



Disclosures and Legal Compliance

This section provides details of the Office's audited financial statements and key performance indicators, along with information on other mandatory disclosures and legal compliance.

- [Independent Audit Opinion](#)
- [Financial Statements](#)
- [Key Performance Indicators](#)
- [Other Disclosures and Legal Compliance](#)
 - [Ministerial Directives](#)
 - [Other Financial Disclosures](#)
 - [Employee Information](#)
 - [Governance Disclosures](#)
 - [Other Legal Requirements](#)
 - [Government Policy Requirements](#)



Independent Audit Opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS

Report on the Financial Statements

I have audited the accounts and financial statements of the Parliamentary Commissioner for Administrative Investigations.

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Statement of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Parliamentary Commissioner's Responsibility for the Financial Statements

The Parliamentary Commissioner is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Parliamentary Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parliamentary Commissioner's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Parliamentary Commissioner, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Parliamentary Commissioner for Administrative Investigations at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Parliamentary Commissioner for Administrative Investigations during the year ended 30 June 2015.

Controls exercised by the Parliamentary Commissioner for Administrative Investigations are those policies and procedures established by the Parliamentary Commissioner to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Parliamentary Commissioner's Responsibility for Controls

The Parliamentary Commissioner is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Parliamentary Commissioner for Administrative Investigations based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Parliamentary Commissioner complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the Parliamentary Commissioner for Administrative Investigations are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2015.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Parliamentary Commissioner for Administrative Investigations for the year ended 30 June 2015.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Parliamentary Commissioner's Responsibility for the Key Performance Indicators

The Parliamentary Commissioner is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Parliamentary Commissioner determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.



An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Parliamentary Commissioner's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, the key performance indicators of the Parliamentary Commissioner for Administrative Investigations are relevant and appropriate to assist users to assess the Parliamentary Commissioner's performance and fairly represent indicated performance for the year ended 30 June 2015.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Parliamentary Commissioner for Administrative Investigations for the year ended 30 June 2015 included on the Parliamentary Commissioner's website. The Parliamentary Commissioner's management is responsible for the integrity of the Parliamentary Commissioner's website. This audit does not provide assurance on the integrity of the Parliamentary Commissioner's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

A handwritten signature in black ink, appearing to read 'C. Murphy'.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
31 July 2015



Financial Statements

Index of Financial Statements

- [Certification of Financial Statements](#)
- [Statement of Comprehensive Income](#)
- [Statement of Financial Position](#)
- [Statement of Changes in Equity](#)
- [Statement of Cash Flows](#)
- [Summary of Consolidated Account Appropriations and Income Estimates](#)
- [Note 1. Australian Accounting Standards](#)
- [Note 2. Summary of significant accounting policies](#)
- [Note 3. Judgements made by management in applying accounting policies](#)
- [Note 4. Key sources of estimation uncertainty](#)
- [Note 5. Disclosure of changes in accounting policy and estimates](#)
- [Note 6. Employee benefits expense](#)
- [Note 7. Supplies and services](#)
- [Note 8. Depreciation and amortisation expense](#)
- [Note 9. Accommodation expenses](#)
- [Note 10. Other expenses](#)
- [Note 11. Other revenue](#)
- [Note 12. Net gain/\(loss\) on disposal of non-current assets](#)
- [Note 13. Income from State Government](#)
- [Note 14. Restricted cash and cash equivalents](#)
- [Note 15. Receivables](#)
- [Note 16. Amounts receivable for services \(Holding Accounts\)](#)
- [Note 17. Plant and Equipment](#)
- [Note 18. Intangible assets](#)
- [Note 19. Impairment of assets](#)
- [Note 20. Payables](#)
- [Note 21. Provisions](#)
- [Note 22. Equity](#)
- [Note 23. Notes to the Statement of Cash Flows](#)
- [Note 24. Commitments](#)
- [Note 25. Contingent liabilities and contingent assets](#)
- [Note 26. Events occurring after the end of the reporting period](#)
- [Note 27. Explanatory statement](#)
- [Note 28. Financial instruments](#)
- [Note 29. Remuneration of senior officers](#)
- [Note 30. Remuneration of auditor](#)
- [Note 31. Indian Ocean Territories](#)
- [Note 32. Supplementary financial information](#)
- [Note 33. Other Assets](#)
- [Note 34. Other Liabilities](#)



Financial Statements

Certification of Financial Statements

For the year ended 30 June 2015

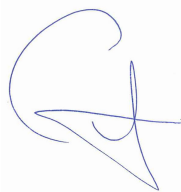
The accompanying financial statements of the Parliamentary Commissioner for Administrative Investigations have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2015 and the financial position as at 30 June 2015.

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.



Mary White
Chief Finance Officer

30 July 2015



Chris Field
Accountable Authority

30 July 2015



Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6.	7,511,626	7,595,856
Supplies and services	7.	1,050,440	1,224,528
Depreciation and amortisation expense	8.	309,089	275,299
Accommodation expenses	9.	1,431,465	1,427,151
Other expenses	10.	28,150	28,500
Total cost of services		10,330,770	10,551,334
Income			
<i>Revenue</i>			
Other revenue	11.	2,463,316	2,506,130
Total Revenue		2,463,316	2,506,130
<i>Gains</i>			
Net gain on disposal of non-current assets	12.	64	-
Total Gains		64	-
Total income other than income from State Government		2,463,380	2,506,130
NET COST OF SERVICES		7,867,390	8,045,204
Income from State Government	13.		
Service appropriation		8,204,000	7,334,000
Services received free of charge		434,884	459,162
Total income from State Government		8,638,884	7,793,162
SURPLUS/(DEFICIT) FOR THE PERIOD		771,494	(252,042)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		771,494	(252,042)

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



Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	<u>23.</u>	1,647,443	836,469
Restricted cash and cash equivalents	<u>14. 23.</u>	299,940	2,103
Prepayments	<u>33.</u>	102,798	93,669
Receivables	<u>15.</u>	62,784	15,760
Amounts receivable for services	<u>16.</u>	208,000	196,000
Total Current Assets		2,320,965	1,144,001
Non-Current Assets			
Restricted cash and cash equivalents	<u>14. 23.</u>	-	235,352
Amounts receivable for services	<u>16.</u>	1,917,000	1,827,000
Plant and equipment	<u>17.</u>	116,521	116,888
Intangible assets	<u>18.</u>	165,003	307,279
Total Non-Current Assets		2,198,524	2,486,519
TOTAL ASSETS		4,519,489	3,630,520
LIABILITIES			
Current Liabilities			
Payables	<u>20.</u>	340,653	267,894
Provisions	<u>21.</u>	1,487,431	1,347,618
Other current liabilities	<u>34.</u>	925	45,951
Total Current Liabilities		1,829,010	1,661,463
Non-Current Liabilities			
Provisions	<u>21.</u>	387,592	437,664
Total Non-Current Liabilities		387,592	437,664
TOTAL LIABILITIES		2,216,602	2,099,127
NET ASSETS		2,302,887	1,531,393
EQUITY			
Contributed equity	<u>22.</u>	1,206,000	1,206,000
Accumulated surplus/(deficit)		1,096,887	325,393
TOTAL EQUITY		2,302,887	1,531,393

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



Statement of Changes in Equity

For the year ended 30 June 2015

	Note	Contributed equity \$	Reserves \$	Accumulated surplus/(deficit) \$	Total equity \$
Balance at 1 July 2013	<u>22</u>	1,206,000	-	577,435	1,783,435
Surplus/(deficit)		-	-	(252,042)	(252,042)
Total comprehensive income for the year		-	-	(252,042)	(252,042)
Balance at 30 June 2014		1,206,000	-	325,393	1,531,393
Balance at 1 July 2014		1,206,000	-	325,393	1,531,393
Surplus/(deficit)		-	-	771,494	771,494
Total comprehensive income for the year		-	-	771,494	771,494
Balance at 30 June 2015		1,206,000	-	1,096,887	2,302,887

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



Statement of Cash Flows

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		7,906,000	7,202,000
Capital appropriations		-	-
Holding account drawdown		196,000	157,000
Net cash provided by State Government		8,102,000	7,359,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(7,439,375)	(7,503,237)
Supplies and services		(914,624)	(1,178,953)
Accommodation		(1,084,166)	(1,086,451)
GST payments on purchases		(221,374)	(256,589)
GST payments to taxation authority		(28,844)	(25,148)
Other payments		(24,000)	(23,000)
Receipts			
User charges and fees		2,455,024	2,494,362
GST receipts on sales		238,562	252,859
GST receipts from taxation authority		1,664	90,893
Net cash provided by/(used in) operating activities	23.	(7,017,133)	(7,235,264)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(211,172)	(189,035)
Payment for disposal of non-current assets		(236)	-
Net cash provided by/(used in) investing activities		(211,408)	(189,035)
Net increase/(decrease) in cash and cash equivalents		873,459	(65,299)
Cash and cash equivalents at the beginning of the period		1,073,924	1,139,223
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23.	1,947,383	1,073,924

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



Statement of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2015

	2015 Estimate \$	2015 Actual \$	Variance \$	2015 Actual \$	2014 Actual \$	Variance \$
<u>Delivery Services</u>						
Item 4 Net amount appropriated to deliver services	7,570,000	7,556,000	(14,000)	7,556,000	6,686,000	870,000
Amount Authorised by Other Statutes						
- <i>Parliamentary Commissioner Act 1971</i>	648,000	648,000	-	648,000	648,000	-
Total appropriations provided to deliver services	8,218,000	8,204,000	(14,000)	8,204,000	7,334,000	870,000
<u>Capital</u>						
Item 118 Capital appropriations	-	-	-	-	-	-
GRAND TOTAL	8,218,000	8,204,000	(14,000)	8,204,000	7,334,000	870,000

Details of Expenses by Service

Resolving complaints about decision making of public authorities and improving the standard of public administration	11,218,000	10,330,770	(887,230)	10,330,770	10,551,334	(220,564)
Total Cost of Services	11,218,000	10,330,770	(887,230)	10,330,770	10,551,334	(220,564)
Less Total Income	(2,560,000)	(2,463,316)	96,684	(2,463,316)	(2,506,130)	42,814
Net Cost of Services	8,658,000	7,867,454	(790,546)	7,867,454	8,045,204	(177,750)
Adjustment ^(a)	(440,000)	336,546	776,546	336,546	(711,204)	1,047,750
Total appropriations provided to deliver services	8,218,000	8,204,000	(14,000)	8,204,000	7,334,000	870,000

Capital Expenditure

Purchase of non-current physical assets	196,000	211,172	15,172	211,172	189,035	22,137
Adjustments for other funding sources	(196,000)	(211,172)	(15,172)	(211,172)	(189,035)	(22,137)
Capital appropriations	-	-	-	-	-	-

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

[Note 27 'Explanatory statement'](#) provides details of any significant variations between estimates and actual results for 2015 and between the actual results for 2015 and 2014.



Notes to the Financial Statements

For the year ended 30 June 2015

Note 1. Australian Accounting Standards

General

The Office's financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**).

The Office has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Office cannot early adopt an Australian Accounting Standard unless specifically permitted by *TI 1101 Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Office for the annual reporting period ended 30 June 2015.

Note 2. Summary of significant accounting policies

(a) General statement

The Office is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

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

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



[Note 3 'Judgements made by management in applying accounting policies'](#) discloses judgements that have been made in the process of applying the Office's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

[Note 4 'Key sources of estimation uncertainty'](#) discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the Office of the Parliamentary Commissioner for Administrative Investigations, generally known as the Ombudsman Western Australia (**the Office**).

Mission

The mission of the Ombudsman Western Australia is to serve Parliament and Western Australians by:

- Resolving complaints about decision making of public authorities; and
- Improving the standard of public administration.

The Office is predominantly funded by Parliamentary appropriation. The Ombudsman Western Australia also performs the functions of the Energy and Water Ombudsman Western Australia (**EWOWA**) under a services agreement with the Board of Energy and Water Industry Ombudsman (Western Australia) Limited, the governing body of EWOWA. The Office recoups the costs for EWOWA from the Board. The financial statements encompass all funds through which the Office controls resources to carry on its functions.

Services

The Office provides the following service:

Service 1: Resolving complaints about decision making of public authorities and improving the standard of public administration

Investigating and resolving complaints from members of the public about Western Australian public authorities and improving the standard of public administration by identifying and investigating concerns that affect the broader community, making recommendations for improvement and identifying and promoting good decision making and practices.

The Office does not administer assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral to, the function of the Office.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955



Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed equity.

(e) Income

Revenue recognition

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

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Service appropriations

Service appropriations are recognised as revenues at fair value in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Office. In accordance with the determination specified in the 2014-2015 Budget Statements, the Office retained **\$2,463,380** in 2015 (**\$2,506,130** in 2014) from the following:

- GST Input Credits;
- Proceeds from fees and charges; and
- Other Office receipts.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Gains

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

(f) Plant and equipment

Capitalisation/expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income.

Initial recognition and measurement

Plant and equipment are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition of an asset, the cost model is used for plant and equipment. All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

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

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

Furniture and fittings	10 years
Plant and machinery	10 years
Computer hardware	3 years
Office equipment	5 years

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Office have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Software (a) 3 years

(a) Software that is not integral to the operation of any related hardware.



Computer software

Software that is an integral part of the related hardware is recognised as plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

(h) Impairment of assets

Plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit and loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Office is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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

(i) Leases

The Office holds operating leases for its Office buildings and motor vehicles. Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased property.

(j) Financial instruments

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

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

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Amounts receivable for services
- Financial Liabilities
 - Payables

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

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

(k) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(l) Accrued salaries

Accrued salaries (see [Note 20 'Payables'](#)) represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Office considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see [Note 14 'Restricted cash & cash equivalents'](#)) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(m) Amounts receivable for services (holding account)

The Office receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(n) Receivables

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



collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(o) Payables

Payables are recognised at the amounts payable when the Office becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Office does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Office does not have an unconditional right to defer settlement of the liability for at

least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Office has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (**GESB**) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (**GSS**), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Office makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Office's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

The Office has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Office to the GESB.

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

Provisions - other

Employment on-costs

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



(q) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(r) Asset and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost, that the Office would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of financial Position.

Assets or services are received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Comparative Figures

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

Note 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Office evaluates these judgements regularly.

Operating lease commitments

The Office has entered into a lease for a building used for office accommodation. It has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

Note 4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Office's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.



Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Office has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the Office.

<i>AASB 1031</i>	<i>Materiality</i>	This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.
<i>AASB 1055</i>	<i>Budgetary Reporting</i>	This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Office will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.
<i>AASB 2012-3</i>	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i>	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.
<i>AASB 2013-3</i>	<i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i>	This Standard introduces editorial and disclosure changes. There is no financial impact.
<i>AASB 2013-9</i>	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>	Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.



AASB 2014-1 Amendments to Australian Accounting Standards

Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for the Office.

Part B of this Standard has no financial impact as the Office contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.

Part C of this Standard has no financial impact as it removes references to AASB 1031 Materiality from a number of Accounting Standards.

Future impact of Australian Accounting Standards not yet operative

The Office cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Office has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Office. Where applicable, the Office plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
<i>AASB 9</i>	<i>Financial Instruments</i> This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> . The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
<i>AASB 15</i>	<i>Revenue from Contracts with Customers</i> This Standard establishes the principles that the Office shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2017



		Operative for reporting periods beginning on/after
<i>AASB 2010-7</i>	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Office has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<i>AASB 2013-9</i>	<p><i>Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments.</i></p> <p>Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Office has not yet determined the application or the potential impact of AASB 9.</p>	1 Jan 2015
<i>AASB 2014-1</i>	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Office to determine the application or potential impact of the Standard.</p>	1 Jan 2018
<i>AASB 2014-4</i>	<p><i>Amendments to Australian Accounting Standards—Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i></p> <p>The adoption of this Standard has no financial impact for the Office as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.</p>	1 Jan 2016



		Operative for reporting periods beginning on/after
<i>AASB 2014-5</i>	<i>Amendments to Australian Accounting Standards arising from AASB 15</i> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2017
<i>AASB 2014-7</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
<i>AASB 2014-8</i>	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]</i> This Standard makes amendments to AASB 9 <i>Financial Instruments</i> (December 2009) and AASB 9 <i>Financial Instruments</i> (December 2010), arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
<i>AASB 2014-9</i>	<i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i> This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2016

		Operative for reporting periods beginning on/after
<i>AASB 2015-1</i>	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i> These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Office has not yet determined the application or the potential impact of the Standard.	1 Jan 2016
<i>AASB 2015-2</i>	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i> This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.	1 Jan 2016
<i>AASB 2015-3</i>	<i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i> This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.	1 Jul 2015



Note 6. Employee benefits expense

	2015	2014
	\$	\$
Wages and salaries ^(a)	6,631,081	6,800,652
Superannuation - defined contribution plans ^(b)	671,333	642,693
Other related expenses	209,212	152,511
	7,511,626	7,595,856

(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component and leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State, GESB Super Scheme and other eligible funds.

Employment on-costs expenses, such as workers' compensation insurance are included at [Note 10 'Other expenses'](#).

Employment on-costs liability is included in [Note 21 'Provisions'](#).

Note 7. Supplies and services

	2015	2014
	\$	\$
Communications	82,353	77,852
Consumables	152,272	152,388
Other	246,629	213,228
Services and contracts	453,984	611,300
Services received free of charge	88,246	118,695
Travel	26,956	51,065
	1,050,440	1,224,528

Note 8. Depreciation and amortisation expense

	2015	2014
	\$	\$
<u>Depreciation</u>		
Furniture fixtures and fittings	681	681
Computer hardware	31,016	18,618
Communications	32,245	37,702
Office equipment	10,575	10,340
Total depreciation	74,517	67,341
<u>Amortisation</u>		
Intangible assets	234,572	207,958
Total amortisation	234,572	207,958
Total depreciation and amortisation	309,089	275,299



Note 9. Accommodation expenses

	2015 \$	2014 \$
Lease rentals	1,082,498	1,085,049
Repairs and maintenance	2,329	1,635
Services received free of charge ^(a)	346,638	340,467
	1,431,465	1,427,151

(a) Relates to the notional value of the depreciation of the fit-out of office accommodation provided through Building Management and Works.

Note 10. Other expenses

	2015 \$	2014 \$
Employment on-costs ^(a)	50	-
Audit fee	24,600	25,000
Other miscellaneous expenses	3,500	3,500
	28,150	28,500

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at [Note 21 'Provisions'](#). Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 11. Other revenue

	2015 \$	2014 \$
Other revenue - general	78,779	43,906
Other recoup	2,384,537	2,462,224
	2,463,316	2,506,130

Note 12. Net gain/(loss) on disposal of non-current assets

	2015 \$	2014 \$
<u>Proceeds from disposal of non-current assets</u>		
Plant and equipment	300	-
<u>Carrying amount of non-current assets disposed</u>		
Plant and equipment	-	-
<u>Costs of disposal of non-current assets</u>		
Plant and equipment	(236)	-
Net gain/(loss)	64	-



Note 13. Income from State Government

	2015 \$	2014 \$
Appropriation received during the period:		
Service appropriations ^(a)		
- Recurrent	7,556,000	6,686,000
- Special Acts	648,000	648,000
	8,204,000	7,334,000
Services received free of charge from other State Government Agencies during the period: ^(b)		
State Solicitor's Office	2,449	5,206
Department of the Premier and Cabinet	85,797	113,489
Department of Finance	346,638	340,467
	434,884	459,162
	8,638,884	7,793,162

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

(b) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

Note 14. Restricted cash and cash equivalents

	2015 \$	2014 \$
<u>Current</u>		
Accrued salaries suspense account ^(a)	258,551	-
Indian Ocean Territories ^(b)	41,389	2,103
	299,940	2,103
<u>Non-Current</u>		
Accrued salaries suspense account ^(a)	-	235,352
	-	235,352

(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

(b) Funds held in restricted cash for the purpose of providing services to the Indian Ocean Territories. See [Note 31 'Indian Ocean Territories'](#).

Note 15. Receivables

	2015 \$	2014 \$
<u>Current</u>		
Receivables	31,517	14,097
GST receivable	22,752	1,663
Purchased leave receivable	8,515	-
Total current	62,784	15,760

There were no allowances made in the current year for the impairment of receivables (2013/14: nil).

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

Note 16. Amounts receivable for services (Holding Accounts)

	2015 \$	2014 \$
Current	208,000	196,000
Non-Current	1,917,000	1,827,000
	2,125,000	2,023,000

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability. See [Note 2\(m\) 'Amounts receivable for services \(Holding Account\)'](#).

Note 17. Plant and equipment

	2015 \$	2014 \$
<u>Furniture fixtures and fittings</u>		
At cost	6,814	6,814
Accumulated depreciation	(2,213)	(1,532)
Accumulated impairment losses	-	-
	4,601	5,282
<u>Computer Hardware</u>		
At cost	257,561	211,677
Accumulated depreciation	(191,123)	(165,130)
Accumulated impairment losses	-	-
	66,438	46,547
<u>Office equipment</u>		
At cost	55,487	75,993
Accumulated depreciation	(16,493)	(39,839)
Accumulated impairment losses	-	-
	38,994	36,154



	2015 \$	2014 \$
Communications		
At cost	213,050	203,222
Accumulated depreciation	(206,562)	(174,317)
Accumulated impairment losses	-	-
	6,488	28,905
	116,521	116,888

Reconciliation

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the reporting period are set out in the table below:

	Furniture and Fittings	Computer Hardware	Office Equipment	Communications	Total
2015	\$	\$	\$	\$	\$
Carrying amount at start of period	5,282	46,547	36,154	28,905	116,888
Additions	-	50,908	13,415	9,828	74,150
Transfers	-	-	-	-	-
Retirements	-	-	-	-	-
Correction prior period error	-	-	-	-	-
Depreciation	(681)	(31,016)	(10,575)	(32,245)	(74,517)
Carrying amount at end of period	4,601	66,438	38,994	6,488	116,521

	\$	\$	\$	\$	\$
2014	\$	\$	\$	\$	\$
Carrying amount at start of period	5,963	39,564	34,555	57,055	137,137
Additions	-	25,601	11,939	9,552	47,092
Transfers	-	-	-	-	-
Retirements	-	-	-	-	-
Correction prior period error	-	-	-	-	-
Depreciation	(681)	(18,618)	(10,340)	(37,702)	(67,341)
Carrying amount at end of period	5,282	46,547	36,154	28,905	116,888



Note 18. Intangible assets

	2015	2014
	\$	\$
<u>Computer Software</u>		
At cost	1,116,417	1,024,121
Accumulated amortisation	(951,414)	(716,842)
Accumulated impairment losses	-	-
Total intangible assets	165,003	307,279

Reconciliation:

	2015	2014
	\$	\$
<u>Computer Software</u>		
Carrying amount at start of period	307,279	420,254
Additions	92,296	94,983
Transfers	-	-
Amortisation expense	(234,572)	(207,958)
Carrying amount at end of period	165,003	307,279

Note 19. Impairment of assets

There were no indications of impairment to plant and equipment or intangible assets as at 30 June 2015.

The Office held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets as at 30 June 2015 have either been classified as assets held for sale or written-off.

Note 20. Payables

	2015	2014
	\$	\$
<u>Current</u>		
Trade payables	60,069	-
Accrued expenses	58,356	82,315
Accrued salaries	197,982	169,283
Accrued superannuation	20,355	16,286
Other payables	3,891	10
Total current	340,653	267,894



Note 21. Provisions

	2015 \$	2014 \$
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	531,357	540,596
Long service leave ^(b)	948,250	787,908
Purchased leave scheme ^(c)	7,150	18,509
	1,486,756	1,347,013
<i>Other provisions</i>		
Employment on-costs ^(d)	675	605
	675	605
	1,487,431	1,347,618
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	387,415	437,467
	387,415	437,467
<i>Other provisions</i>		
Employment on-costs ^(d)	177	197
	177	197
	387,592	437,664

- (a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2015 \$	2014 \$
Within 12 months of the end of the reporting period	347,634	337,526
More than 12 months after the end of the reporting period	183,723	203,070
	531,357	540,596

- (b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2015 \$	2014 \$
Within 12 months of the end of the reporting period	297,307	261,795
More than 12 months after the end of the reporting period	1,038,358	963,580
	1,335,665	1,225,375

(c) Purchased leave liabilities have been classified as current as they must be cleared or paid out within 12 months.

(d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in [Note 10 'Other Expenses'](#).

Movement in other provisions

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

	2015 \$	2014 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	802	802
Additional provisions recognised	50	-
Carrying amount at end of period	852	802

Note 22. Equity

The Western Australian Government holds the equity interest in the Office on behalf of the community. Equity represents the residual interest in the net assets of the Office.

Contributed equity

	2015 \$	2014 \$
Balance at start of period	1,206,000	1,206,000
<u>Contributions by owners</u>		
Capital appropriation	-	-
Total contributions by owners	-	-
Balance at end of period	1,206,000	1,206,000

Accumulated surplus/(deficit)

	2015 \$	2014 \$
Balance at start of period	325,393	577,435
Result for the period	771,494	(252,042)
Balance at end of period	1,096,887	325,393
Total Equity at the end of period	2,302,887	1,531,393



Note 23. Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2015 \$	2014 \$
Cash and cash equivalents	1,647,443	836,469
Restricted cash and cash equivalents (Note 14 'Restricted cash and cash equivalents')	299,940	237,455
	1,947,383	1,073,924

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	2015 \$	2014 \$
Net cost of services	(7,867,390)	(8,045,204)
<u>Non-cash items:</u>		
Depreciation and amortisation expense	309,089	275,299
Services received free of charge	434,884	459,162
Net (gain)/loss on disposal of non-current assets	(64)	-
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	(25,433)	38,786
Other current assets	(9,129)	747
<u>Increase/(decrease) in liabilities:</u>		
Accrued salaries	28,699	14,139
Accrued superannuation	4,069	884
Accrued expenses	(23,959)	37,129
Current payables ^(a)	63,950	(91,847)
Current provisions	139,813	(47,849)
Non-current provisions	(50,072)	52,500
Net GST (payments)/receipts ^(b)	(21,089)	70,830
Change in GST in receivables/payables ^(c)	(502)	160
Net cash (used in) operating activities	(7,017,133)	(7,235,264)

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

(b) This is the net GST paid/received, i.e. cash transactions.

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

Note 24. Commitments

The commitments below are inclusive of GST where relevant.

Lease commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:

Non-cancellable operating leases commitments

	2015 \$	2014 \$
Commitments for minimum leases payments are payable as follows:		
Within 1 year	977,584	964,124
Later than 1 year and not later than 5 years	1,915,993	28,179
	2,893,576	992,303

The Office has entered into a memorandum of understanding with the Department of Finance's Building Management and Works division for leasing floor space at Albert Facey House. The memorandum of understanding is not a legally binding agreement, however, it has been agreed that all parties will comply with the terms and conditions as if they were legally enforceable obligations. The memorandum of understanding covers a three year occupancy period from 2011-12 with an option to renew occupancy for an additional three years. Rent is payable monthly in arrears. In 2014-15 the Office renewed its occupancy for an additional three years to 30 June 2018. Contingent rent provisions within the memorandum of understanding require that the lease payments shall be subject to market indices each financial year.

The motor vehicle lease is a non-cancellable lease with a three year term, with lease payments payable monthly. New vehicle leases are negotiated at the end of this period, the number of vehicle leases being subject to the Office's operational needs.

Note 25. Contingent liabilities and contingent assets

The Office is not aware of any contingent liabilities or contingent assets at the end of the reporting period.

Note 26. Events occurring after the end of the reporting period

The Office is not aware of any events after the end of the reporting period that may have an impact on the financial statements.



Note 27. Explanatory statement

Significant variations between estimates and actual results and between actual and prior year actual results for line items as presented in the financial statements are shown below. Major variances are considered to be those greater than 10% or \$10 million.

	Variance Note	Original Budget 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		\$	\$	\$	\$	\$
Statement of Comprehensive Income						
(Controlled Operations)						
Employee benefits expense		7,733,000	7,511,626	7,595,856	(221,374)	(84,230)
Supplies and services	1, A	1,292,000	1,050,440	1,224,528	(241,560)	(174,088)
Depreciation and amortisation expense	2, B	235,000	309,089	275,299	74,089	33,790
Accommodation expenses	1	1,230,000	1,431,465	1,427,151	201,465	4,314
Other expenses	3	728,000	28,150	28,500	(699,850)	(350)
Total cost of services		11,218,000	10,330,770	10,551,334	(887,230)	(220,564)
Income						
<i>Revenue</i>						
Other revenue		2,560,000	2,463,316	2,506,130	(96,684)	(42,814)
Total Revenue		2,560,000	2,463,316	2,506,130	(96,684)	(42,814)
<i>Gains</i>						
Net gain on disposal of non-current assets		-	64	-	64	64
Total Gains		-	64	-	64	64
Total income other than income from State Government		2,560,000	2,463,380	2,506,130	(96,620)	(42,750)
NET COST OF SERVICES		8,658,000	7,867,390	8,045,204	(790,610)	(177,814)
Income from State Government						
Service appropriation	C	8,218,000	8,204,000	7,334,000	(14,000)	870,000
Services received free of charge		440,000	434,884	459,162	(5,116)	(24,278)
Total income from State Government		8,658,000	8,638,884	7,793,162	(19,116)	845,722
SURPLUS/(DEFICIT) FOR THE PERIOD		-	771,494	(252,042)	771,494	1,023,536
OTHER COMPREHENSIVE INCOME						
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	771,494	(252,042)	771,494	1,023,536



	Variance Note	Original Budget 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		\$	\$	\$	\$	\$
Statement of Financial Position						
(Controlled Operations)						
ASSETS						
Current Assets						
Cash and cash equivalents	4, D	674,000	1,647,443	836,469	973,443	810,974
Restricted cash and cash equivalents	5, E	-	299,940	2,103	299,940	297,837
Prepayments		94,000	102,798	93,669	8,798	9,129
Receivables	6, F	126,000	62,784	15,760	(63,216)	47,024
Amounts receivable for services		208,000	208,000	196,000	-	12,000
Total Current Assets		1,102,000	2,320,965	1,144,001	1,218,965	1,176,964
Non-Current Assets						
Restricted cash and cash equivalents	5, E	255,000	-	235,352	(255,000)	(235,352)
Amounts receivable for services		1,917,000	1,917,000	1,827,000	-	90,000
Plant and equipment		110,000	116,521	116,888	6,521	(367)
Intangible assets	7, B	412,000	165,003	307,279	(246,997)	(142,276)
Total Non-Current Assets		2,694,000	2,198,524	2,486,519	(495,476)	(287,995)
TOTAL ASSETS		3,796,000	4,519,489	3,630,520	723,489	888,969
LIABILITIES						
Current Liabilities						
Payables	8, G	92,000	340,653	267,894	248,653	72,759
Provisions		1,350,000	1,487,431	1,347,618	137,431	139,813
Other current liabilities	8, H	277,000	925	45,951	(276,075)	(45,026)
Total Current Liabilities		1,719,000	1,829,010	1,661,463	110,010	167,547
Non-Current Liabilities						
Provisions	I	377,000	387,592	437,664	10,592	(50,072)
Other non-current liabilities	9	72,000	-	-	(72,000)	-
Total Non-Current Liabilities		449,000	387,592	437,664	(61,408)	(50,072)
TOTAL LIABILITIES		2,168,000	2,216,602	2,099,127	48,602	117,475
NET ASSETS		1,628,000	2,302,887	1,531,393	674,887	771,494
EQUITY						
Contributed equity		1,206,000	1,206,000	1,206,000	-	-
Accumulated surplus/(deficit)		422,000	1,096,887	325,393		
TOTAL EQUITY		1,628,000	2,302,887	1,531,393	674,887	771,494



	Variance Note	Original Budget 2015	Actual 2015	Actual 2014	Variance between estimate and actual	Variance between actual results for 2015 and 2014
		\$	\$	\$	\$	\$
Statement of Cash Flows						
(Controlled Operations)						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		7,920,000	7,906,000	7,202,000	(14,000)	704,000
Capital appropriations		-	-	-	-	-
Holding account drawdown	J	196,000	196,000	157,000	-	39,000
Net cash provided by State Government		8,116,000	8,102,000	7,359,000	(14,000)	743,000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(7,650,000)	(7,439,375)	(7,503,237)	210,625	63,862
Supplies and services	A	(852,000)	(914,624)	(1,178,953)	(62,624)	264,329
Accommodation	10	(1,230,000)	(1,084,166)	(1,086,451)	145,834	2,285
GST payments on purchases	K	-	(221,374)	(256,589)	(221,374)	35,215
GST payments to taxation authority	K	-	(28,844)	(25,148)	(28,844)	(3,696)
Other payments	3	(999,000)	(24,000)	(23,000)	975,000	(1,000)
Receipts						
User charges and fees		2,560,000	2,455,024	2,494,362	(104,976)	(39,338)
GST receipts on sales	11, K	271,000	238,562	252,859	(32,438)	(14,297)
GST receipts from taxation authority	K	-	1,664	90,893	1,664	(89,229)
Net cash provided by/(used in) operating activities		(7,900,000)	(7,017,133)	(7,235,264)	882,867	218,131
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current physical assets	J	(196,000)	(211,172)	(189,035)	(15,172)	(22,137)
Payment for disposal of non-current assets		-	(236)	-	(236)	(236)
Net cash provided by/(used in) investing activities		(196,000)	(211,408)	(189,035)	(15,408)	(22,373)
Net increase/(decrease) in cash and cash equivalents		20,000	873,459	(65,299)	853,459	938,758
Cash and cash equivalents at the beginning of the period		909,000	1,073,924	1,139,223	164,924	(65,299)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		929,000	1,947,383	1,073,924	1,018,383	873,459



Major Variance Narratives (Controlled Operations)

Variances between estimate and actual

Note - Some variances between the estimate and actual results relate to differences in the way costs are assigned to the various categories in the budget papers compared to the financial statements.

- 1) The variance in supplies and services and accommodation expenses is primarily due to services received free of charge for the depreciation of the fit-out of office accommodation (provided through the Department of Finance - Building Management and Works), included in supplies and services for the estimate, being included in accommodation for the actual.
- 2) The variance in depreciation and amortisation is primarily due to fluctuations in the value and timing of asset purchases and associated depreciation and amortisation in line with the Office's scheduled replacement of assets.
- 3) The variance in other expenses and other payments is primarily due to actual non-salary related expenses for the first year of the function to monitor the Infringement Notices provisions of *The Criminal Code*, being less than the estimate due to the change in the commencement of the function to March 2015. In addition, some expenses, included as other expenses for the estimate are included in supplies and services for the actual, and payments for GST are included in other payments for the estimate, and in GST payments on purchases or GST payments to the ATO in the actual.
- 4) The variance in cash and cash equivalents is primarily due to lower than expected payments due to the change in the commencement of the function to monitor the Infringement Notices provisions of *The Criminal Code* to March 2015, expenses incurred during 2014-15 but paid in 2015-16, and temporary vacancies arising from staff movements during the year.
- 5) The variance in restricted cash is primarily due to the reclassification of funds, held in suspense for the purpose of meeting the 27th pay in 2015-16, from a non-current asset to a current asset.
- 6) The variance is due to fluctuations from year to year in the actual outstanding amounts receivable.
- 7) The variance is primarily due to the final year of amortisation of the finance system, commissioned in early 2013 to support the financial operations of the Office following the decommissioning of the Office of Shared Services, not being included in the budget, and fluctuations in the value and timing of asset purchases and associated depreciation and amortisation in line with the Office's scheduled replacement of assets.
- 8) The variance is primarily due to accrued salaries, included in other current liabilities for the estimate, being included in payables for the actual.
- 9) The variance in other liabilities primarily relates to the scheduled payment in 2014-15 under contracts for software enhancements, which meant there was no remaining actual liability at the end of the year.



- 10) The variance is primarily due to some costs, such as electricity and parking, included in accommodation for the estimate, being included in supplies and services for the actual.
- 11) The variance is primarily due to the user fees and charges and the associated GST receipts on sales being lower than anticipated.

Variances between actual results for 2015 and 2014

- A) The variance is primarily due to a reduction in contracted services.
- B) The variance in depreciation and amortisation, and in intangible assets, is primarily due to fluctuations in the value and timing of asset purchases and associated depreciation and amortisation, in line with the Office's scheduled replacement of assets.
- C) The variance in service appropriation is primarily due to the commencement of the function to monitor the Infringement Notices provisions of *The Criminal Code*.
- D) The variance in cash and cash equivalents is primarily due to unspent funds received for the function to monitor the Infringement Notices provisions of *The Criminal Code*, and temporary vacancies arising from staff movements during the year.
- E) The variance in restricted cash is primarily due to the reclassification of funds, held in suspense for the purpose of meeting the 27th pay in 2015-16, from a non-current asset to a current asset.
- F) The variance in receivables is primarily due to an increase in GST receivable and movement in staff purchased leave balances.
- G) The variance in payables is primarily due to credit card expenses being incurred during 2014-15 but paid in 2015-16. In the prior year, credit card expenses were incurred and paid in the same period.
- H) The variance in other liabilities primarily relates to a reduced liability due to the scheduled payment in 2014-15 under contracts for software enhancements.
- I) The variance in non-current provisions is primarily due to a reduction in long service leave provisions as a result of staff movements during the year and long service leave falling due.
- J) The variance in holding account drawdowns and purchase of non-current physical assets reflects the fluctuations in approved funding for the Office's ongoing asset replacement program, based on scheduled asset replacement.
- K) The variance reflects changes in GST due to fluctuations in purchases and revenue, and the associated net amount paid or received from the ATO.



Note 28. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Office are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Office has limited exposure to financial risks. The Office's overall risk management program focuses on managing the risks identified below.

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment, as shown in the table at [Note 28\(c\) 'Financial instruments disclosures'](#) and [Note 15 'Receivables'](#).

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

Liquidity risk

Liquidity risk arises when the Office is unable to meet its financial obligations as they fall due. The Office is exposed to liquidity risk through its trading in the normal course of business. The Office has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Office's income or the value of its holdings of financial instruments. The Office does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2015 \$	2014 \$
<u>Financial Assets</u>		
Cash and cash equivalents	1,647,443	836,469
Restricted cash and cash equivalents	299,940	237,455
Receivables ^(a)	40,032	14,097
Amount receivable for services	2,125,000	2,023,000
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	340,653	267,894
Other liabilities	925	45,951

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

(c) Financial instrument disclosures

Credit risk

The following table details the Office's maximum exposure to credit risk and the ageing analysis of financial assets. The Office's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Office.

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



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

Aged analysis of financial assets									
	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired					More than 5 Years \$	Impaired financial assets \$
			Up to 1 month \$	1 – 3 months \$	3 – 12 months \$	1 – 2 Years \$	2 – 5 Years \$		
2015									
Cash and cash equivalents	1,647,443	1,647,443	-	-	-	-	-	-	-
Restricted cash and cash equivalents	299,940	299,940	-	-	-	-	-	-	-
Receivables ^(a)	40,032	29,606	-	-	10,426	-	-	-	-
Amount receivable for services	2,125,000	2,125,000	-	-	-	-	-	-	-
	4,112,415	4,101,989	-	-	10,426	-	-	-	-
2014									
Cash and cash equivalents	836,469	836,469	-	-	-	-	-	-	-
Restricted cash and cash equivalents	237,455	237,455	-	-	-	-	-	-	-
Receivables ^(a)	14,097	14,097	-	-	-	-	-	-	-
Amount receivable for services	2,023,000	2,023,000	-	-	-	-	-	-	-
	3,111,021	3,111,021	-	-	-	-	-	-	-

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



Liquidity risk and interest rate exposure

The following table details the Office's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flow. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities										
2015	Interest rate exposure				Nominal Amount	Maturity date				
	Weighted average effective interest rate %	Carrying Amount	Fixed interest rate	Variable interest rate		Non-interest bearing	Up to 1 month	1 – 3 months	3 – 12 Months	1 – 5 Years
	€	€	€	€	€	€	€	€	€	€
Financial Assets										
Cash and cash equivalents	1,647,443	-	-	1,647,443	1,647,443	1,647,443	-	-	-	-
Restricted cash and cash equivalents	299,940	-	-	299,940	299,940	7,466	-	292,474	-	-
Receivables ^(a)	40,032	-	-	40,032	40,032	29,606	-	10,426	-	-
Amount receivable for service	2,125,000	-	-	2,125,000	2,125,000	-	-	208,000	832,000	1,085,000
	4,112,415	-	-	4,112,415	4,112,415	1,684,515	-	510,900	832,000	1,085,000
Financial Liabilities										
Payables	340,653	-	-	340,653	340,653	340,653	-	-	-	-
Other liabilities	925	-	-	925	925	925	-	-	-	-
	341,578	-	-	341,578	341,578	341,578	-	-	-	-

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

Interest rate exposure and maturity analysis of financial assets and financial liabilities										
2014	Interest rate exposure				Nominal Amount	Maturity date				
	Weighted average effective interest rate %	Carrying Amount	Fixed interest rate	Variable interest rate		Non-interest bearing	Up to 1 month	1 – 3 months	3 – 12 Months	1 – 5 Years
	€	€	€	€	€	€	€	€	€	€
Financial Assets										
Cash and cash equivalents	836,469	-	-	836,469	836,469	836,469	-	-	-	-
Restricted cash and cash equivalents	237,455	-	-	237,455	237,455	2,103	-	-	235,352	-
Receivables ^(a)	14,097	-	-	14,097	14,097	14,097	-	-	-	-
Amount receivable for service	2,023,000	-	-	2,023,000	2,023,000	-	-	196,000	624,000	1,203,000
	3,111,021	-	-	3,111,021	3,111,021	852,669	-	196,000	859,352	1,203,000
Financial Liabilities										
Payables	267,894	-	-	267,894	267,894	267,894	-	-	-	-
Other liabilities	45,951	-	-	45,951	45,951	-	-	45,951	-	-
	313,845	-	-	313,845	313,845	267,894	-	45,951	-	-

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

Interest rate sensitivity analysis

None of the Office's financial assets and liabilities at the end of the reporting period are sensitive to movements in interest rates. Movements in interest rates would therefore have no impact on the Office's surplus or equity.

Fair values

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

Note 29. Remuneration of senior officers

The number of senior officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

\$	2015	2014
1 - 10,000	1	-
110,001 - 120,000	1	-
150,001 - 160,000	1	1
170,001 - 180,000	-	2
180,001 - 190,000	-	1
200,001 - 210,000	1	-
210,001 - 220,000	1	-
220,001 - 230,000	-	2
280,001 - 290,000	1	-
420,001 - 430,000	1	-
430,001 - 440,000	-	1
	\$	\$
Base remuneration and superannuation	1,271,003	1,518,000
Annual leave and long service leave accruals	27,520	(53,103)
Other benefits	97,861	109,591
Total remuneration of senior officers	1,396,384	1,574,488

Total remuneration includes superannuation expense incurred by the Office in respect of senior officers. The reduction in the total remuneration of senior officers and the variation in bands between 2015 and 2014 is primarily due to senior officer movements during the year.

Note 30. Remuneration of auditor

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

	2015	2014
	\$	\$
Auditing the accounts, financial statements and key performance indicators	24,600	24,000
	24,600	24,000



Note 31. Indian Ocean Territories

The Indian Ocean Territories Reimbursement Fund was established in March 1996 and became operational in July 1996. The purpose of the Fund is to meet the cost of the services of the Office in relation to complaints involving the Indian Ocean Territories. The balance of the Fund at the end of the financial year is included in the Office's Operating Account. The figures presented below for the Fund have been prepared on a cash basis.

	2015	2014
	\$	\$
Opening Balance	2,103	3,995
Receipts	65,006	27,992
Payments	(25,720)	(29,884)
Closing Balance^(a)	41,389	2,103

- (a) An amount of \$33,923 will be used for approved travel to the Indian Ocean Territories in 2015-16 as part of the Office's Regional Awareness and Accessibility program.

Note 32. Supplementary financial information

(a) Write-offs

There was no write-off during the period.

(b) Losses through theft, defaults and other causes

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

(c) Gifts of public property

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

Note 33. Other assets

	2015	2014
	\$	\$
<u>Current</u>		
Prepayments	102,798	93,669
	102,798	93,669

Note 34. Other liabilities

	2015	2014
	\$	\$
<u>Current</u>		
Contracts software	925	45,951
Total current	925	45,951





Key Performance Indicators

Certification of Key Performance Indicators

For year ended 30 June 2015

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Parliamentary Commissioner for Administrative Investigation's performance, and fairly represent the performance of the Parliamentary Commissioner for Administrative Investigations for the financial year ended 30 June 2015.

Mary White
Chief Finance Officer

30 July 2015

Chris Field
Accountable Authority

30 July 2015



Key Performance Indicators

Key Effectiveness Indicators

The desired outcome for the Parliamentary Commissioner for Administrative Investigations (**the Ombudsman**) is:

The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision making, practices and conduct.

Key Effectiveness Indicators	2010-11	2011-12	2012-13	2013-14	2014-15 Target	2014-15 Actual
Where the Ombudsman made recommendations to improve practices or procedures, the percentage of recommendations accepted by agencies (a)	100%	100%	100%	100%	100%	100%
Number of improvements to practices or procedures as a result of Ombudsman action (b)	57	96	72	152	100	99

- (a) For public authority responses each year, the percentage of recommendations and suggestions relating to improved practices and procedures that were accepted by the public authority.
- (b) For public authority responses each year, the number of recommendations and suggestions relating to improved practices and procedures that were accepted by the public authority.

Comparison of Actual Results and Budget Targets

Public authorities have accepted every recommendation made by the Ombudsman, matching the actual results of the past four years and meeting the 2014-15 target.

In 2007-08, the office of the Ombudsman (**the Office**) commenced a program to ensure that its work increasingly contributed to improvements to public administration. Consistent with this program, the number of improvements to practices and procedures of public authorities as a result of Ombudsman action has, in 2014-15, almost doubled since 2010-11. There may, however, be fluctuations from year to year, related to the number and nature of complaints and reviews finalised by the Office in any given year. In 2014-15 the actual result is comparable to the 2014-15 target.



Key Efficiency Indicators

The Ombudsman's key efficiency indicators relate to the following service:

Resolving complaints about the decision making of public authorities and improving the standard of public administration.

Key Efficiency Indicators	2010-11	2011-12	2012-13	2013-14	2014-15 Target	2014-15 Actual
Percentage of allegations finalised within three months	78%	72%	83%	98%	95%	98%
Percentage of allegations finalised within 12 months	96%	99%	99%	100%	100%	100%
Percentage of allegations on hand at 30 June less than three months old	68%	45%	94%	98%	90%	96%
Percentage of allegations on hand at 30 June less than 12 months old	98%	99%	96%	100%	100%	100%
Average cost per finalised allegation (a)	\$1,899	\$1,866	\$1,821	\$1,858	\$1,820	\$1,857
Average cost per finalised notification of death (b)	\$9,651	\$10,410	\$12,281	\$18,407	\$12,325	\$18,983
Cost to monitor the Infringement Notices provisions of <i>The Criminal Code</i> (c)	N/A	N/A	N/A	N/A	\$723,000	\$413,586

- (a) This is the net cost of complaint resolution services divided by the number of allegations finalised.
- (b) This is the net cost of undertaking the death review function divided by the number of notifications finalised.
- (c) This is the net cost of the function to monitor the Infringement Notices provisions of *The Criminal Code* in the relevant year.

New Key Efficiency Indicator

A new Key Efficiency Indicator, the 'Cost to monitor the Infringement Notices provisions of *The Criminal Code*', has been developed and comprises the net cost of the function to monitor the Infringement Notices provisions of *The Criminal Code* for the relevant year, commencing in 2014-15. As 2014-15 is the first year of the function, there is no comparable data in prior years.

Comparison of Actual Results and Budget Targets

The 2014-15 actual results for each of the key efficiency indicators relating to allegations on hand and allegations finalised matched or exceeded the 2014-15 target. Overall, all 2014-15 actual results represented significant improvement in the efficiency of complaint resolution over the last five years.

The average cost per finalised allegation in 2014-15 is comparable to the 2013-14 actual result (\$1,858) and the 2014-15 target (\$1,820). Since 2007-08, the efficiency of complaint resolution has improved significantly with the average cost per finalised allegation reduced by a total of 37% from \$2,941 in 2007-08 to \$1,857 in 2014-15.

The average cost per finalised notification of death (\$18,983) is consistent with the 2013-14 actual result (\$18,407) and exceeds the 2014-15 target (\$12,235), reflecting the staffing required for:

- The investigation of complex reviews undertaken in 2014-15; and
- The commencement in 2012-13, and development during 2013-14 and 2014-15, of an important new initiative to review family and domestic violence fatalities.

The 2015-16 target has been adjusted to \$18,950 accordingly.

The cost to monitor the Infringement Notices provisions of *The Criminal Code* (\$413,586) is lower than the 2014-15 target (\$723,000) due to the change in the commencement of the function to March 2015.





Other Disclosures and Legal Compliance

Ministerial Directives

The Ombudsman reports directly to the Western Australian Parliament rather than to the government of the day, or a particular Minister, and Ministers cannot issue directives to the Ombudsman.

Other Financial Disclosures

Pricing policies of services provided

The Office currently receives revenue for the following functions:

- Costs for the Energy and Water Ombudsman functions are recouped from the Energy and Water Ombudsman (Western Australia) Limited on a full cost recovery basis. These costs are determined by the actual staffing costs involved in delivering the service plus an allowance for overheads and costs of particular operational expenses.
- Under an arrangement with the Australian Government, the Office handles enquiries and complaints from the Indian Ocean Territories (**the Territories**) about local government and Western Australian public authorities delivering services to the Territories. Each year the Office recoups costs from the Australian Government for any complaints received from the Territories. Cost recovery is based on the average cost per complaint in the last two years as published in the Office's annual reports. Administrative costs and the costs of any travel to the Territories by the Ombudsman or staff and any promotional materials are also recouped in full.
- The Office is a partner in a program with the Commonwealth Ombudsman and the New South Wales Ombudsman (funded by the Department of Foreign Affairs and Trade), the principal goal of which is to provide greater access across Indonesia to more effective and sustainable Ombudsman services. The Office recoups costs for these activities from the Commonwealth Ombudsman's Office in accordance with the Australia Indonesia Partnership for Reconstruction and Development Government Partnership Fund Guidelines.

Capital works

There were no major capital projects undertaken during 2014-15.

Employee Information

Employment of staff

As at 30 June 2015 there were 64 people (60.43 full-time equivalent positions (FTEs)) directly employed by the Office, including 54 full-time employees and 10 part-time employees. This includes people on unpaid leave, contract staff providing short term expertise and backfilling staff during extended leave periods and people seconded out of the Office. After adjusting for people seconded into and out of the Office, staff on unpaid leave, and people employed through a recruitment agency to cover short term vacancies, there were 63 staff (60.43 FTEs) undertaking the work of the Office.

All employees are public sector employees operating in executive, policy, enquiry, investigation and administrative roles. The following table provides a breakdown of the categories of employment for staff directly employed by the Office as at 30 June in 2013-14 and 2014-15.

Staff numbers as at 30 June 2015

Employee Category	2013-14	2014-15
Full-time permanent	46	42
Full-time contract	9	12
Part-time permanent	10 (7 FTEs)	10 (6.43 FTEs)
Part-time contract	1 (0.5 FTEs)	0 (0 FTEs)
TOTAL	66 (62.5 FTEs)	64 (60.43 FTEs)

Human Resources Strategies

The Office continued with the implementation of its human resources strategies during the year. These strategies aim to support the attraction and retention of staff and staff development through performance management and continuous professional development, through:

- **Recruitment, retention and engagement of high quality staff**

Recruitment practices continue to prove successful in attracting staff to apply for positions with the Office, with high numbers of quality applications received for positions advertised during the year. The Office provides benefits for staff such as flexible work options and part-time arrangements and this is promoted in all job advertisements. Staff have access to flexible work options, including part-time or purchased leave arrangements and work from home arrangements.

- **Accounting for performance**

The Office's performance management system includes identifying expectations as well as performance-based recognition. Managers and staff annually formalise a performance agreement that provides a framework to:

- Identify and acknowledge the contribution employees make in the achievement of the Office's operational and strategic goals; and





- Develop and retain skilled employees and assist employees to achieve their professional and personal career goals.

- **Continual learning**

The Office is committed to providing a high quality Induction Program for new employees to the Office. The Online Induction mini-site and the Induction Reference Book are provided to all new employees to the Office. They contain useful information on the Office's strategic direction, structure and roles, policies and procedures and facilities.

Staff recruited in 2014-15 have provided feedback that the induction process is welcoming and useful in assisting new employees to understand the Office's direction, expectations and processes. The product has also proved valuable for existing staff members to keep them informed and updated about policy and governance issues within the Office.

The Office also provides continual learning for staff through a range of training sessions and continuous professional development sessions. Where appropriate the sessions use the expertise of senior staff of the Office to deliver the material. To supplement this in-house development, staff are encouraged to attend external training, conferences and seminars to improve their skills and knowledge in areas relevant to their work. These opportunities are facilitated through development plans as part of staff annual performance reviews and the continual learning assists with positioning the Office as an employer of choice.

Workforce and Diversity Plan

In 2014-15, the Office developed its *Workforce and Diversity Plan 2015-2020* in accordance with the *Public Sector Commissioner's Circular 2011-02: Workforce Planning And Diversity In The Public Sector*, Part IX of the *Equal Opportunity Act 1984*, and *Strategic Directions for the Public Sector Workforce 2009-14*. The Office's key focus areas for 2015-20 are to continue to:

- Implement effective practices to recruit high quality staff, in particular for new functions;
- Attract and retain high quality staff, including by providing innovative flexible working arrangements and through graduate, intern and seasonal clerk programs;
- Provide staff development through quality induction, performance management, our Continuous Professional Development Program, training and study assistance;
- Implement strategies to improve diversity in the workforce for people from diverse cultural backgrounds;
- Implement the strategies in the Office's *Disability Access and Inclusion Plan (DAIP)*; and
- Provide Corporate Executive with workforce reporting to support evaluation and ongoing review of the strategies in the Workforce and Diversity Plan.

Human Resource Policies

The Office has a broad range of human resource policies that are regularly updated in line with the Office's strategies and guidance provided by external agencies. They include policies in the key areas of:

- Classification, filling positions and employee movements;
- Payroll, conditions of employment and leave;
- Performance management, training and development;
- Employee relations, grievances and discipline; and
- Occupational safety and health.

Governance Disclosures

Shares in statutory authorities

This is not relevant as the Office is not a statutory authority and does not have shares.

Shares in subsidiary bodies

This is not relevant as the Office does not have any subsidiary bodies.

Interests in contracts by senior officers

The Office's *Code of Conduct* and *Conflict of Interest Policy* define conflict of interest and appropriate action to take where a conflict arises between the employee's public duty and their private interests, including during tender and purchasing processes.

Employees are aware through the *Code of Conduct* that they have an obligation to disclose interests that could reasonably create a perception of bias, or an actual conflict of interest, and members of the Executive Management Group and Corporate Executive Group are asked to declare any interests at each meeting of these Groups.

The Office's policy on identifying and addressing conflict of interest includes any interest of a senior officer, or an organisation of which a senior officer is a member, or an entity in which the senior officer has a substantial financial interest, in any existing or proposed contract made with the Office.

There have been no declarations of an interest in any existing or proposed contracts by senior officers and, at the date of reporting, other than normal contracts of employment, no senior officers or firms of which a senior officer is a member, or entities in which a senior officer has any substantial interests, had any interests in existing or proposed contracts with the Office.





Benefits to senior officers through contracts

This is not applicable as no senior officers have received any benefits.

Insurance paid to indemnify directors

This is not applicable as the Office does not have any directors as defined in Part 3 of the [Statutory Corporations \(Liability of Directors\) Act 1996](#).

Other Legal Requirements

Expenditure on Advertising, Market Research, Polling and Direct Mail and Media Advertising

During 2014-15, the Office incurred the following expenditure in relation to advertising, market research, polling, direct mail and media advertising that requires disclosure under s.175ZE of the [Electoral Act 1907](#).

Total expenditure for 2014-15 was \$4,612 for advertising vacant positions and promoting regional visits, and was incurred in the following areas.

Category of Expenditure	Total	Company
Advertising agencies	Nil	Nil
Media advertising organisations	\$4,612	Adcorp
Market research organisations	Nil	Nil
Polling organisations	Nil	Nil
Direct mail organisations	Nil	Nil

Disability Access and Inclusion Plan Outcomes

The Office is committed to providing optimum access and service to people with a disability, their families and carers. In 2014-15 the Office developed its *Disability Access and Inclusion Plan 2015-2020 (DAIP)*. Current initiatives to address desired DAIP outcomes are shown below.

Outcome 1: People with a disability have the same opportunities as other people to access the services of, and any events organised by, the Office.

People can access the complaint handling services provided by the Office by lodging a complaint in various ways including by post, email, online and in person. The online option is available through the Office's website, which meets the website accessibility requirements set out in the *Public Sector Commissioner's Circular 2011-03: Website Accessibility*. The Office is accessible for people with a disability who attend in person, and enquiries can be made by telephone using the National Relay Service for people with voice or hearing impairments. Venues for events and meetings are assessed for suitable access for people with a disability. A notice regarding disclosure of 'special access or dietary requirements' is added to all invitations for events coordinated by the Office.

Outcome 2: People with a disability have the same opportunities as other people to access the buildings and other facilities of the Office.

The Office's accommodation, building and facilities provide access for people with a disability, including lifts that accommodate wheelchairs and feature braille on the access buttons. Accessible and ambulant toilets are located on all floors used by the Office (the Ground Floor, Level 2 and Level 3), and a low reception desk on Level 2 accommodates wheelchair access. The building also includes electronic doors at the entrance and through to the lifts, a ramp at the front of the building, and a disabled parking bay beneath the building.

Outcome 3: People with a disability receive information from the Office in a format that will enable them to access the information as readily as other people are able to access it.

All Office documents are in plain English and publications are available in alternative formats on request. The Office's website meets the website accessibility requirements set out in the *Public Sector Commissioner's Circular 2011-03: Website Accessibility*. Information published on the website can be viewed and printed in alternative sizes and online documents are published in PDF format compatible with screen readers as required. Phone access is available through the National Relay Service for people with voice or hearing impairments calling the Office, and signs are provided in the reception area to assist visitors who have a hearing impairment. The Office also provides suitable equipment to enable employees with vision impairments to access electronic information.

Outcome 4: People with a disability receive the same level and quality of service from the staff of the Office as other people receive from the staff of the Office.

The services provided by the Office have been adapted to reduce access barriers for people with a disability and information is available in various formats on request. The Office has an internal guideline for staff on *Assisting complainants with vision, hearing or speech impairments*. The document is part of the internal Complaint Handling Toolkit and provides useful information, contacts and procedures for all staff when dealing with a complainant with a disability. Information about the Office's DAIP is included in induction training for all new staff.





Outcome 5: People with a disability have the same opportunities as other people to make complaints to the Office.

A key role of the Office is to handle complaints about public authorities and anyone with a disability has an equal opportunity to make a complaint. Where necessary, the complaint process is modified to meet the needs of a person with a disability. This includes meeting people outside the Office and modifying communication strategies, for example, by using a translator (such as the National Relay Service or Auslan interpreter) where required. Information on reviews of decisions in relation to complaints to the Ombudsman and making a complaint about the Ombudsman's other services is accessible from the website and is available in alternative formats.

Outcome 6: People with a disability have the same opportunities as other people to participate in any public consultation by the Office.

Staff and members of the public with a disability have an equal opportunity to participate in any consultation process. In 2014-15 the Office undertook consultation on the development of its 2015-2020 DAIP, which included feedback from staff with a disability and inviting comment from the public. Most consultation is handled electronically, and the website meets disability access requirements. Documents can be made available in alternative formats to meet the needs of people with a disability.

Outcome 7: People with a disability have the same opportunities as other people to obtain and maintain employment with the Office.

The Office's accommodation, building and facilities provide access for people with a disability, including lifts and walkways that accommodate wheelchairs and feature braille on the access buttons. Accessible and ambulant toilets are located on all floors used by the Office. The Office also provides suitable equipment to enable employees with vision impairments to access electronic information. People with a disability are encouraged to apply for positions in the Office and recruitment processes are modified as required to enable people with a disability to have the same opportunity as other people to compete on merit for advertised positions. Appropriate modifications are made to the duties undertaken, hours of work and/or equipment required to enable employees with disabilities, or who acquire a disability, to maintain productive employment with the Office.

Compliance with Public Sector Standards and Ethical Codes

In the administration of the Office, the Ombudsman has complied with the *Public Sector Standards in Human Resource Management*, the *Code of Ethics* and the Office's *Code of Conduct*.

Procedures, designed to ensure such compliance, have been put in place, and appropriate internal assessments are conducted to satisfy the Ombudsman that the above statement is correct.

The following table identifies action taken to monitor and ensure compliance with public sector standards and ethical codes.

Significant action to monitor and ensure compliance with Western Australian Public Sector Standards

Managers and staff are aware of, and are required to comply with, the *Public Sector Standards in Human Resource Management (the Standards)*. This is supported by policies and procedures relating to the Standards, regular professional development for managers and staff about the Standards and related policies, and the inclusion of the policies in the induction process. Monitoring provisions include:

- For recruitment, selection and appointment, an individual review of each process is undertaken prior to the final decision to ensure compliance with the *Employment Standard*;
- A review process to ensure that, for acting opportunities and secondments, a merit-based process is used and there are no inadvertent extensions that result in long-term opportunities without expressions of interest or a full merit selection process;
- A monitoring process to ensure there are current performance management processes in place for all employees; and
- The continuous development of policies and procedures in accordance with the Standards to ensure compliance and relevancy.

Compliance issues: Internal reviews have shown compliance with the Standards is achieved before any final decision is made. There have been no breaches found of the public sector standards.



Significant action to monitor and ensure compliance with the *Code of Ethics* and the Office's *Code of Conduct*

The *Code of Ethics* and the Office's *Code of Conduct* (**Ethical Codes**) are available on the Office's intranet and are part of the Online Induction for new staff. *Guidelines for Ethical and Accountable Decision Making* have been developed as a ready reference for staff when dealing with a difficult situation related to the Ethical Codes. The Guidelines are based on the *Accountable and Ethical Decision Making in the WA Public Sector* training materials provided by the Public Sector Commissioner.

The Office's *Code of Conduct* supports the *Code of Ethics* and links the Office's corporate values with expected standards of personal conduct. All staff, contractors and consultants who carry out work for, or on behalf of, the Office are required to comply with the spirit of the *Code of Conduct*. On appointment, all staff sign the *Code of Conduct* to confirm their understanding of its application in the workplace and swear an oath or make an affirmation about maintaining appropriate confidentiality.

Ethics and conduct related policies have been developed, including policies and procedures for declaring and managing conflicts of interest and gifts. The ethical codes and related policies are included in the induction process and there is regular professional development for managers and staff about the ethical codes and related policies.

The Office has procedures in place for reporting unethical behaviour and misconduct. The Office also has a policy and internal procedures relating to *Public Interest Disclosures* and strongly supports disclosures being made by staff.

Monitoring provisions for ethical codes include:

- High level review, and Ombudsman sign off, for management of conflicts of interest and gifts, benefits and hospitality;
- High level consideration and sign off of requests for review of the Office's handling of a complaint and any complaints about the conduct of staff; and
- Seeking opportunities to improve current practices through internal audits and reviewing policies and procedures to ensure compliance and relevancy. Internal audits conducted each year are referred to the Office's Audit and Risk Management Committee.

Compliance issues: There has been no evidence of non-compliance with the ethical codes.



Corporate Governance Framework

The Office's corporate governance framework is based on the Public Sector Commissioner's *Good Governance Guide*.

Principle 1: Government and public sector relationship (The organisation's relationship with the government is clear)

The Ombudsman is an independent officer appointed by the Governor of Western Australia. The Ombudsman is responsible directly to the Parliament rather than to the government of the day or a particular Minister. The [Parliamentary Commissioner Act 1971](#) regulates the operations of the Office.

Delegations for communication and interaction between Ministers and other Parliamentary representatives are identified in the Office's instruments of delegation, in particular those relating to external communications, and staff are aware of these delegations.

Principle 2: Management and oversight (The organisation's management and oversight are accountable and have clearly defined responsibilities)

The Office's *Strategic Plan 2013-15 (Strategic Plan)* provides a framework for the strategic direction of the Office with identifiable key measures of success. The Office's operational planning identifies how the key strategies in the Strategic Plan will be achieved through a detailed list of key projects, measures and targets.

Chief Executive Officer delegations are set out in the Office's *Instrument of Delegation – Chief Executive Officer Functions*. Statutory delegations under the *Parliamentary Commissioner Act 1971* and administrative arrangements for statutory roles are set out in the *Ombudsman Western Australia, Statutory Delegations and Administrative Arrangements* document.

The Office has a strong organisational policy framework covering governance, conduct, communications, information technology, human resources, finance and procurement. Policies and guidelines are available to staff through the Office's intranet and as part of the Online Induction.

The Office has an Internal Audit and Risk Management Charter and Committee. An external quality assurance review of the Office's internal audit function has been undertaken to ensure the Office conforms with the Institute of Internal Auditors international standards for the professional practice of internal auditing.





Principle 3: Organisational structure (The organisation's structure services its operations)

Decision making responsibilities for the Office lie with the Executive Management Group, comprising the Ombudsman, Deputy Ombudsman and the Principal Assistant Ombudsman Investigations and Legal Services. The Office's Corporate Executive also includes the leaders of the Complaint Resolution, Administrative Improvement and Monitoring teams.

The Office's organisational structure has been created in line with its operations and reflects its key strategic direction. The Office undertakes continuous improvement to the structure to ensure it remains relevant and effective with changes linked to the Strategic Plan and redirection of resources within the structure to respond to workload priorities. A detailed organisational chart provides a reference for staff on the intranet.

Principle 4: Operations (The organisation plans its operations to achieve its goals)

The organisational structure, operational planning, business processes and key performance indicators are linked to the strategic goals and outcomes in the Strategic Plan. Progress toward key performance indicators and major strategic projects is monitored through reports to the Executive Management Group and the Corporate Executive and is reported in the annual report each year.

Effective achievement of goals is supported by an Online Complaint Handling Toolkit, available to all enquiry and investigating staff for the purpose of achieving consistent, efficient and effective complaint handling. In addition, a Panel provides independent advice to the Ombudsman on matters relevant to child deaths and family and domestic violence fatalities and, for the role of Energy and Water Ombudsman, the Office prepares a Business Plan and Budget for approval by the Board of the governing body each year.

Principle 5: Ethics and integrity (Ethics and integrity are embedded in the organisation's values and operations)

The Office's values are to be fair, independent and accountable (including being rigorous, responsible and efficient). In line with these values, the Ombudsman observes an independent and impartial approach to the conduct of investigations as well as observing procedural fairness at all times. Ethics and integrity are contained within the *Code of Conduct* and *Guidelines for Ethical and Accountable Decision Making*. Staff are required to sign a Conduct Agreement to confirm their understanding of the application of the Code.

Staff are made aware of the [Public Interest Disclosure Act 2003](#), the Office's Public Interest Disclosure Officers and the protections that apply during induction and through the Office's intranet and noticeboards. Staff are also made aware of the Office's *Conflict of Interest and Gift Policies* and registers and how they should be declared. When declarations are made, the Ombudsman assesses the appropriate action to be taken.

Principle 6: People
(The organisation's leadership in people management contributes to individual and organisational achievements)

It is a strategic direction of the Office to attract, develop and retain a skilled and valued workforce with a culture that supports high quality, responsive and efficient service; and to treat people professionally, courteously and with appropriate sensitivity.

The Office continues to implement human resource strategies, which focus on the recruitment, retention and engagement of high quality staff; accounting for individual performance and development; and continual learning. The *Workforce and Diversity Plan 2015-2020* provides a strong workforce planning framework to support the achievement of these strategies.

The Office has a strong human resources policy framework covering employment of staff, conditions of employment, flexible work arrangements, staff development, study assistance, employee relations (including grievance resolution) and occupational safety and health.

Principle 7: Finance
(The organisation safeguards financial integrity and accountability)

The Office produces an annual budget which is approved by the Ombudsman. The monitoring of actual versus budget along with financial integrity and accountability is secured through reporting to the Executive Management Group. The Office also has a *Financial Management Manual (the Manual)*, designed to assist employees to perform their tasks efficiently and effectively. The processes in the Manual are consistent with relevant Treasurer's Instructions and State Supply Commission policies.

An Internal Audit and Risk Management Committee reviews an audit of financial management, including procurement, each year against the policies and procedures in the Manual. The 2014-15 audit concluded that good controls exist to ensure compliance with relevant legislation and policy requirements.

Principle 8: Communication
(The organisation communicates with all parties in a way that is accessible, open and responsive)

To ensure services are accessible, open and responsive, the Office communicates with its key stakeholders using a range of communication channels, adapted to suit the audience. Further information is included in the [Collaboration and Access to Services section](#) of the report. The Office also provides guidance for dealing with people with a disability and people from culturally and linguistically diverse backgrounds. Policies covering record keeping, records management and communications ensure the Office safeguards the confidentiality and integrity of information, preventing unauthorised or false disclosure.

Bi-monthly staff meetings and separate team meetings provide a forum for sharing information internally and the Staff Consultative Committee has input into Office policies and procedures that affect staff. The Committee is made up of management and staff representatives from all teams in the Office.





Principle 9: Risk management (The organisation identifies and manages its risks)

The Office identifies and manages its risk through a *Risk Management Plan* that is considered by the Office's Audit and Risk Management Committee as part of the Committee's regular meetings. The *Risk Management Plan* continues to be relevant and consistent with the Office's Strategic Plan. The Office also has a *Business Continuity Plan* to ensure it can respond to, and recover from, any business disruption.

Under the *Risk Management Plan*, controls have been identified for significant risks and any action required is assigned to a relevant member of Corporate Executive. The internal audit plan is based on the areas of risk identified in the *Risk Management Plan* and the Audit and Risk Management Committee oversees these audits and the audit plan for each year.

In 2014-15, internal audits were conducted of the Office's recruitment and selection processes, and financial management and procurement practices. The audits showed a good level of internal control is being maintained to ensure compliance with relevant legislation and policies.

Recordkeeping Plans

The Office is committed to maintaining a strong records management framework and aims for best practice recordkeeping practices. The Office is continuously improving recordkeeping practices to ensure they are consistent with the requirements of the [State Records Act 2000](#) and meet the needs of the Office for high quality recordkeeping. The Office's framework includes:

- A Recordkeeping Plan, a Retention and Disposal Schedule, a Records Management Policy, a Records Classification Plan and Security Framework and a Records Disaster Recovery Plan;
- An electronic document records management system (**EDRMS**) called Tower Records Information Management (**TRIM**), which was implemented in 2005 and upgraded in 2011-12;
- The Office's case management databases; and
- A series of guidelines and a user manual for staff.

Electronic Document Records Management System

All incoming, outgoing and significant internal documents are saved electronically into the EDRMS. Staff are required to save their final electronic documents and correspondence, including electronic mail and facsimiles directly into the EDRMS.

The Office utilises an electronic case management system (**RESOLVE**) for the management of complaints in the Ombudsman and Energy and Water Ombudsman jurisdictions, and in the review of child deaths and family and domestic violence fatalities. RESOLVE is directly integrated with the EDRMS, allowing records and related cases to be saved and accessed through RESOLVE.

Evaluation and review of efficiency and effectiveness of systems and training

During 2014-15, as part of the scheduled review of the Office's Recordkeeping Plan in 2015-16, the Office's recordkeeping processes were reviewed to ensure compliance with the Records Management Framework and promote best practice recordkeeping. The efficiency and effectiveness of the recordkeeping training program is reviewed regularly through monitoring staff use of the EDRMS to ensure that staff are following the recordkeeping requirements of the Office.

In 2014-15, an internal audit was commenced on information security for the records of the Office and the report will be available in 2015-16.

Induction and training

All records related plans, policies, guidelines and manuals are available on the Office's intranet to assist staff to comply with their recordkeeping requirements and include user friendly guides for training staff. The Office's Online Induction mini-site, developed in 2010-11, includes a section on recordkeeping. This is part of the induction process for new staff and is also available as a resource for existing staff members. The induction process also includes individual training sessions with new staff members conducted by the Customer Service and Records Manager soon after appointment. Follow up training and help desk assistance are provided as required. Recordkeeping roles and responsibilities are also included in accountability and ethical decision making training and the Office's *Code of Conduct*, which is signed by all staff on appointment.

In 2014-15, the Office commenced the development and implementation of online training to further strengthen staff recordkeeping practices.

Government Policy Requirements

Substantive Equality

The Office does not currently have obligations under the Framework for Substantive Equality. However, the Office is committed to the intent and substance of the policy, including the elimination of systemic racial discrimination in the delivery of public services, and the promotion of sensitivity to the different needs of key stakeholders.



Needs assessment

The Office is committed to understanding the needs of Aboriginal people and people from culturally and linguistically diverse backgrounds and setting objectives to overcome barriers in service delivery for these groups. The Office regularly assesses the impact of our service delivery practices on Aboriginal people and people from culturally and linguistically diverse backgrounds.

In particular, the Office recognised a historical under-representation of Aboriginal people accessing our services and established a Regional Awareness and Accessibility Program which focuses on access for Aboriginal and regional Western Australians. The Program is an important way for the Office to:

- Raise awareness of, and access to, its services for Aboriginal Western Australians in regional and remote locations; and
- Provide a valuable opportunity for the Office to strengthen its understanding of the issues affecting Aboriginal people.

The Office has also identified a range of other strategies to meet their needs and overcome barriers to service delivery, including:

- Involvement in outreach activities in metropolitan areas to raise community awareness of, and access to, the Office's services, such as Homeless Connect in November 2014;
- Attending adult prisons and Banksia Hill Detention Centre to meet with prisoners and juvenile detainees, and prisoner representative groups, to understand their specific needs and be available to take complaints. An Aboriginal consultant attends these meetings to assist staff to understand the issues involved and to facilitate cross cultural communication;
- Providing information on our services in 15 languages on our website. All publications are available in alternative formats and can be translated into other languages on request;
- Promoting details for Translating and Interpreting Services on the website and in publications for people with English as a second language. Interpreters and translators are regularly used when resolving complaints;
- Complaints can be written in the person's first language and the Office arranges translators for the incoming complaint and outgoing response and staff use interpreters, either face to face or by telephone, when discussing complaints; and
- Involving Aboriginal consultants in relevant own motion investigations and as part of the Ombudsman's Advisory Panel to provide independent advice on issues and trends and contemporary professional practice within the scope of the child death and family and domestic violence fatality review functions.



Monitoring

The Office monitors whether services respond to the different needs of Aboriginal people and people from culturally and linguistically diverse backgrounds, including:

- Seeking demographic information from people who make complaints to enable the Office to monitor whether its services are used by all of the Western Australian community, particularly those who may find it difficult to access services;
- Collecting demographic data relating to reviews of child deaths and family and domestic violence fatalities to identify patterns and trends in relation to these deaths; and
- Seeking advice of specialist consultants in relation to the relevance and appropriateness of reports relating to own motion investigations.

Organisational performance appraisal

The Office undertakes ongoing performance appraisal of access to services and appropriate service delivery for Aboriginal people and people from culturally and linguistically diverse backgrounds.

In 2014-15, the Office's complaint resolution services were accessed by people from a diverse range of backgrounds, comparable to the Western Australian population. In particular, for people whose complaints were received in 2014-15:

- 9.7% of people identified as Aboriginal, compared to 3.6% of the population;
- 33% of people were born overseas compared to 31% of the population; and
- 19% of people were born in a country where English is not the main language, compared to 15% of the population.

Learning and development

The Office promotes learning and development to ensure that its employees are equipped with the skills and knowledge necessary to understand and meet the needs of Aboriginal people and people from culturally and linguistically diverse backgrounds, including:

- Training staff in identifying language related barriers to communication, including utilising the Office of Multicultural Interests' *Diverse WA* online cultural competency training module;
- Appropriately engaging with interpreters and telephone translators to ensure equitable access to our services; and
- Aboriginal cross-cultural awareness training, including utilising the Public Sector Commission's *Sharing Culture* online Aboriginal cultural awareness training module.



Occupational Safety, Health and Injury Management

Commitment to occupational safety, health and injury management

The Office is committed to ensuring a safe and healthy workplace. The goal is for a workplace that is free from work-related injuries and diseases by developing and implementing safe systems of work and by continuing to identify hazards and control risks as far as practicable.

The Office maintains an Occupational Safety and Health (**OSH**) framework that includes:

- Safe work practices;
- Managing and reporting workplace hazards, incidents and injuries;
- Injury management, including a Return to Work Program that extends to non-work related injuries;
- Emergency procedures; and
- General employee health and wellbeing, including an Employee Assistance Program.

All employees and contractors are made aware of their OSH responsibilities through an Online Induction that includes a component on OSH as well as safe work practices in an office environment. This is also used as an information source for existing staff. The Office's policies and guidelines are also accessible to employees through the Office's intranet.

There is a strong executive commitment to the health and safety of staff. Hazards and other issues relating to health and safety can be raised with elected OSH representatives or directly with the Deputy Ombudsman, and key issues are brought to the attention of the Ombudsman, who is committed to their prompt and effective resolution.

Consultation

The Office promotes a consultative environment in which management, staff and other stakeholders work together to continually improve OSH practices. Formal mechanisms for consultation with employees and others on OSH matters include:

- The Office has OSH responsibilities within its tenancy and also works closely with the building management at Albert Facey House to ensure a safe working environment is maintained;
- The Office has two elected OSH Representatives who act as an important link between management and staff, so that they can work together and arrive at solutions to make the workplace safe;
- The Staff Consultative Committee has OSH responsibilities and the Office's OSH Representatives are standing members of the Committee. OSH matters are a standing item on the agenda to allow Committee members to refer matters raised by staff to the Committee for resolution and inform their team of issues and safe working practices raised at Committee meetings;



- There is dissemination of OSH information and discussion at regular staff and team meetings; and
- There is regular training on OSH matters for both management and staff. In 2014-15, an OSH session was held for Managers in which they were briefed on how to respond to mental health challenges in the workplace and allegations of inappropriate workplace behaviour and a further session was conducted on their injury management responsibilities. During the year an OSH session was held for staff on ergonomic principles and practices appropriate for an office-based environment which was followed by an assessment of individual workspaces conducted by a suitability qualified consultant.

Statement of compliance

The Office complies with the injury management requirements of the [Workers' Compensation and Injury Management Act 1981](#) and is committed to providing injury management support to all workers who sustain a work related injury or illness with a focus on a safe and early return to their pre-injury/illness position. Rehabilitation support is also provided to employees with non-work related injuries or when recovering from a protracted illness.

As part of this approach, the Office encourages early intervention in injury management, and ensures there is early and accurate medical assessment and management of each injury, work related or not.

Assessment of OSH systems

An assessment of the Office's OSH systems was conducted internally in 2013 against the elements of the WorkSafe Plan and all (100%) of the agreed actions have been completed. The results of the assessment were also used to develop an OSH Management Plan and update associated guidelines detailing OSH roles and responsibilities within the Office and outlining the approach taken to identifying, assessing and controlling hazards and the associated risks.

Internal evaluation of the accommodation at Albert Facey House is ongoing and workplace inspections are undertaken regularly by the Office's elected OSH Representatives. Any OSH changes identified are promptly addressed.

There is ongoing review of the Office's emergency procedures for dealing with unreasonable conduct by visitors to the Office and, during 2014-15, there was a trial evacuation of Albert Facey House, where fire alarms were activated and all staff within the building were evacuated for drill purposes.



Annual performance

During 2014-15, two workers' compensation claims were recorded.

The Office's OSH and injury management statistics for 2014-15 are shown below.

Measure	Actual Results		Results Against Target	
	2012-13 Actual	2014-15 Actual	2014-15 Target	Comment on Result
Number of fatalities	0	0	0	Target achieved
Lost time injury/disease (LTI/D) incidence rate	0	3.3	0	The Office had two lost time injuries which increased the incidence rate slightly above target
Lost time injury/disease severity rate	0	0	0	Target achieved
Percentage of injured workers returned to work within (i) 13 weeks; and (ii) 26 weeks.	Not Applicable	i) 100% ii) 100%	Greater than or equal to 80% return to work within 26 weeks	Target exceeded
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities.	83%	100%	>80%	Target exceeded

