



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 2016, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Summary 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.

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 2016 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.

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 for the Audit of the Financial Statements

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.

Page 1 of 3

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

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

Report on Controls

I have audited the controls exercised by the Parliamentary Commissioner for Administrative Investigations during the year ended 30 June 2016.

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.

Opinion

In my opinion, in all material respects, 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 2016.

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 for the Audit of Controls

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.

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 2016.

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

Opinion

In my opinion, in all material respects, 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 2016.



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 for the Audit of Key Performance Indicators

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.

Independence

In conducting the above audits, 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 2016 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.


COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
28 July 2016





Financial Statements

Index of Financial Statements

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

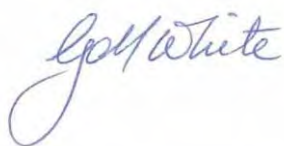
Financial Statements

Certification of Financial Statements

For the year ended 30 June 2016

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 2016 and the financial position as at 30 June 2016.

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

27 July 2016



Chris Field
Accountable Authority

27 July 2016

Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	<u>6.</u>	7,796,100	7,511,626
Supplies and services	<u>7.</u>	1,165,365	1,050,440
Depreciation and amortisation expense	<u>8.</u>	252,109	309,089
Accommodation expenses	<u>9.</u>	1,417,842	1,431,465
Other expenses	<u>10.</u>	31,693	28,150
Total cost of services		10,663,109	10,330,770
Income			
<i>Revenue</i>			
Other revenue	<u>11.</u>	2,048,126	2,463,316
Total Revenue		2,048,126	2,463,316
<i>Net Gain/(Loss)</i>			
Net gain or loss on disposal of non-current assets	<u>12.</u>	(18)	64
Total Gain/(Loss)		(18)	64
Total income other than income from State Government		2,048,108	2,463,380
NET COST OF SERVICES		8,615,001	7,867,390
Income from State Government			
	<u>13.</u>		
Service appropriation		8,641,000	8,204,000
Services received free of charge		508,249	434,884
Total income from State Government		9,149,249	8,638,884
SURPLUS FOR THE PERIOD		534,248	771,494
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		534,248	771,494

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

Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	<u>23.</u>	2,342,055	1,647,443
Restricted cash and cash equivalents	<u>14. 23.</u>	-	299,940
Other current assets	<u>33.</u>	95,272	102,798
Receivables	<u>15.</u>	79,284	62,784
Amounts receivable for services	<u>16.</u>	208,000	208,000
Total Current Assets		2,724,611	2,320,965
Non-Current Assets			
Amounts receivable for services	<u>16.</u>	1,958,000	1,917,000
Plant and equipment	<u>17.</u>	94,036	116,521
Intangible assets	<u>18.</u>	47,261	165,003
Total Non-Current Assets		2,099,297	2,198,524
TOTAL ASSETS		4,823,908	4,519,489
LIABILITIES			
Current Liabilities			
Payables	<u>20.</u>	67,439	340,653
Provisions	<u>21.</u>	1,558,557	1,487,431
Other current liabilities	<u>34.</u>	-	925
Total Current Liabilities		1,625,996	1,829,010
Non-Current Liabilities			
Provisions	<u>21.</u>	360,778	387,592
Total Non-Current Liabilities		360,778	387,592
TOTAL LIABILITIES		1,986,774	2,216,602
NET ASSETS		2,837,135	2,302,887
EQUITY			
	<u>22.</u>		
Contributed equity		1,206,000	1,206,000
Accumulated surplus		1,631,135	1,096,887
TOTAL EQUITY		2,837,135	2,302,887

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 2016

	Note	Contributed equity \$	Reserves \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2014	<u>22</u>	1,206,000	-	325,393	1,531,393
Surplus		-	-	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
Balance at 1 July 2015		1,206,000	-	1,096,887	2,302,887
Surplus		-	-	534,248	534,248
Total comprehensive income for the year		-	-	534,248	534,248
Balance at 30 June 2016		1,206,000	-	1,631,135	2,837,135

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 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		8,392,000	7,906,000
Capital appropriations		-	-
Holding account drawdown		208,000	196,000
Net cash provided by State Government		8,600,000	8,102,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(7,959,285)	(7,439,375)
Supplies and services		(1,062,815)	(914,624)
Accommodation		(1,072,318)	(1,084,166)
GST payments on purchases		(228,677)	(221,374)
GST payments to taxation authority		(16,779)	(28,844)
Other payments		(24,600)	(24,000)
Receipts			
User charges and fees		2,034,831	2,455,024
GST receipts on sales		198,284	238,562
GST receipts from taxation authority		38,856	1,664
Net cash used in operating activities	23.	(8,092,503)	(7,017,133)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(112,807)	(211,172)
Payment for disposal of non-current assets		(18)	(236)
Net cash used in investing activities		(112,825)	(211,408)
Net increase in cash and cash equivalents		394,672	873,459
Cash and cash equivalents at the beginning of the period		1,947,383	1,073,924
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23.	2,342,055	1,947,383

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 2016

	2016 Estimate \$	2016 Actual \$	Variance \$	2016 Actual \$	2015 Actual \$	Variance \$
Delivery Services						
Item 4 Net amount appropriated to deliver services	8,139,000	7,982,000	(157,000)	7,982,000	7,556,000	426,000
Amount Authorised by Other Statutes						
- <i>Parliamentary Commissioner Act 1971</i>	659,000	659,000	-	659,000	648,000	11,000
Total appropriations provided to deliver services	8,798,000	8,641,000	(157,000)	8,641,000	8,204,000	437,000
Capital						
Item 118 Capital appropriations	-	-	-	-	-	-
GRAND TOTAL	8,798,000	8,641,000	(157,000)	8,641,000	8,204,000	437,000
Details of Expenses by Service						
Resolving complaints about decision making of public authorities and improving the standard of public administration	11,227,000	10,663,109	(563,891)	10,663,109	10,330,770	332,339
Total Cost of Services	11,227,000	10,663,109	(563,891)	10,663,109	10,330,770	332,339
Less Total Income	(1,989,000)	(2,048,126)	(59,126)	(2,048,126)	(2,463,316)	415,190
Net Cost of Services	9,238,000	8,614,983	(623,017)	8,614,983	7,867,454	747,529
Adjustment ^(a)	(440,000)	26,017	466,017	26,017	336,546	(310,529)
Total appropriations provided to deliver services	8,798,000	8,641,000	(157,000)	8,641,000	8,204,000	437,000
Capital Expenditure						
Purchase of non-current assets	208,000	112,807	(95,193)	112,807	211,172	(98,365)
Adjustments for other funding sources	(208,000)	(216,200)	(8,200)	(216,200)	(211,172)	(5,028)
Capital appropriations	-	(103,393)	(103,393)	(103,393)	-	(103,393)

(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 2016 and between the actual results for 2016 and 2015.

Notes to the Financial Statements

For the year ended 30 June 2016

Note 1. Australian Accounting Standards

General

The Office's financial statements for the year ended 30 June 2016 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 2016.

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 'Judgments made by management in applying accounting policies' discloses judgments 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 most recent determination, as quantified in the 2015-16 Budget Statements, the Office retained **\$2,048,108** in 2016 (**\$2,463,380** in 2015) 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 (other than where they form part of a group of similar items which are significant in total).

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 historical cost 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 vary 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, or adopted, for annual reporting periods beginning on or after 1 July 2015 that impacted on the Office.

AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*

Part C of this 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.

AASB 2014-8 *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)]*

This Standard makes amendments to AASB 9 *Financial Instruments* (December 2009) and AASB 9 *Financial Instruments* (December 2010), arising from the issuance of AASB 9 *Financial Instruments* in December 2014. The Office has not yet determined the application or the potential impact of AASB 9.



AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

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.

AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]*

This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

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* or by an exemption from TI 1101. By virtue of a limited exemption, the Office has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the Office plans to apply following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<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

		Operative for reporting periods beginning on/after
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Department 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.</p>	1 Jan 2018
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Office has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
AASB 1057	<p><i>Application of Australian Accounting Standards</i></p> <p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>	1 Jan 2016
AASB 2010-7	<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

		Operative for reporting periods beginning on/after
AASB 2014-1	<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
AASB 2014-4	<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
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Office has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>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.</p>	1 Jan 2018
AASB 2015-1	<p><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></p> <p>These amendments arise from the issuance of <i>International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle</i> in</p>	1 Jan 2016

**Operative for
reporting
periods
beginning
on/after**

	September 2014, and editorial corrections. The Office has determined that the application of the Standard has no financial impact.	
AASB 2015-2	<i>Amendments to Australian Accounting Standards –Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i>	1 Jan 2016
	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.	
AASB 2015-6	<i>Amendments to Australian Accounting Standards –Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i>	1 Jul 2016
	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.	
AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2017
	This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Office has not yet determined the application or the potential impact of AASB 15.	



		Operative for reporting periods beginning on/after
AASB 2016-2	<p><i>Amendments to Australian Accounting Standards –Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Office has not yet determined the application or the potential impact.</p>	1 Jan 2018

Note 6. Employee benefits expense

	2016 \$	2015 \$
Wages and salaries ^(a)	7,047,867	6,631,081
Superannuation - defined contribution plans ^(b)	725,443	671,333
Other related expenses	22,789	209,212
	7,796,100	7,511,626

(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

	2016 \$	2015 \$
Communications	82,902	82,353
Consumables	145,675	152,272
Other	271,143	246,629
Services and contracts	456,946	453,984
Services received free of charge	161,622	88,246
Travel	47,076	26,956
	1,165,365	1,050,440

Note 8. Depreciation and amortisation expense

	2016 \$	2015 \$
<u>Depreciation</u>		
Furniture fixtures and fittings	682	681
Computer hardware	36,772	31,016
Communications	6,488	32,245
Office equipment	11,301	10,575
Total depreciation	55,243	74,517
<u>Amortisation</u>		
Intangible assets	196,866	234,572
Total amortisation	196,866	234,572
Total depreciation and amortisation	252,109	309,089

Note 9. Accommodation expenses

	2016 \$	2015 \$
Lease rentals	1,064,186	1,082,498
Repairs and maintenance	7,029	2,329
Services received free of charge ^(a)	346,627	346,638
	1,417,842	1,431,465

(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

	2016 \$	2015 \$
Employment on-costs ^(a)	23	50
Audit fee	25,100	24,600
Other	6,570	3,500
	31,693	28,150

(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

	2016 \$	2015 \$
Other revenue - general	65,024	78,779
Other recoup ^(a)	1,983,101	2,384,537
	2,048,126	2,463,316

(a) Includes recoup for the costs of the functions of the Energy and Water Ombudsman Western Australia (see Note 1(c)) and services of the Office in relation to complaints involving the Indian Ocean Territories (see Note 31).

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

	2016 \$	2015 \$
<u>Net gain/(loss) from disposal of non-current assets</u>		
Plant and equipment	(18)	64
<u>Carrying amount of non-current assets disposed</u>		
Plant and equipment	-	-
Net gain/(loss)	(18)	64

Note 13. Income from State Government

	2016 \$	2015 \$
Appropriation received during the period:		
Service appropriations ^(a)		
- Recurrent	7,982,000	7,556,000
- Special Acts	659,000	648,000
	8,641,000	8,204,000
Services received free of charge from other State Government Agencies during the period: ^(b)		
State Solicitor's Office	29,367	2,449
Department of the Premier and Cabinet	132,255	85,797
Department of Finance	346,627	346,638
	508,249	434,884
	9,149,249	8,638,884

- (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

	2016 \$	2015 \$
<u>Current</u>		
Accrued salaries suspense account ^(a)	-	258,551
Indian Ocean Territories ^(b)	-	41,389
	-	299,940

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

	2016 \$	2015 \$
<u>Current</u>		
Receivables	45,011	31,517
GST receivable	20,070	22,752
Purchased leave receivable	14,203	8,515
Total current	79,284	62,784

There were no allowances made in the current year for the impairment of receivables (2014-15: nil).

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

Note 16. Amounts receivable for services (Holding Accounts)

	2016 \$	2015 \$
Current	208,000	208,000
Non-Current	1,958,000	1,917,000
	2,166,000	2,125,000

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

	2016 \$	2015 \$
<u>Furniture fixtures and fittings</u>		
At cost	6,814	6,814
Accumulated depreciation	(2,895)	(2,213)
Accumulated impairment losses	-	-
	3,919	4,601
<u>Computer Hardware</u>		
At cost	244,771	257,561
Accumulated depreciation	(183,705)	(191,123)
Accumulated impairment losses	-	-
	61,066	66,438
<u>Office equipment</u>		
At cost	56,844	55,487
Accumulated depreciation	(27,793)	(16,493)
Accumulated impairment losses	-	-
	29,051	38,994

	2016 \$	2015 \$
Communications		
At cost	213,050	213,050
Accumulated depreciation	(213,050)	(206,562)
Accumulated impairment losses	-	-
	-	6,488
	94,036	116,521

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
2016	\$	\$	\$	\$	\$
Carrying amount at start of period	4,601	66,438	38,994	6,488	116,521
Additions	-	31,400	1,357	-	32,757
Depreciation	(682)	(36,772)	(11,301)	(6,488)	(55,243)
Carrying amount at end of period	3,919	61,066	29,051	-	94,036

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
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

Note 18. Intangible assets

	2016 \$	2015 \$
Computer Software		
At cost	1,195,541	1,116,417
Accumulated amortisation	(1,148,280)	(951,414)
Accumulated impairment losses	-	-
Total intangible assets	47,261	165,003

Reconciliation

	2016 \$	2015 \$
Computer Software		
Carrying amount at start of period	165,003	307,279
Additions	79,124	92,296
Amortisation expense	(196,866)	(234,572)
Carrying amount at end of period	47,261	165,003

Note 19. Impairment of assets

There were no indications of impairment to plant and equipment or intangible assets as at 30 June 2016.

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 at 30 June 2016 have either been classified as assets held for sale or written-off.

Note 20. Payables

	2016 \$	2015 \$
Current		
Trade payables	-	60,069
Accrued expenses	66,090	58,356
Accrued salaries ^(a)	-	197,982
Accrued superannuation ^(a)	-	20,355
Other payables	1,349	3,891
Total current	67,439	340,653

(a) In 2015-16 there was no accrued salaries or superannuation due to the final pay occurring on 30 June 2016.

Note 21. Provisions

	2016 \$	2015 \$
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	518,913	531,357
Long service leave ^(b)	1,034,229	948,250
Purchased leave scheme ^(c)	4,705	7,150
	1,557,847	1,486,756
<i>Other provisions</i>		
Employment on-costs ^(d)	710	675
	710	675
	1,558,557	1,487,431
	2016 \$	2015 \$
Non-current		
Employee benefits provision		
Long service leave ^(b)	360,613	387,415
	360,613	387,415
<i>Other provisions</i>		
Employment on-costs ^(d)	165	177
	165	177
	360,778	387,592

- (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 end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2016 \$	2015 \$
Within 12 months of the end of the reporting period	381,325	347,634
More than 12 months after the end of the reporting period	137,588	183,723
	518,913	531,357

- (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 end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2016 \$	2015 \$
Within 12 months of the end of the reporting period	323,625	297,307
More than 12 months after the end of the reporting period	1,071,217	1,038,358
	1,394,842	1,335,665

- (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.

	2016 \$	2015 \$
Employment on-cost provision		
Carrying amount at start of period	852	802
Additional provisions recognised	23	50
Carrying amount at end of period	875	852

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

	2016 \$	2015 \$
Balance at start of period	1,206,000	1,206,000
Contributions by owners		
Capital appropriation	-	-
Total contributions by owners	-	-
Balance at end of period	1,206,000	1,206,000

Accumulated surplus/(deficit)

	2016 \$	2015 \$
Balance at start of period	1,096,887	325,393
Result for the period	534,248	771,494
Balance at end of period	1,631,135	1,096,887
Total Equity at the end of period	2,837,135	2,302,887

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:

	2016 \$	2015 \$
Cash and cash equivalents	2,342,055	1,647,443
Restricted cash and cash equivalents (Note 14 'Restricted cash and cash equivalents')	-	299,940
	2,342,055	1,947,383

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

	2016 \$	2015 \$
Net cost of services	(8,615,001)	(7,867,390)
<u>Non-cash items:</u>		
Depreciation and amortisation expense (Note 8. Depreciation and amortisation expense)	252,109	309,089
Services received free of charge (Note 13. Income from State Government)	508,249	434,884
Net (gain)/loss on disposal of non-current assets	18	(64)
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	(19,182)	(25,433)
Other current assets	7,526	(9,129)
<u>Increase/(decrease) in liabilities:</u>		
Accrued salaries	(197,982)	28,699
Accrued superannuation	(20,355)	4,069
Accrued expenses	7,734	(23,959)
Current payables ^(a)	(62,612)	63,950
Current provisions	71,125	139,813
Non-current provisions	(26,814)	(50,072)
Net GST (payments)/receipts ^(b)	4,972	(21,089)
Change in GST in receivables/payables ^(c)	(2,290)	(502)
Net cash (used in) operating activities	(8,092,503)	(7,017,133)

- (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 lease commitments

	2016 \$	2015 \$
Commitments for minimum leases payments are payable as follows:		
Within 1 year	974,925	977,584
Later than 1 year and not later than 5 years	972,277	1,915,993
Later than 5 years	-	-
	1,947,202	2,893,576

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.

Capital expenditure commitments

	2016 \$	2015 \$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year ^(a)	103,393	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	103,393	-

- (a) Due to the timing of the replacement of Office assets, some assets were committed in 2015-16 but not paid until 2016-17. The majority of the capital expenditure commitments relate to intangible assets and the remainder relates to computer hardware.

Other expenditure commitments

	2016 \$	2015 \$
Other expenditure commitments, being expenditure commitments additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	3,300	-
Later than 1 year and not later than 5 years	3,300	-
Later than 5 years	-	-
	6,600	-

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 event after the end of the reporting period that may have an impact on the financial statements.

Note 27. Explanatory statement

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

- 5% and \$206,000 for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$69,000 for the Statement of Financial Position.

	Variance Note	Estimate 2016 \$	Actual 2016 \$	Actual 2015 \$	Variance between estimate and actual \$	Variance between actual results for 2016 and 2015 \$
Statement of Comprehensive Income (Controlled Operations)						
Employee benefits expense		7,821,000	7,796,100	7,511,626	(24,900)	284,474
Supplies and services		1,216,000	1,165,365	1,050,440	(50,635)	114,925
Depreciation and amortisation expense		235,000	252,109	309,089	17,109	(56,980)
Accommodation expenses	1	1,205,000	1,417,842	1,431,465	212,842	(13,623)
Other expenses	2	750,000	31,693	28,150	(718,307)	3,543
Total cost of services		11,227,000	10,663,109	10,330,770	(563,891)	332,339
Income						
<i>Revenue</i>						
Other revenue	A	1,989,000	2,048,126	2,463,316	59,126	(415,190)
Total Revenue		1,989,000	2,048,126	2,463,316	59,126	(415,190)
<i>Net Gain/(Loss)</i>						
Net gain or loss on disposal of non-current assets		-	(18)	64	(18)	(82)
Total Gain/(Loss)		-	(18)	64	(18)	(82)
Total income other than income from State Government		1,989,000	2,048,108	2,463,380	59,108	(415,272)
NET COST OF SERVICES		9,238,000	8,615,001	7,867,390	(622,999)	747,611
Income from State Government						
Service appropriation	B	8,798,000	8,641,000	8,204,000	(157,000)	437,000
Services received free of charge		440,000	508,249	434,884	68,249	73,365
Total income from State Government		9,238,000	9,149,249	8,638,884	(88,751)	510,365
SURPLUS FOR THE PERIOD		-	534,248	771,494	534,248	(237,246)
OTHER COMPREHENSIVE INCOME		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	534,248	771,494	534,248	(237,246)

					Variance between actual results for 2016 and 2015	
	Variance Note	Estimate 2016	Actual 2016	Actual 2015	Variance between estimate and actual	
		\$	\$	\$	\$	\$
Statement of Financial Position						
(Controlled Operations)						
ASSETS						
Current Assets						
Cash and cash equivalents	C,3	790,000	2,342,055	1,647,443	1,552,055	694,612
Restricted cash and cash equivalents	D	-	-	299,940	-	(299,940)
Other current assets		94,000	95,272	102,798	1,272	(7,526)
Receivables		16,000	79,284	62,784	63,284	16,500
Amounts receivable for services		208,000	208,000	208,000	-	-
Total Current Assets		1,108,000	2,724,611	2,320,965	1,616,611	403,646
Non-Current Assets						
Amounts receivable for services		1,958,000	1,958,000	1,917,000	-	41,000
Plant and equipment	4	187,000	94,036	116,521	(92,964)	(22,485)
Intangible assets	E,4	220,000	47,261	165,003	(172,739)	(117,742)
Total Non-Current Assets		2,365,000	2,099,297	2,198,524	(265,703)	(99,227)
TOTAL ASSETS		3,473,000	4,823,908	4,519,489	1,350,908	304,419
LIABILITIES						
Current Liabilities						
Payables	F,5	-	67,439	340,653	67,439	(273,214)
Provisions	6	1,332,000	1,558,557	1,487,431	226,557	71,126
Other current liabilities		60,000	-	925	(60,000)	(925)
Total Current Liabilities		1,392,000	1,625,996	1,829,010	233,996	(203,014)
Non-Current Liabilities						
Provisions	6	549,000	360,778	387,592	(188,222)	(26,814)
Other non-current liabilities		-	-	-	-	-
Total Non-Current Liabilities		549,000	360,778	387,592	(188,222)	(26,814)
TOTAL LIABILITIES		1,941,000	1,986,774	2,216,602	45,774	(229,828)
NET ASSETS		1,532,000	2,837,135	2,302,887	1,305,135	534,248
EQUITY						
Contributed equity		1,206,000	1,206,000	1,206,000	-	-
Accumulated surplus		326,000	1,631,135	1,096,887		
TOTAL EQUITY		1,532,000	2,837,135	2,302,887	1,305,135	534,248

		Variance Note	Estimate 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
			\$	\$	\$	\$	\$
Statement of Cash Flows							
(Controlled Operations)							
CASH FLOWS FROM STATE GOVERNMENT							
Service appropriation	B		8,549,000	8,392,000	7,906,000	(157,000)	486,000
Capital appropriations			-	-	-	-	-
Holding account drawdown			208,000	208,000	196,000	-	12,000
Net cash provided by State Government			8,757,000	8,600,000	8,102,000	(157,000)	498,000
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	G		(8,062,000)	(7,959,285)	(7,439,375)	102,715	(519,910)
Supplies and services	7		(722,000)	(1,062,815)	(914,624)	(340,815)	(148,191)
Accommodation			(1,205,000)	(1,072,318)	(1,084,166)	132,682	11,848
GST payments on purchases	8		-	(228,677)	(221,374)	(228,677)	(7,303)
GST payments to taxation authority	8		-	(16,779)	(28,844)	(16,779)	12,065
Other payments	9		(1,075,000)	(24,600)	(24,000)	1,050,400	(600)
Receipts							
User charges and fees	A		1,989,000	2,034,831	2,455,024	45,831	(420,193)
GST receipts on sales			271,000	198,284	238,562	(72,716)	(40,278)
GST receipts from taxation authority			-	38,856	1,664	38,856	37,192
Net cash used in operating activities			(8,804,000)	(8,092,503)	(7,017,133)	711,497	(1,075,370)
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of non-current assets			(208,000)	(112,807)	(211,172)	95,193	98,365
Payment for disposal of non-current assets			-	(18)	(236)	(18)	218
Net cash used in investing activities			(208,000)	(112,825)	(211,408)	95,175	98,583
Net increase in cash and cash equivalents			(255,000)	394,672	873,459	649,672	(478,787)
Cash and cash equivalents at the beginning of the period			1,045,000	1,947,383	1,073,924	902,383	873,459
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			790,000	2,342,055	1,947,383	1,552,055	394,672

Major Estimate and Actual (2016) Variance Narratives

- 1) The variance in 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 other expenses is primarily due to some expenses, included as other expenses for the estimate, being included in supplies and services or employee benefits for the actual.
- 3) The variance in cash and cash equivalents is primarily due to asset purchases committed in 2015-16 but paid in 2016-17, vacancies due to staff movements that were not filled during 2015-16, and funds from 2014-15, for the function to monitor the Infringement Notices provisions of *The Criminal Code*, that were unspent due to the change in the commencement of the function to March 2015.
- 4) The variance in plant and equipment and intangible assets is primarily due to asset purchases committed in 2015-16 but paid in 2016-17, and fluctuations in the value and timing of depreciation and amortisation of assets.
- 5) The variance in payables is primarily due to liabilities, included in other current liabilities for the estimate, being included in payables for the actual.
- 6) The variance in current and non-current provisions is primarily due to a movement of long service leave provisions from non-current to current provisions due to long service leave falling due in 2015-16, which was not included in the budget. The total of the actual current and non-current provisions is consistent with the estimate.
- 7) The variance in payments for supplies and services is primarily due to some payments, included in other payments for the estimate, being included in supplies and services for the actual.
- 8) The variance in GST payments on purchases and GST payments to taxation authority is primarily due to the payments, included as other payments for the estimate, being included in GST payments on purchases or GST payments to the taxation authority in the actual.
- 9) The variance in other payments is primarily due to some payments, included as other payments for the estimate, being included in supplies and services, employee benefits, GST payments on purchases or GST payments to taxation authority for the actual.



Major Actual (2016) and Comparative (2015) Variance Narratives

- A) The variance in other revenue and receipts from user charges and fees is primarily due to a reduction in income for the performance of the functions of the Energy and Water Ombudsman Western Australia, due to a reduction of complaints in that jurisdiction.
- B) The variance in service appropriation is primarily due to increased funding to monitor the Infringement Notices provisions of *The Criminal Code*, in line with the approved funding for the function in 2015-16, and general cost escalation.
- C) The variance in cash and cash equivalents is primarily due to capital purchases committed in 2015-16 but paid in 2016-17, and vacancies due to staff movements that were not filled during 2015-16.
- D) The variance in restricted cash is primarily due to the transfer of funds, held in suspense for the purpose of meeting the 27th pay, to the operating account for the payment of the 27th pay in 2015-16.
- E) The variance in intangible assets is primarily due the value and timing of asset purchases in 2015-16 and the asset amortisation.
- F) The variance in payables is primarily due to a reduction in accrued salaries due to the payment of the 27th pay in 2015-16 and all credit card expenses being incurred and paid during the same period in 2015-16. In the prior year, some credit card expenses were incurred during 2014-15 but paid during 2015-16.
- G) The variance in employee benefits payments is primarily due to the payment of the 27th pay in 2015-16.



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:

	2016 \$	2015 \$
Financial Assets		
Cash and cash equivalents	2,342,055	1,647,443
Restricted cash and cash equivalents	-	299,940
Receivables ^(a)	59,214	40,032
Amount receivable for services	2,166,000	2,125,000
Financial Liabilities		
Financial liabilities measured at amortised cost	67,439	340,653
Other liabilities	-	925

(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 \$	Up to 1 month \$	1 – 3 months \$	Past due but not impaired			Impaired financial assets \$
					3 months – 1 year \$	1 – 5 Years \$	More than 5 Years \$	
2016								
Cash and cash equivalents	2,342,055	2,342,055	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Receivables ^(a)	59,214	48,788	-	-	-	10,426	-	-
Amount receivable for services	2,166,000	2,166,000	-	-	-	-	-	-
	4,567,269	4,556,843	-	-	-	10,426	-	-
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	-	-	-

(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										
2016	Weighted average effective interest rate %	Interest rate exposure			Nominal Amount	Maturity date				
		Carrying Amount	Fixed interest rate	Variable interest rate		Non-interest bearing	Up to 1 month	1 – 3 months	3 months – 1 year	1 – 5 Years
	€	€	€	€	€	€	€	€	€	€
Financial Assets										
Cash and cash equivalents	2,342,055	-	-	2,342,055	2,342,055	2,342,055	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Receivables ^(a)	59,214	-	-	59,214	59,214	59,214	-	-	-	-
Amount receivable for service	2,166,000	-	-	2,166,000	2,166,000	-	-	208,000	832,000	1,126,000
	4,567,269	-	-	4,567,269	4,567,269	2,401,269	-	208,000	832,000	1,126,000
Financial Liabilities										
Payables	67,439	-	-	67,439	67,439	67,439	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
	67,439	-	-	67,439	67,439	67,439	-	-	-	-

(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											
2015	Weighted average effective interest rate %	Interest rate exposure				Nominal Amount	Maturity date				
		Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 month	1 – 3 months	3 months – 1 year	1 – 5 Years	More than 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 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:

\$	2016	2015
1 - 10,000	-	1
60,001 - 70,000	1	-
80,001 - 90,000	1	-
110,001 - 120,000	-	1
140,001 - 150,000	1	-
150,001 - 160,000	-	1
180,001 - 190,000	1	-
200,001 - 210,000	1	1
210,001 - 220,000	-	1
260,001 - 270,000	1	-
280,001 - 290,000	-	1
400,001 - 410,000	1	-
420,001 - 430,000	-	1
	\$	\$
Base remuneration and superannuation	1,352,094	1,271,003
Annual leave and long service leave accruals	(58,285)	27,520
Other benefits	71,972	97,861
Total remuneration of senior officers	1,365,781	1,396,384

Total remuneration includes the 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 2015-16 and 2014-15 is primarily due to senior officer movements and leave accrual 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:

	2016 \$	2015 \$
Auditing the accounts, controls, financial statements	25,100	24,600
	25,100	24,600

Note 31. Indian Ocean Territories

The Indian Ocean Territories Reimbursement Fund (**the 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. Any balance of the Fund at the end of the financial year is included in the Office's Operating Account. Any under or over expenditure at the end of the reporting period, for example, due to fluctuations in complaint numbers, is refunded or recouped from the Commonwealth Department of Infrastructure and Regional Development (**DIRD**) in the subsequent reporting period. Where, by agreement with DIRD, any funds are retained for expenditure in the next year, this is treated as restricted cash. The figures presented below for the Fund have been prepared on a cash basis.

	2016 \$	2015 \$
Opening Balance	41,389	2,103
Receipts	24,832	65,006
Payments	(81,019)	(25,720)
Closing Balance^(a)	(14,798)	41,389

- (a) In 2014-15, \$41,389 was retained as restricted cash to cover the cost associated with the planned regional visit to the Indian Ocean Territories in 2015-16. The over expenditure of \$14,798 in 2015-16 will be recouped from DIRD in 2016-17.

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

	2016	2015
	\$	\$
<u>Current</u>		
Prepayments	95,272	102,798
Total current	95,272	102,798

Note 34. Other liabilities

	2016	2015
	\$	\$
<u>Current</u>		
Contracts software	-	925
Total current	-	925





Key Performance Indicators

Certification of Key Performance Indicators

For year ended 30 June 2016

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 2016.

Mary White
Chief Finance Officer

27 July 2016

Chris Field
Accountable Authority

27 July 2016

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	2011-12	2012-13	2013-14	2014-15	2015-16 Target	2015-16 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)	96	72	152	99	100	156

- (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 2015-16 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 2015-16, exceeded the 2014-15 actual result (99) and the 2015-16 target (100). There may, however, be fluctuations from year to year, related to the number and nature of investigations finalised by the Office in any given year.

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	2011-12	2012-13	2013-14	2014-15	2015-16 Target	2015-16 Actual
Percentage of allegations finalised within three months	72%	83%	98%	98%	95%	95%
Percentage of allegations finalised within 12 months	99%	99%	100%	100%	100%	100%
Percentage of allegations on hand at 30 June less than three months old	45%	94%	98%	96%	90%	93%
Percentage of allegations on hand at 30 June less than 12 months old	99%	96%	100%	100%	100%	100%
Average cost per finalised allegation (a)	\$1,866	\$1,821	\$1,858	\$1,857	\$1,890	\$1,886
Average cost per finalised notification of death (b)	\$10,410	\$12,281	\$18,407	\$18,983	\$18,950	\$18,597
Cost to monitor the Infringement Notices provisions of <i>The Criminal Code</i> (c)	N/A	N/A	N/A	\$413,586	\$858,000	\$851,068
Cost of monitoring and inspection functions (d)	NA	NA	NA	NA	\$415,000	\$413,821

- (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.
- (d) As 2015-16 is the first year of this Key Efficiency Indicator there is no comparable data in prior years.

New Key Efficiency Indicator

The Office has a range of monitoring and inspection functions under relevant legislation, including:

- Inspection of telecommunication interception records under the *Telecommunications (Interception and Access) Western Australia Act 1996* and the *Telecommunications (Interception and Access) Act 1979 (Commonwealth)*;
- Monitoring under the *Criminal Organisations Control Act 2012*; and
- Receiving complaints from persons detained under the *Terrorism (Preventative Detention) Act 2006*.

Commencing in 2015-16, a new Key Efficiency Indicator, the 'Cost of monitoring and inspection functions' has been developed and comprises the net cost of these monitoring and inspection functions. As 2015-16 is the first year of this Key Efficiency Indicator, there is no comparable data in prior years.

Comparison of Actual Results and Budget Targets

The 2015-16 actual results for each of the Key Efficiency Indicators relating to allegations on hand and allegations finalised matched or exceeded the 2015-16 target. Overall, all 2015-16 actual results represented significant improvement in the efficiency of complaint resolution over the last five years.

The average cost per finalised allegation in 2015-16 (\$1,886) is comparable to the 2014-15 actual result (\$1,857) and met the 2015-16 target (\$1,890). Since 2007-08, the efficiency of complaint resolution has improved significantly with the average cost per finalised allegation reduced by a total of 36% from \$2,941 in 2007-08 to \$1,886 in 2015-16.

The average cost per finalised notification of death (\$18,597) is comparable to the 2014-15 actual result (\$18,983) and met the 2015-16 target (\$18,950).

The cost to monitor the Infringement Notices provisions of *The Criminal Code* (\$851,068) met the 2015-16 target (\$858,000). The 2015-16 actual result is higher than the 2014-15 actual result (\$413,586), in line with the approved funding for the function in 2015-16.

The cost of monitoring and inspection functions (\$413,821) met the 2015-16 target (\$415,000).



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 about local government and Western Australian public authorities delivering services to the Indian Ocean Territories. Each year the Office recoups costs from the Australian Government for any complaints received from the Indian Ocean 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 Indian Ocean Territories by the Ombudsman or staff and any promotional materials are also recouped in full; and
- The Office is involved in a program, the principal goal of which is to provide greater access across Indonesia to more effective and sustainable Ombudsman services. The Office recoups costs for its participation in the program from the Commonwealth Ombudsman's Office.

Capital works

There were no major capital projects undertaken during 2015-16.

Employee Information

Employment of staff

As at 30 June 2016 there were 68 people (64.62 full-time equivalent positions (FTEs) directly employed by the Office, including 59 full-time employees and 9 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 72 staff (68.52 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 2014-15 and 2015-16.

Staff numbers as at 30 June 2016

Employee Category	2014-15	2015-16
Full-time permanent	42	53
Full-time contract	12	6
Part-time permanent	10 (6.43 FTEs)	9 (5.62 FTEs)
Part-time contract	0 (0 FTEs)	0 (0 FTEs)
TOTAL	64 (60.43 FTEs)	68 (64.62 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.

New staff 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 the Continuous Professional Development Program. 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 2015-2020*; 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* and *Accountable and Ethical Decision Making* training 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 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*](#).

Unauthorised use of credit cards

Staff of the Office hold corporate credit cards where their functions warrant the use of this facility.

The Office has robust policies and procedures regulating credit card use, and the use of a credit card for personal purposes is prohibited. During 2015-16, there was no use of a credit card for personal purposes.



Personal Use of Credit Cards	2015-16
Aggregate amount of personal use expenditure.	Nil
Aggregate amount of personal use expenditure settled by the due date (within 5 working days).	Not applicable
Aggregate amount of personal use expenditure settled after the due date (after 5 working days).	Not applicable
Aggregate amount of personal use expenditure outstanding at 30 June 2016.	Not applicable

Other Legal Requirements

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

During 2015-16, the Office incurred the following expenditure in relation to advertising, market research, polling, direct mail and media advertising that requires disclosure under section 175ZE of the [Electoral Act 1907](#).

Total expenditure for 2015-16 was \$22,605 for state-wide advertising for the 'Monitoring the infringement notices provisions of *The Criminal Code*: Consultation Paper', 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	\$22,123	Adcorp
	\$282	Budsoar Pty Ltd (Koori Mail)
	\$200	National Indigenous Times
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 2015-16 the Office continued to implement the strategies under 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. Online documents are published in PDF format, and written correspondence can be scanned with Optical Character Recognition and sent electronically in PDF format, compatible with screen readers. 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 and a video on providing services to people with a disability, *Make a Difference* produced by the Disability Services Commission, is included in induction training for all new staff. In 2015-16, Managers received training on the Office's disability access and inclusion strategies.

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. Any public consultation conducted by the Office and promoted on the website meets disability access requirements. In 2015-16 the Office also conducted consultation in Albert Facey House, which is accessible to people with a disability. Documents released for public consultation can also 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 Accountable and Ethical 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. In 2015-16, staff completed *Accountable and Ethical Decision Making* training as part of the Office's Continuous Professional Development Program.

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 Internal 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 2016-18 (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, Investigations, Reviews, 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. 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 Accountable and Ethical 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 Policy* and *Gifts, Benefits and Hospitality Policy* 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 2015-16 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 recordkeeping, records management and communications ensure the Office safeguards the confidentiality and integrity of information, preventing unauthorised or false disclosure.

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, the Occupational Safety and Health representatives, the union representative and the Principal Aboriginal Liaison Officer.

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 Internal 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 Strategic Audit Plan is based on the areas of risk identified in the *Risk Management Plan* and the Internal Audit and Risk Management Committee oversees the audit plan and audits for each year.

In 2015-16, internal audits were conducted of the Office's information technology security and recordkeeping, and financial management and procurement practices. The audits showed internal controls are 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 File Classification Plan* and *Security Framework* and a *Records Disaster Recovery Plan*;



- An electronic document records management system (**EDRMS**) called HP Records Manager was implemented in 2005 and subsequently upgraded in 2011-12. A further major upgrade to the EDRMS occurred in 2015-16;
- The Office's case management databases; and
- A series of guidelines and a user manual, together with an online training module, are made available to staff.

During 2015-16, the Office conducted a comprehensive review of its *Recordkeeping Plan* and framework, including the Office's *Recordkeeping Policy*, *Records File Classification Plan* and *Security Framework*, *Records Management Disaster Recovery Plan*, user manual and a number of guidelines for staff. The *Recordkeeping Plan* was approved by the State Records Commission at its meeting on 26 November 2015.

The *Record File Classification Plan* and *Security Framework* was further updated in March 2016.

During the year, the Office conducted a review of its *General Disposal Schedule* for functional records. The revised Schedule was submitted to the State Records Commission for approval in June 2016.

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 accessed and updated through RESOLVE.

Evaluation and review of efficiency and effectiveness of systems and training

During 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 2015-16, an internal audit on information technology security and recordkeeping was concluded and, with respect to recordkeeping, found effective internal control is being maintained.

In June 2016, as part of a program of regular reviews of the effectiveness of the Office's recordkeeping systems, a survey was developed and distributed to all staff. The results of the survey will allow for the development of targeted training or other programs to address common themes across the Office.

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 *Accountable and Ethical Decision Making* training and the Office's *Code of Conduct*, which is signed by all staff on appointment.

In 2015-16, the Office launched an online training module 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 2015-16 the Principal Aboriginal Liaison Officer position was filled and further promotes high levels of awareness and accessibility to the Office for Aboriginal people as well as providing expert advice and support relating to the needs of Aboriginal people for staff undertaking the Office's functions.

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. This Program is an important way for the Office to:

- Ensure awareness of, and accessibility 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 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 2015;
- 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 or the Principal Aboriginal Liaison Officer 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;
- Involving the Principal Aboriginal Liaison Officer and 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; and
- Consultation activities specifically targeted to Aboriginal and culturally and linguistically diverse communities.

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 2015-16, 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 2015-16:

- 7.8% of people identified as Aboriginal, compared to 3.6% of the population;
- 33.8% of people were born overseas compared to 31% of the population; and
- 17.7% 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 2015-16, an OSH session was held for Managers in which they were briefed on relevant Office policies, the OSH roles and responsibilities of all staff and managers, and common themes related to Office health and safety. During the year a series of OSH sessions were held for staff on mental health communication and challenges in the workplace.

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. The Office's OSH systems are included in the Internal Audit and Risk Management Program and an internal audit of the OSH system against the elements of the WorkSafe Plan commenced in June 2016.

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 2015-16, 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, and there was a trial security incident to test the internal security systems and processes of the Office.

Annual performance

During 2015-16, two workers' compensation claims were recorded. The Office's OSH and injury management statistics for 2015-16 are shown below.

	Actual Results		Results Against Target	
Measure	2014-15 Actual	2015-16 Actual	2015-16 Target	Comment on Result
Number of fatalities	0	0	0	Target achieved
Lost time injury/disease (LTI/D) incidence rate	3.3	1.5	0	The Office had one lost time injury 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.	(i) 100% (ii) 100%	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.	100%	100%	>80%	Target exceeded



This page has been intentionally left blank.

