials depends upon trust and confidence founded upon the administration being held accountable for its actions (United Nations, 2005)

Ethical conduct in the public sector is an issue which attracts scrutiny and publicity at a local, national and international level. Not surprisingly, the operations, policies and decisions of public authorities are of high interest to the public they serve. Operating with integrity, accountability and transparency is critical for public authorities as they seek to fulfil their intended role: to serve the public interest.

Integrity, transparency and accountability are interdependent.

Integrity requires public authorities to consistently operate in a transparent and accountable manner to serve the public.

Transparency which lacks accountability is futile if a public authority provides access to information without being answerable for its decisions and actions.

Accountability without transparency is just as pointless, as members of the community require timely and reliable information to appropriately scrutinise the actions of a public authority.

This means that public authorities are required to focus on these three critical principles equally to gain and maintain public trust.

Since August 2014, the Commission has used an electronic *What's New* alert to communicate key events, development of educational resources and launches of training modules to its stakeholders.

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MISCONDUCT PREVENTION AND EDUCATION

WHAT'S NEW

'Whistling while they work: can it be done?'

Dr AJ Brown of Griffith University will facilitate a lunch-box presentation in Hobart on Thursday 2 June. Dr Brown is an internationally recognised academic and commentator on whistleblowing and protected interest disclosures in the workplace.

Dr Brown will discuss:

- jurisdictional approaches to whistleblowing practices and legislation;
- the current whistleblowing landscape and the complications with Public Interest Disclosures; and
- common difficulties faced by public sector organisations.

Dr Brown will also outline the 'Whistling While They Work 2' project and key findings from earlier research.

The event will be held at the Baha'i Centre of Learning, Hobart from 12:15 - 1:30pm. A light lunch will be provided.

While there is no charge to attend, **prior registration is required** for catering purposes. Please register by emailing mper@integrity.tas.gov.au

'Good Governance Guide' now available

The recently-released Good Governance Guide contains information for elected members on ethics, roles and relationships, risk management, strategic planning, decision making, legislative compliance, continuous improvement and land-use planning. It is part of a range of resources now available to assist councillors perform effectively in their role representing and serving the community.

The Commission was pleased to be part of a working group involved in the development of the Good Governance Guide for local government.

The guide is available on the Local Government Division (DPAC)'s website.

The Commission in 2015-16 published 15 *What's New* alerts, which were distributed electronically to its extensive mailing list.

SHARING KNOWLEDGE AND EXPERTISE

Collaboration with other public authorities

Significant collaboration between the Commission and other public authorities in 2015–16 included:

- Local Government Division of DPAC and LGAT – on the development of training resources, the Good Governance Guide for councils and, code of conduct for councils and local government audit panels.
- Ombudsman, Auditor-General and Office of the Anti-Discrimination Commissioner – to share knowledge and collaborate.
- Tasmania Police, Ombudsman and the Local Government Division in relation to complaint handling.
- Department of Premier and Cabinet – monitoring of MPs registers.
- State Service – register of interests for senior executives, and revision of gifts and benefits policies.
- Tasmania Police in relation to the Commission's involvement in recruit training.
- Independent Broad-based Anti-Corruption Commission (IBAC) – in relation to sharing ideas/ resources for engagement of the public sector and the broader community.

The Commission granted permission for the use of its resources to the following other entities which are not under jurisdiction:

- Australia Institute of Building Surveyors – use of an education module.
- Public Service Commission (WA) – case study, using conflict of interest resources.
- Independent Commissioner Against Corruption (SA) – use of conflict of interest resources.
- Department of State Development (QLD) – use of the Commission's conflict of interest video scenarios and '*Thanks is enough*' campaign materials.
- Department of Agriculture and Fisheries, Department of Tourism, Major Events, Small Business & Commonwealth Games (QLD) – use of **Thanks is enough** and **Speak up** campaign materials.

Australian Anti-Corruption Commissions Forum

The Commission is a member of the Australian Anti-Corruption Commissions Forum, which comprises all of the anti-corruption agencies in Australia. The purpose of the forum is to provide the means for its members and their principals to interact, exchange information, knowledge and ideas, to work cooperatively, to share resources, and to promote priority areas of interest commonly affecting them.

The following interactions occurred in 2015–16:

- the principals (the most senior statutory officers in each organisation) met once in the reporting period and the Chief Commissioner attended on behalf of the Commission.
- the Acting CEO attended a meeting of the Executive Co-ordination Group (the CEOs or equivalents of each organisation).
- the Manager, Misconduct Prevention, Education and Research attended a national forum of Corruption Prevention Practitioners, and presented to the group.
- legal representative's periodic forum.

The Commission has shared knowledge and experiences with the Australian Crime Commission.

External inspections of registers

The Commission can apply for a warrant under the *Police Powers (Surveillance Devices) Act 2006*, in the same manner as a law enforcement agency. That Act governs the use a law enforcement agency makes of surveillance devices and the records that it is obliged to keep in respect of each warrant for which it applies. The Ombudsman is the inspection entity for the Act and is required to inspect records of the law enforcement agency at least once every 12 months.

In the reporting period, there were no applications for a warrant for a surveillance device under the legislation. The Ombudsman is still required to conduct inspections under the Act and therefore inspected the Commission's records in July 2015 and June 2016.

The Ombudsman reported to the Commission that, in terms of its compliance with record-keeping requirements of the Act, he was satisfied with the extent and adequacy of the Commission's records.

Best practice agency actions

In September 2015, the Commission tabled in Parliament a report on a 12-month own motion investigation that found a systemic failure across the State Service to adhere to proper practices, policies and procedures for the receipt of gifts and benefits.

The report's 13 tables show whether each of the 12 agencies covered by the investigation, as well as the Commission itself, were satisfying mandatory policy as well as good practice. The definition of good practice set out in the report was drawn from the Commission's extensive nation-wide research of material.

The Commission found that it was not itself meeting good practice in all areas and it subsequently reviewed and strengthened its own policies and practices in late 2015. It also developed education resources to assist all public authorities and public officers in Tasmania to better understand and manage misconduct risks with gifts and benefits. These can be found within the report and separately on our website.

Applications for warrants

No applications were made under the *Search Warrants Act 1997* during the reporting period.

Disclosures under *Public Interest Disclosures Act 2002*

No referrals were made to the Commission by the Ombudsman or other public bodies under s 29B (disclosure relating to misconduct) of the *Public Interest Disclosures Act 2002.*

Five disclosures were made to the Commission under the Integrity Commission Act, with one referred to the Ombudsman in accordance with s 29A(b) and four dealt with by the Commission under s 29A(a) of the legislation. Decisions to refer disclosures to the Ombudsman or address them within the Commission are based on an assessment of the most effective way to deal with the specific matter.

Right to information

The Commission is excluded from the *Right to Information Act 2009* by s 6 of that Act, unless the information relates to its administration. Complaint–related information is therefore exempt. The Commission is committed to ensuring that, where appropriate, its administrative information is available to the public. This is generally achieved through its annual reporting process.

The Commission received no applications for assessed disclosures of information under the right to information legislation during the reporting period. It did, however, receive two requests for information under other provisions of the Act. Both requests were rejected on the grounds that they did not relate to administration of the Commission or pertained to information already publicly available.

OTHER REPORTING

TABLED REPORTS

Report of the Integrity Commission No. 1 of 2015

The report was tabled in both Houses of Parliament in September 2015. It was an own motion investigation, under s 45 of the Integrity Commission Act, into policies, practices and procedures relating to receiving and declaring of gifts and benefits in the Tasmanian State Service.

Report of the Integrity Commission No. 2 of 2015

Tabled in both Houses of Parliament in November 2015, the report addressed an audit under s 88(1)(c) of the Integrity Commission Act of complaints against Tasmania Police that had been finalised in 2014. It was the second audit undertaken by the Commission under this section of the Act, relating to the way the Commissioner of Police has dealt with complaints about police misconduct. The first audit report was tabled in the previous reporting period.

Register of Publications

All reports published by the Commission are catalogued in the Tasmanian Parliamentary Library, the State Library of Tasmania and the National Library of Australia in Canberra.

Register of Publications[10] 2015-16

Name	Date	Where published	STORS / Legal deposit	ISSN or ISBN
Community Perceptions Survey 2015: Research Report	9/15	Web		
Report No 1 of 2015: An own motion investigation into policies practices and procedures relating to receiving and declaring of gifts and benefits in the Tasmanian State Service	9/15	Parliament, Web	yes	yes
Integrity Commission Annual Report 2014-2015	10/15	Parliament, Web, hard copy	yes	yes
Report No. 2 of 2015, Audit of Tasmania Police complaints	11/15	Parliament, Web	Yes	Yes
Enhancing accountability mechanisms for members of parliament and Ministerial staff: a progress update	12/15	web	yes	

Contracts and procurement

We ensure that Tasmanian providers are given every opportunity to compete for our business. Our policy is to support Tasmanian businesses whenever they meet our criteria and offer the best value for money. We comply with all Treasurers' Instructions in relation to procurement, contracts and consultancies.

We have a Service Level Agreement (SLA) with the Department of Justice for the provision of corporate services such as human relations, occupational health and safety and information technology support, for the sum of $174.938 a year, adjusted annually for CPI.

Tenders and Requests for Quotation

In 2015–16 the Commission issued no tenders or contracts greater than $50,000.

Accountability

The Acting CEO is responsible for the Commission's operations, management and general administration and reports on those matters to the Board at each of its meetings.

All Commission staff are State Service employees and therefore are bound by the State Service Act. Likewise, the Commission is obliged to comply with all relevant governing legislation and Treasurer's Instructions. Where a complaint is made against Commission staff, the CEO – as Head of Agency – must comply with applicable Employment Directions as issued from time to time by the Premier. Complaints about other decisions made by the Commission, excluding investigations, are directed to the CEO.

10 Publications listed on the register are significant, complete works that may be published in print or electronically. The Commission has also produced significant collections of training and other resources during this reporting period, which do not fall within this definition.

SUPERANNUATION CERTIFICATE

I, Michael Easton, Acting Chief Executive Officer of the Integrity Commission, hereby certify that the Integrity Commission has met its obligations under the Commonwealth *Superannuation Guarantee (Administration) Act 1992* in respect of those employees of the Commission who are members of complying superannuation schemes to which the Commission, through the Department of Justice under a Service Level Agreement, makes employer superannuation contributions.

Michael Easton
Acting Chief Executive Officer

August 2016

FINANCIAL REPORT

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STATEMENT OF CERTIFICATION

The accompanying Financial Statements of the Integrity Commission are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provision of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2016 and the financial position as at the end of the year.

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

Michael Easton
Acting Chief Executive Officer

11 August 2016

Rachael Daniels
Corporate Services Manager

11 August 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 Budget $'000	2016 Actual $'000	2015 Actual $'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	3.1	2 390	2 408	2 364
Other revenue from Government	3.1	-	43	-
Total revenue and other income from transactions		**2 390**	**2 451**	**2 364**
Expenses from transactions				
Employee benefits	4.1(a)	1 673	1 579	1 566
Depreciation and amortisation	4.2	92	111	100
Supplies and consumables	4.3	535	509	602
Other expenses	4.4	186	258	186
Total expenses from transactions		**2 486**	**2 457**	**2 454**
Net result		**(96)**	**(6)**	**(90)**
Comprehensive result		**(96)**	**(6)**	**(90)**

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes	2016 Budget $'000	2016 Actual $'000	2015 Actual $'000
Assets				
Financial assets				
Cash and deposits	9.1	28	39	84
Receivables	6.1	38	11	8
Non-financial assets				
Leasehold improvements and equipment	6.2	6	266	334
Intangible assets	6.3	139	130	161
Other assets	6.4	315	106	113
Total assets		**526**	**552**	**700**
Liabilities				
Payables	7.1	22	9	7
Employee benefits	7.2	417	265	369
Provisions	7.4	-	68	65
Other liabilities	7.5	-	-	43
Total liabilities		**439**	**342**	**484**
Net assets		**87**	**210**	**216**
Equity				
Accumulated funds		87	210	216
Total equity		**87**	**210**	**216**

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 Budget $'000	2016 Actual $'000	2015 Actual $'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts - recurrent		2 390	2 408	2 407
Other cash receipts		-	-	24
GST receipts		-	69	83
Total cash inflows		**2 390**	**2 477**	**2 514**
Cash outflows				
Employee benefits		(1 663)	(1 681)	(1 580)
GST payments		-	(71)	(79)
Supplies and consumables		(541)	(515)	(594)
Other cash payments		(186)	(255)	(205)
Total cash outflows		**(2 390)**	**(2 522)**	**(2 458)**
Net cash from (used by) operating activities	9.2	**-**	**(45)**	**56**
Net increase/(decrease) in cash held and cash equivalents		**-**	**(45)**	**56**
Cash and deposits at the beginning of the reporting period		**28**	**84**	**28**
Cash and deposits at the end of the reporting period	9.1	**28**	**39**	**84**

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

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Funds $'000	Total equity $'000
Balance as at 1 July 2015	**216**	**216**
Total comprehensive result	(6)	(6)
Total	**(6)**	**(6)**
Balance as at 30 June 2016	**210**	**210**

	Accumulated Funds $'000	Total equity $'000
Balance as at 1 July 2014	**306**	**306**
Total comprehensive result	(90)	(90)
Total	**(90)**	**(90)**
Balance as at 30 June 2015	**216**	**216**

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 2016

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Note 1 - Commission Output Schedules

1.1 Output Group Information

The Commission has a single Output called Integrity Commission which fulfils all of its statutory responsibilities. The summary of budgeted and actual revenues and expenses for this Output are the same as in the Statement of Comprehensive Income. Therefore, the inclusion of a separate Output Schedule is not necessary.

Note 2 - Explanations of Material Variances between Budget and Actual Outcomes

Budget information refers to original estimates as disclosed in the 2015-16 Budget Papers and is not subject to audit.

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate or $100,000. Budget information has not been subjected to audit.

2.1 Statement of Comprehensive Income

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Other revenue from Government	(a)	-	43	(43)	>100
Depreciation and amortisation	(b)	92	111	(19)	(21)
Other expenses	(c)	186	258	(72)	(39)

Notes to Statement of Comprehensive Income variances

(a) Other revenue from Government relates to S8(A) carry forward funds as follows:
- Misconduct Prevention Education and Research product development $25,000;
- Survey on Speak-Up Campaign $10,000; and
- Annual Report salary costs $8,000.

(b) The variance in depreciation and amortisation relates primarily to $13,000 for lease make-good not included in the budget.

(c) The variance in other expenses relates primarily to $60,000 for the Commission's 5 year review, and $10,000 for labour hire, both not included in the budget.

2.2 Statement of Financial Position

Budget estimates for the 2015–16 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2015–16. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2015–16. The following variance analysis therefore includes major movements between the 30 June 2015 and 30 June 2016 actual balances.

	Note	Budget $,000	2016 Actual $,000	2015 Actual $,000	Budget Variance $,000	Actual Variance $,000
Cash and deposits	(a)	28	39	84	11	(45)
Receivables	(b)	38	11	8	(27)	3
Leasehold improvements and equipment	(c)	6	266	334	260	(68)
Other assets	(d)	315	106	113	(209)	(7)
Payables	(e)	22	9	7	13	(2)
Employee benefits	(f)	417	265	369	152	104
Provisions	(g)	-	68	65	(68)	(3)
Accumulated funds	(h)	87	210	216	123	(6)

Notes to Statement of Financial Position variances

(a) Cash and deposits was greater at 30 June 2015 primarily due to appropriation carried forward under S8A(2) of the *Public Account Act 1986* at 30 June 2015; $25,000 for Misconduct Education and Prevention products; $10,000 for a follow-up survey for effectiveness of the Commission's Speak-Up campaign and $8,000 for annual report salary-related production costs.

(b) The variation in receivables relates to a fluctuation in actual GST receivable at the end of each financial year compared to the budget.

(c) There was a mis-classification in the 2015-16 Budget Papers in relation to non-financial assets. The correct classification is as follows:

- Property, plant & equipment (leasehold improvements and equipment) $270,000;
- Other assets $51,000.

There is no new equipment or leasehold improvements in 2015-16, the remainder of variation in budget and actual relates to depreciation charged.

(d) Refer to note 2.2(c) regarding a mis-classification in the 2015-16 Budget Papers in relation to other assets. The variation in other assets relates to lease make-good (refer note 7.4) which is not included in the budget.

(e) Accrued expenses were lower than budget.

(f) Employee benefits are lower than budget as follows: accrued salaries $36,000, annual leave $34,000 and long service leave $82,000. Annual leave and long service leave were lower due to payouts on termination and employees taking more leave than budgeted. The variance between 2016 and 2015 is primarily due to payouts on termination.

(g) The provision as at 30 June 2016 relates to a provision for lease make-good (refer note 7.4).

(h) Actual accumulated funds are greater than budget primarily due to receipt of the S8A(2) funds (refer to 2.2(a) above as well as a Request for Additional Funds of $18,000 approved in June 2016 to partially cover unfunded Board costs in 2015-16.

2.3 Statement of Cash Flows

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
GST receipts	(a)	-	69	69	>100
GST payments	(a)	-	71	(71)	<100
Other cash payments	(b)	186	255	(69)	(37)

Notes to Statement of Cash Flows variances

(a) The budget did not include GST receipts or payments.

(b) The variance in other cash payments relates primarily to $60,000 for the Commission's 5 year review and $10,000 for labour hire not included in the budget.

Note 3 - Income from Transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

3.1 Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Commission gains control of the appropriated funds. Revenue from Government includes revenue from appropriations and appropriations carried forward under section 8A(2) of the *Public Account Act 1986*.

The Budget information is based on original estimates and has not been subject to audit.

	2016 Budget $'000	2016 Actual $'000	2015 Actual $'000
Appropriation revenue - recurrent			
Current year	2 390	2 408	2 364
	2 390	**2 408**	**2 364**
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the *Public Account Act 1986* taken up as revenue in the current year	-	43	-
Total	**-**	**43**	**-**
Total revenue from Government	**2 390**	**2 451**	**2 364**

Section 8A(2) of the Public Account Act allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance. The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.

Note 4 - Expenses from Transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

4.1 Employee Benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(a) Employee expenses

	2016 $'000	2015 $'000
Wages and salaries	1 391	1 387
Superannuation – defined contribution schemes	151	150
Superannuation – defined benefit schemes	10	7
Other employee expenses	27	22
Total	**1 579**	**1 566**

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.75 per cent (2015: 12.75 per cent) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to the relevant superannuation funds at a rate of 9.5 per cent (2015: 9.5 per cent) of salary. In addition, the Commission is also required to pay into to Treasury a "gap" payment equivalent to 3.25 per cent (2015: 3.25 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

	Short-term benefits		Long-term benefits			
2016	**Salary $'000**	**Other[1] Benefits $'000**	**Super annuation $'000**	**Long Service Leave**	**[2]Termination Benefits $'000**	**Total $'000**
Key management personnel						
Greg Melick, Chief Commissioner from 17/8/2015	109	-	10	-	-	119
Murray Kellam, Chief Commissioner to 16/8/2015	5	-	-	-	-	5
Michael Easton, Acting Chief Executive Officer from 17/10/2015	105	19	14	2	-	140
Diane Merryfull, Chief Executive Officer to 19/11/2015	80	(11)	14	(67)	69	85
Luppo Prins, Board Member	19	-	2	-	-	21
David Hudson, Board Member	19	-	2	-	-	21
Elizabeth Gillam, Board Member	19	-	2	-	-	21
Total	**356**	**8**	**44**	**(65)**	**69**	**412**

	Short-term benefits		Long-term benefits			
2015	**Salary $'000**	**Other Benefits* $'000**	**Super annuation $'000**	**Long Service Leave**	**[2]Termination Benefits $'000**	**Total $'000**
Key management personnel						
Murray Kellam, Chief Commissioner	29	2	3	-	-	34
Diane Merryfull, Chief Executive Officer	205	8	18	10	-	241
Luppo Prins, Board Member	21	-	2	-	-	23
David Hudson, Board Member	21	-	2	-	-	23
Elizabeth Gillam, Board Member	21	-	2	-	-	23
Total	**297**	**10**	**27**	**10**	**-**	**344**

[1]Other includes movement in annual leave provision, car benefits, car parking, iPad and phone benefits.

[2] Leave benefits paid out on termination.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly.

Integrity Commission Board and Chief Executive Officer /Acting Chief Executive Officer

The Integrity Commission Board and Chief Executive Officer or Acting Chief Executive Officer comprise the key management personnel at the Integrity Commission. The Board is chaired by the Chief Commissioner and other members are three appointed members and two ex officio members.

Details of the Commission's remuneration arrangements for its key management personnel are as follows:

- The remuneration policy is in line with Senior Executive Service arrangements for the Chief Executive Officer, and instruments of appointment pursuant to and in accordance with sections 14 and 15 of *the* Integrity Commission Act *2009* for the Chief Commissioner and the appointed Board members.
- In the case of the Chief Commissioner and the Chief Executive Officer, contractual arrangements also allow for the provision of a motor vehicle and a motor vehicle allowance respectively, superannuation contributions and reimbursement of reasonable expenses incurred on official business. The Acting Chief Executive Officer is provided with a car as part of the acting arrangements, as well as superannuation and reimbursement of reasonable expenses incurred on official business. Contractual arrangements allow for reimbursement for appointed Board members of reasonable expenses incurred on official business.
- The Chief Commissioner, Chief Executive Officer/Acting Chief Executive are provided with car parking.
- The Chief Executive Officer/Acting Chief Executive is provided with an iPad for business and incidental personal use, and is entitled to benefits to a maximum of $240 per annum.
- Upon retirement, the Chief Executive Officer is paid employee benefit entitlements accrued to the date of retirement.[2] In the event of any redundancy, the Chief Executive Officer is paid in accordance with their instrument of appointment.
- The ex officio members who do not receive remuneration or recoveries of costs are:
  - Mike Blake (Auditor-General to 30 March 2016)
  - Rod Whitehead (Auditor-General from 30 March 2016)
  - Richard Connock (Ombudsman)

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month. Michael Easton commenced as Acting Chief Executive Officer from 17 October 2015 following the retirement of Diane Merryfull on the 19 November 2015 following a period of long service leave.

4.2 Depreciation and Amortisation

All applicable Non-current assets having a limited useful life are systematically depreciated or amortised over their useful lives in a manner which reflects the consumption of their service potential. The Commission makes a judgement that all of its assets are consumed in an equal pattern over their useful life, and as a result depreciation and amortisation are provided for on a straight line basis, using lives which are reviewed annually. The useful lives of each class of asset are as follows:

Leasehold Improvements	10 years
Equipment	5 years

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Commission. Major amortisation rates are:

Software	5 years

	2016 $'000	2015 $'000
Leasehold improvements – amortisation	60	59
Equipment – depreciation	8	9
Intangibles – amortisation	30	31
Lease make-good – amortisation	13	1
Total depreciation and amortisation	**111**	**100**

4.3 Supplies and Consumables

	2016 $'000	2015 $'000
Audit fees – external financial audit	11	12
Audit fees – internal audit	5	3
Operating lease costs	190	204
Consultants	15	37
Property services	42	92
Communications	15	16
Information technology	101	106
Travel and transport	32	46
Advertising and promotion	2	-
Printing	5	9
Personnel expenses	52	24
Plant and equipment	12	14
Office requisites	3	4
Other supplies and consumables	24	35
Total	**509**	**602**

4.4 Other Expenses

Expenses from activities other than those identified above are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

	2016 $'000	2015 $'000
Salary on-costs	5	9
Corporate support provided by the Department of Justice	173	170
Other expenses	80	7
Total	**258**	**186**

Note 5 - Other Economic Flows Included in Net Result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

5.1 Gain/(loss) on sale of non-financial assets

Gains or losses from the sale of Non-financial assets are recognised when control of the assets has passed to the buyer.

5.2 Impairment – Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that there are any financial assets that are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate when it can be reliably measured.

All impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

5.3 Impairment – Non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. The Commission's assets are not used for the purpose of generating cash flows; therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

All impairment losses are recognised in Statement of Comprehensive Income.

In respect of non-financial assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.4 Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows includes gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present values of the long service leave liability due to changes in the bond interest rate.

Note 6 - Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Commission and the asset has a cost or value that can be measured reliably.

6.1 Receivables

Receivables are recognised at amortised cost, less any impairment losses. However, due to the short settlement period, receivables are not discounted back to their present value.

The only receivables recognised by the Commission at 30 June 2016 (and 30 June 2015) relate to GST credits receivable from the ATO.

	2016 $'000	2015 $'000
Tax assets	11	8
Total	**11**	**8**
Settled within 12 months	11	8
Total	**11**	**8**

6.2 Leasehold Improvements and Equipment

(i) Valuation basis

All Non-current physical assets are recorded at historic cost less accumulated depreciation and impairments if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. All assets within a class of assets are measured on the same basis.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of leasehold improvements and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of leasehold improvements and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Commission and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of leasehold improvements and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Commission for non-current physical assets is $10,000. Assets acquired at a cost of less than $10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(a) Carrying amount

	2016 $'000	2015 $'000
Equipment		
At cost	45	45
Less: Accumulated depreciation	(42)	(34)
Total Equipment	**3**	**11**
Leasehold improvements		
At cost	583	583
Less: Accumulated amortisation	(320)	(260)
Total Leasehold improvements	**263**	**323**
Total Leasehold Improvements and Equipment	**266**	**334**

(b) Reconciliation of movements

2016	Equipment $'000	Leasehold Improvements $'000	Total $'000
Carrying amount at 1 July	**11**	**323**	**334**
Depreciation and amortisation expense	(8)	(60)	(68)
Carrying amount at 30 June	**3**	**263**	**266**

2015	Equipment $'000	Leasehold Improvements $'000	Total $'000
Carrying amount at 1 July	**20**	**382**	**402**
Depreciation and amortisation expense	(9)	(59)	(68)
Carrying amount at 30 June	**11**	**323**	**334**

6.3 Intangible Assets

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the Commission; and
- the cost of the asset can be reliably measured.

Intangible assets held by the Commission are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

a) Carrying amount

	2016 $'000	2015 $'000
Intangible assets		
At cost	261	261
Accumulated amortisation	(131)	(100)
Total Intangible assets	**130**	**161**

b) Reconciliation of movements

2016	Intangible Assets $'000	Total $'000
Carrying amount at 1 July	**161**	**161**
Amortisation expense	(31)	(31)
Carrying amount at 30 June	**130**	**131**

2015	Intangible Assets $'000	Total $'000
Carrying amount at 1 July	**191**	**191**
Amortisation expense	(30)	(30)
Carrying amount at 30 June	**161**	**161**

6.4 Other Assets

Other assets comprise prepayments and lease make-good. Prepayments relate to actual transactions that are recorded at cost with the asset at balance date representing the un-utilised component of the prepayment.

	2016 $'000	2015 $'000
Other current assets		
Prepayments	55	49
Total	**55**	**49**
Other non-current assets		
Lease make-good	65	65
Less: accumulated amortisation	(14)	(1)
Total	**51**	**64**
Utilised within 12 months	55	49
Utilised in more than 12 months	51	64
Total other assets	**106**	**113**

Note 7 - Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

7.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Commission becomes obliged to make future payments as a result of a purchase of assets or services.

	2016 $'000	2015 $'000
Accrued expenses	9	7
Total	**9**	**7**
Settled within 12 months	9	7
Total	**9**	**7**

Settlement is usually made within 30 days.

7.2 Employee Benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material. The Commission makes an assumption that all staff annual leave balances less than 20 days will be settled within 12 months, and therefore valued at nominal value, and balances in excess of 20 days will be settled in greater than 12 months and therefore calculated at present value.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The Commission makes a number of assumptions regarding the probability that staff who have accrued long service leave, but are ineligible to take it will remain with the Commission long enough to take it. For those staff eligible to take their long service leave, the Commission assumes that they will utilise it evenly over the following ten years. All long service leave that will be settled within 12 months is calculated at nominal value and all long service leave that will be settled in greater than 12 months is calculated at present value.

	2016 $'000	**2015 $'000**
Accrued salaries	6	52
Annual leave	84	97
Long service leave	175	220
Total	**265**	**369**
Utilised within 12 months	88	151
Utilised in more than 12 months	177	218
Total	**265**	**369**

7.3 Superannuation

(i) Defined contribution schemes

A defined contribution scheme is a post-employment benefit scheme under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution schemes are recognised as an expense when they fall due.

(ii) Defined benefit schemes

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme.

The Commission does not recognise a liability for the accruing superannuation benefits of Commission employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

7.4 Provisions

A provision arises if, as a result of a past event, the Commission has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Any right to reimbursement relating to some or all of the provision is recognised as an asset when it is virtually certain that the reimbursement will be received.

	2016 $'000	2015 $'000
Provision for lease make-good	68	65
Total	**68**	**65**
Utilised in more than 12 months	68	65
Total	**68**	**65**

The lease make-good provision provides for work to be carried out at the expiry of the lease period in 2020, to restore the current premises to the original condition prior to fit out by the Commission. This provision is measured at present value.

7.5 Other Liabilities

Other liabilities are recognised in the Statement of Financial Position when it is probable that the outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

	2016 $'000	2015 $'000
Revenue received in advance		
Appropriation carried forward from current and previous years under section 8A(2) of the *Public Account Act 1986*	-	43
Total	**-**	**43**
Utilised within 12 months	-	43
Total	**-**	**43**

Note 8 - Commitments and Contingencies

8.1 Schedule of Commitments

	2016 $'000	2015 $'000
By type		
Lease Commitments		
Operating leases	768	1 030
Total lease commitments	**768**	**1 030**
Other commitments		
Office cleaning contract	16	7
Other contracts	9	-
Total other commitments	**25**	**7**
By maturity		
Operating lease commitments		
One year or less	193	224
From one to five years	575	806
Total operating lease commitments	**768**	**1 030**
Other commitments		
One year or less	20	7
From one to five years	5	-
Total other commitments	**25**	**7**
Total	**793**	**1 037**

The Operating Lease commitments include leased accommodation, motor vehicles and information technology equipment leases. All amounts shown are inclusive of GST.

The Commission has entered into operating lease agreements for property and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

The Commission is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

8.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding the amount or timing of the underlying claim or obligation.

a) Quantifiable contingencies
A quantifiable contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The Commission has no contingent assets for liabilities as at 30 June 2016.

Note 9 - Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

The Commission has an overdraft facility on its account to allow for the delay in receiving reimbursement for GST payments from the Australian Taxation Office.

9.1 Cash and Deposits

Cash and deposits include the balance of the Special Deposits and Trust Fund Account held by the Commission, and other cash held.

	2016 $'000	2015 $'000
Special Deposits and Trust Fund balance		
T527 Integrity Commission Operating Account	39	84
Total cash and deposits	**39**	**84**

9.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2016 $'000	2015 $'000
Net result	(6)	(90)
Depreciation and amortisation	111	100
Decrease (increase) in Receivables	(3)	29
Decrease (increase) in Prepayments	(6)	2
Increase (decrease) in Employee entitlements	(103)	(13)
Increase (decrease) in Payables	2	(15)
Increase (decrease) in Provisions	3	-
Increase (decrease) in Other liabilities	(43)	43
Net cash from (used by) operating activities	**(45)**	**56**

Note 10 - Financial Instruments

10.1 Risk Exposures

a) Risk management policies

The Commission has exposure to the following risks from its use of financial instruments:

- credit risk; and
- liquidity risk.

The Chief Executive Officer has overall responsibility for the establishment and oversight of the Commission's risk management framework. Risk management policies are continuing to be established to identify and analyse risks faced by the Commission, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

b) Credit risk exposures

Credit risk is the risk of financial loss to the Commission if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.	Receivables recognised by the Commission at 30 June 2016 relate to GST receivable from the ATO (refer note 6.1).
Cash and deposits	Deposits are recognised at amortised cost, being their face value.	Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. The Commission has an overdraft facility on its account to allow for the delay in receiving reimbursement for GST payments from the ATO.

The Commission had no financial assets at either balance date that were past due or impaired.

c) Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they fall due. The Commission's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Commission becomes obliged to make future payments as a result of a purchase of assets or services.	Payables, including goods received and services incurred but not yet invoiced, arise when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. As per Treasurer's Instruction 1125 the Commission pays within suppliers' credit terms. Where no credit terms are specified, the Commission's policy is to pay within 30 days.

The following tables detail the undiscounted cash flows payable by the Commission by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2016

	Maturity analysis for financial liabilities		
	1 Year $'000	**Undiscounted Total $'000**	**Carrying Amount $'000**
Financial liabilities			
Payables	9	9	9
Total	**9**	**9**	**9**

2015

	Maturity analysis for financial liabilities		
	1 Year $'000	**Undiscounted Total $'000**	**Carrying Amount $'000**
Financial liabilities			
Payables	7	7	7
Total	**7**	**7**	**7**

10.2 Categories of Financial Assets and Liabilities

	2016 $'000	**2015 $'000**
Financial assets		
Cash and deposits	39	84
Receivables	11	8
Total	**50**	**92**
Financial Liabilities		
Financial liabilities measured at amortised cost	9	7
Total	**9**	**7**

10.3 Comparison between Carrying Amount and Net Fair Values of Financial Assets and Liabilities

	Carrying Amount 2016 $'000	Net Fair Value 2016 $'000	Carrying Amount 2015 $'000	Net Fair Value 2015 $'000
Financial assets				
Cash in Special Deposits and Trust Fund	39	39	84	84
Receivables	11	11	8	8
Total financial assets	**50**	**50**	**92**	**92**
Financial liabilities				
Accrued expenses	9	9	7	7
Total financial liabilities	**9**	**9**	**7**	**7**

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair value of receivables is recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

Financial Liabilities

The net fair values for trade creditors are approximated by their carrying amounts.

Note 11 - Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on the Commission's Financial Statements as at 30 June 2016.

Note 12 - Other Significant Accounting Policies and Judgements

12.1 Objectives and Funding

The Integrity Commission (the Commission) was established by the Integrity Commission Act *2009* and started operation on 1 October 2010 with its start-up phase being from June 2010. The Commission's role is to improve the standard of conduct, propriety and ethics in the public sector through:

- Education and training to prevent misconduct and develop resistance to misconduct;
- Building the capacity of the public sector to prevent and address misconduct;
- Providing an effective mechanism for misconduct complaints to be addressed; and
- Promoting integrity by providing advice on issues of integrity and ethical conduct across the public sector and developing codes of conduct.

The Commission's primary focus, under its legislation, is on education, advice and prevention of public officer misconduct to strengthen the confidence of Tasmanians in the capacity of the State's public authorities to operate ethically and with propriety.

The Commission also deals with complaints of misconduct which, in some instances, may lead to investigations, and has the power to monitor and audit internal investigation processes conducted by public authorities.

The Commission is overseen by a Board that includes the Chief Commissioner, the Ombudsman, the Auditor-General and three other members, with specialist expertise.

The Commission's activities are classified as controlled as they involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Commission in its own right.

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

12.2 Basis of Accounting

The Financial Statements were signed by the Chief Executive Officer and Corporate Services Manager on 11 August 2016.

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB); and

The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

Compliance with the AAS may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Commission is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention.

The Financial Statements have been prepared on the basis that the Commission is a going concern. The continued existence of the Commission in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the Commission's administration and activities. It is also noted that, because the Commission is not funded for depreciation or to meet employee annual or long service leave not taken in the normal course of events, support will be needed to fund asset replacements and leave entitlements as outlined.

12.3 Reporting Entity

The Financial Statements include all the controlled activities of the Commission.

12.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Commission's functional currency.

12.5 Changes in Accounting Policies

a) Impact of new and revised Accounting Standards

In the current year, the Commission has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015] - The objective of this Standard is to make amendments to the Standards and Interpretations listed in the Appendix:
  - (a) as a consequence of the issue of Accounting Framework AASB CF 20131 *Amendments to the Australian Conceptual Framework*, and editorial corrections, as set out in Part A of this Standard;
  - (b) to delete references to AASB 1031 *Materiality* in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of this Standard; and
  - (c) as a consequence of the issuance of IFRS 9 *Financial Instruments – Hedge Accounting* and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB in November 2013, as set out in Part C of this Standard.

There is no material financial impact.

- AASB 2015–2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]* – The objective of this Standard is to amend AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. This Standard applies to annual reporting periods beginning on or after 1 January 2016. This has resulted in some changes in the presentation of these financial statements.
- AASB 2015–3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031* Materiality – The objective of this Standard is to effect the withdrawal of AASB 1031 *Materiality* and to delete references to AASB 1031 in the Australian Accounting Standards. This Standard is applicable to annual reporting periods beginning on or after 1 July 2015. There is no material financial impact.

b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- 2010–7, 2014–7 and 2015–7 *Amendments to Australian Accounting Standards arising from AASB 9* – The objective of these Standards is to make amendments to various standards as a consequence of the issuance of AASB 9 Financial Instruments in December 2010. There will be no material financial impact.
- 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140] – The objective of this Standard is to make amendment to Australian Accounting Standards that arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle by the IASB. This Standard applies to annual reporting periods beginning on or after 1 January 2016. There is no material financial impact.
- 2015–6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* – The objective of this Standard is to make amendments to AASB 124 *Related Party Disclosures* to extend the scope of that Standard to include not-for-profit public sector entities. This Standard applies to annual reporting periods beginning on or after 1 July 2016. The impact is increased disclosure in relation to related parties.
- AABS 16 *Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. The potential financial impact of the Standard has not yet been determined.

12.6 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

12.7 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards.

Where amounts have been reclassified within the Financial Statements, the comparative statements have been restated.

12.8 Budget Information

Budget information refers to original estimates as disclosed in the 2015-16 Budget Papers and is not subject to audit.

12.9 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

12.10 Commission Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

12.11 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Commission (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 13 - Principal Address and Registered Office

The Integrity Commission is located at:

Surrey House
Level 2
199 Macquarie Street
Hobart TASMANIA 7000

Independent Auditor's Report

To Members of the Tasmanian Parliament

Integrity Commission

Financial Statements for the Year Ended 30 June 2016

Report on the Financial Statements

I have audited the accompanying financial statements of the Integrity Commission (the Commission), which comprises the statement of financial position as at 30 June 2016 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and a statement of certification by the Chief Executive Officer and the Corporate Services Manager.

Auditor's Opinion

In my opinion the Commission's financial statements:

(a) present fairly, in all material respects, its financial position as at 30 June 2016 and its financial performance, cash flows and changes in equity for the year then ended

(b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

The Responsibility of the Chief Executive Officer for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are 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 statements based upon my audit. My audit was conducted 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

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audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Chief Executive Officer's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial statements.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Commission's financial statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Tasmanian Audit Office

E R De Santi
Deputy Auditor General
Delegate of the Auditor-General

Hobart
6 September 2016

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APPENDIX

Reporting Requirements

State Service Regulations 2011 - SSR
Financial Management and Audit Act 1990 - FMAA
Public Interest Disclosures Act 2002 - PIDA
Right to Information Act 2009 - RTIA
Public Sector Superannuation Reform Act 1999 - PSSRA

Legislative reporting compliance

REQUIREMENT	LEGISLATION	REPORT SECTION	PAGE
Overview of strategic plan	SSR s 9(a)(i)	The year at a glance	6
Organisation chart	SSR s 9(a)(ii)	Corporate services	8
Program management structure	SSR s 9(a)(iii)	Goals 1, 2 & 3	13-46
Major initiatives	SSR s 9(a)(v)	Goals 1, 2 & 3	13-46
Occupational health and safety strategies	SSR s 9(b)(vi)	Corporate services	39
Community awareness, services and publications	SSR s 9(c)(i)	The year at a glance, Goal 1, Tabled reports, Communications	46
Contact officers and points of public access	SSR s 9(c)(ii)	Inside cover	
Appeals against decisions	SSR s 9(c)(iii)	Accountability	46
Relevant legislation	SSR s 9(d)	Integrity Commission Snapshot	4
Contracts and procurement	FMAA s 27	Contracts and procurement, Tenders	46
Financial statements	FMAA s 27(l)(c)	Financial Report	48
Public interest disclosures	PIDA s 86	Public Interest Disclosures	45
Right to information	RTIA	Right to Information	45
Superannuation contributions	PSSRA s13	Superannuation Certificate	47

Integrity
Commission