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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 Directions](#)
 - [Other Financial Disclosures](#)
 - [Employment of staff](#)
 - [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

Opinion

I have audited the financial statements of the Parliamentary Commissioner for Administrative Investigations which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, 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.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Parliamentary Commissioner for Administrative Investigations for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Parliamentary Commissioner in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Parliamentary Commissioner 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, the *Financial Management Act 2006* 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.

In preparing the financial statements, the Parliamentary Commissioner is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Parliamentary Commissioner.

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. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parliamentary Commissioner.
- Conclude on the appropriateness of the Parliamentary Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Parliamentary Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Parliamentary Commissioner for Administrative Investigations. The controls exercised by the Parliamentary Commissioner 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

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 2018.

The Parliamentary Commissioner's Responsibilities

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

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Parliamentary Commissioner for Administrative Investigations for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

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 2018.

The 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 internal control as the Parliamentary Commissioner determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Parliamentary Commissioner is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

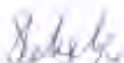
I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 2018 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.



SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
21 August 2018

Financial Statements

Index of Financial Statements

[Certification of Financial Statements](#)

[Statement of Comprehensive Income](#)

[Statement of Financial Position](#)

[Statement of Changes in Equity](#)

[Statement of Cash Flows](#)

[Statement of Consolidated Account Appropriations and Income Estimates](#)

[Note 1. Basis of preparation](#)

[Note 2. Agency outputs](#)

[Note 3. Use of our funding](#)

[Note 4. Our funding sources](#)

[Note 5. Key assets](#)

[Note 6. Other assets and liabilities](#)

[Note 7. Financing](#)

[Note 8. Risks and contingencies](#)

[Note 9. Other disclosures](#)

Financial Statements

For the reporting period ended 30 June 2018

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 2018 and the financial position as at 30 June 2018.

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.



Alan Shaw
Chief Finance Officer

21 August 2018



Chris Field
Accountable Authority

21 August 2018

Statement of Comprehensive Income

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1(a)	9,191,283	8,431,813
Supplies and services	3.2	1,072,897	1,029,470
Depreciation and amortisation expense	5.1.1, 5.2.1	203,730	177,906
Accommodation expenses	3.2	1,391,978	1,427,269
Other expenses	3.2	70,792	39,877
Total cost of services		11,930,680	11,106,335
Income			
<i>Revenue</i>			
Other revenue	4.2	2,213,574	2,055,313
Total revenue		2,213,574	2,055,313
Total income other than income from State Government		2,213,574	2,055,313
NET COST OF SERVICES		9,717,106	9,051,022
Income from State Government			
Service appropriation	4.1	7,859,000	8,166,000
Services received free of charge	4.1	452,391	484,292
Total income from State Government		8,311,391	8,650,292
DEFICIT FOR THE PERIOD		(1,405,715)	(400,729)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,405,715)	(400,729)

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

Statement of Financial Position

As at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	468,134	1,849,259
Restricted cash and cash equivalents	7.1	1,783	2,873
Other current assets	6.3	95,923	95,169
Receivables	6.1	78,522	44,404
Amounts receivable for services	6.2	208,000	208,000
Total Current Assets		852,362	2,199,706
Non-Current Assets			
Restricted cash and cash equivalents	7.1	63,743	32,202
Amounts receivable for services	6.2	1,948,000	1,971,000
Plant and equipment	5.1	64,740	96,572
Intangible assets	5.2	235,916	267,279
Total Non-Current Assets		2,312,400	2,367,053
TOTAL ASSETS		3,164,762	4,566,759
LIABILITIES			
Current Liabilities			
Payables	6.4	110,776	83,715
Provisions	3.1(b)	1,537,588	1,479,979
Other current liabilities	6.5	48,184	48,184
Total Current Liabilities		1,696,548	1,611,877
Non-Current Liabilities			
Provisions	3.1(b)	437,524	464,679
Other non-current liabilities	6.5	-	53,798
Total Non-Current Liabilities		437,524	518,477
TOTAL LIABILITIES		2,134,072	2,130,354
NET ASSETS		1,030,689	2,436,404
EQUITY			
Contributed equity	9.6	1,206,000	1,206,000
Accumulated surplus/(deficit)	9.6	(175,311)	1,230,404
TOTAL EQUITY		1,030,689	2,436,404

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 2018

	Notes	Contributed equity \$	Reserves \$	Accumulated surplus/(deficit) \$	Total equity \$
Balance at 1 July 2016	<u>9.6</u>	1,206,000	-	1,631,134	2,837,134
Surplus		-	-	(400,729)	(400,729)
Total comprehensive income for the year		-	-	(400,729)	(400,729)
Balance at 30 June 2017		1,206,000	-	1,230,404	2,436,404
Balance at 1 July 2017		1,206,000	-	1,230,404	2,436,404
Deficit		-	-	(1,405,715)	(1,405,715)
Total comprehensive income for the year		-	-	(1,405,715)	(1,405,715)
Balance at 30 June 2018		1,206,000	-	(175,311)	1,030,689

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 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		7,644,000	7,945,000
Capital appropriations		-	-
Holding account drawdown		238,000	208,000
Net cash provided by State Government		7,882,000	8,153,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(9,180,715)	(8,385,880)
Supplies and services		(941,107)	(866,505)
Accommodation		(1,111,860)	(1,112,101)
GST payments on purchases		(219,896)	(230,234)
GST payments to taxation authority		(44,557)	-
Other payments		(25,400)	(25,100)
Receipts			
GST receipts on sales		212,559	197,407
GST receipts from taxation authority		55,206	48,736
Other receipts		2,212,879	2,061,435
Net cash used in operating activities	7.1.2	(9,042,892)	(8,312,241)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(189,782)	(298,480)
Net cash used in investing activities		(189,782)	(298,480)
Net (decrease)/increase in cash and cash equivalents		(1,350,675)	(457,721)
Cash and cash equivalents at the beginning of the period		1,884,334	2,342,055
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.1.1	533,659	1,884,334

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 2018

	2018 Estimate \$	2018 Actual \$	Variance \$	2018 Actual \$	2017 Actual \$	Variance \$
Delivery Services						
Item 4 Net amount appropriated to deliver services	7,060,000	7,200,000	140,000	7,200,000	7,507,000	(307,000)
Amount Authorised by Other Statutes						
- <i>Parliamentary Commissioner Act 1971</i>	659,000	659,000	-	659,000	659,000	-
Total appropriations provided to deliver services	7,719,000	7,859,000	140,000	7,859,000	8,166,000	(307,000)
Capital						
Item 118 Capital appropriations	-	-	-	-	-	-
GRAND TOTAL	7,719,000	7,859,000	140,000	7,859,000	8,166,000	(307,000)
Details of Expenses by Service						
Resolving complaints about decision making of public authorities and improving the standard of public administration	10,148,000	11,930,680	1,782,680	11,930,680	11,106,335	824,345
Total Cost of Services	10,148,000	11,930,680	1,782,680	11,930,680	11,106,335	824,345
Less Total Income	(1,989,000)	(2,213,574)	(224,574)	(2,213,574)	(2,055,313)	(158,261)
Net Cost of Services	8,159,000	9,717,106	1,558,106	9,717,106	9,051,022	666,084
Adjustments	(440,000)	(1,858,106)	(1,418,106)	(1,858,106)	(885,022)	(973,084)
Total appropriations provided to deliver services	7,719,000	7,859,000	140,000	7,859,000	8,166,000	(307,000)
Capital Expenditure						
Purchase of non-current assets	208,000	189,782	(18,218)	189,782	298,480	(108,698)
Adjustments for other funding sources	(208,000)	-	208,000	-	(298,480)	298,480

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

Note 9.9 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2018 and between the actual results for 2018 and 2017.

Notes to the Financial Statements

For the year ended 30 June 2018

1. Basis of preparation

The Office is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Office is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Office on 21 August 2018.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

- (1) The *Financial Management Act 2006* (**FMA**);
- (2) The Treasurer's Instructions (**the Instructions or TI**);
- (3) Australian Accounting Standards (**AAS**) including applicable interpretations; and
- (4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (**the Instructions**) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

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.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

2. Agency outputs

How the Office operates

This section includes information regarding the nature of funding the Office receives and how this funding is utilised to achieve the Office's objectives. This note also provides the distinction between controlled funding and administered funding:

	Notes
Agency objectives	2.1

2.1 Agency objectives

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.

3. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Office's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Office in achieving its objectives and the relevant notes are:

	Notes	2018 \$	2017 \$
Employee benefits expenses	3.1(a)	9,191,283	8,431,813
Employee related provisions	3.1(b)	1,975,112	1,944,658
Other expenditure	3.2	2,535,667	2,496,616

3.1(a) Employee benefits expense

	2018 \$	2017 \$
Wages and salaries	7,676,244	7,671,948
Termination benefits	688,774	-
Superannuation - defined contribution plans ^(a)	759,234	756,003
Other related expenses	67,031	3,862
	9,191,283	8,431,813

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, and leave entitlements.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Office is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (**GESB**) in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

The Office does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. 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 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.

Note 3.1(b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2018 \$	2017 \$
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	527,658	524,936
Long service leave ^(b)	992,653	931,374
Purchased leave scheme ^(c)	10,300	16,992
	1,530,611	1,473,302
<i>Other provisions</i>		
Employment on-costs ^(d)	6,977	6,677
	6,977	6,677
Total current employee related provisions	1,537,588	1,479,979

	2018 \$	2017 \$
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	435,547	462,574
	435,547	462,574
<i>Other provisions</i>		
Employment on-costs ^(d)	1,977	2,105
	1,977	2,105
Total non-current employee related provisions	437,524	464,679
Total employee related provisions	1,975,112	1,944,658

- (a) **Annual leave liabilities:** 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:

	2018 \$	2017 \$
Within 12 months of the end of the reporting period	428,034	403,829
More than 12 months after the end of the reporting period	99,624	121,107
	527,658	524,936

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

- (b) **Long service leave liabilities:** 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.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$	2017 \$
Within 12 months of the end of the reporting period	405,273	351,517
More than 12 months after the end of the reporting period	1,022,927	1,042,431
	1,428,200	1,393,948

The provision for long service leave are calculated at present value as the Office does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and 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.

- (c) **Purchased leave liabilities:** Purchased leave liabilities have been classified as current as they must be cleared or paid out within 12 months.
- (d) **Employment on-costs:** 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.

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 expenditure', Note 3.2 (apart from the unwinding of the discount (finance cost)), and are not included as part of the Office's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2018 \$	2017 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	8,782	875
Additional provisions recognised	172	7,907
Carrying amount at end of period	8,954	8,782

Key sources of estimation uncertainty – long service leave

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.

Several estimates and assumptions are used in calculating the Office's long service leave provision. These 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. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Other expenditure

	2018 \$	2017 \$
Supplies and services		
Communications	87,892	69,708
Consumables	84,024	106,084
Services and contracts	377,138	378,400
Services received free of charge	171,526	169,236
Insurance	49,299	53,656
Travel	68,412	39,440
Other ^(a)	234,605	212,946
Total supplies and services expenses	1,072,897	1,029,470
Accommodation expenses		
Lease rentals	1,111,113	1,111,761
Repairs and maintenance	-	451
Services received free of charge ^(b)	280,865	315,057
Total accommodation expenses	1,391,978	1,427,269
Other		
Employment on-costs	172	7,907
Audit fee	25,700	25,400
Bad debts ^(c)	25,981	-
Other	18,939	6,570
Total other expenses	70,792	39,877
Total other expenditure	2,535,667	2,496,616

(a) Includes expenses relating to motor vehicles, parking and utilities.

(b) Relates to the notional value of the depreciation of the fit-out of office accommodation provided through Building Management and Works (Department of Finance Note 4.1).

(c) Relates to the write-off of irrecoverable salary overpayments.

Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Accommodation expenses:

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Other:

Employee on-cost includes workers' compensation insurance and other employment on-costs.

The on-costs liability associated with the recognition of annual and long service leave liabilities is included at 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

4. Our funding sources

How we obtain our funding

This section provides additional information about how the Office obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Office and the relevant notes are:

	Notes	2018 \$	2017 \$
Income from State Government	4.1	8,311,391	8,650,292
Other revenue	4.2	2,213,574	2,055,313

4.1 Income from State Government

	2018 \$	2017 \$
Appropriation received during the period		
Service appropriation ^(a)		
- Recurrent	7,200,000	7,507,000
Special Acts	659,000	659,000
	7,859,000	8,166,000
Services received free of charge from other State government agencies during the period:		
State Solicitor's Office	-	13,271
Department of the Premier and Cabinet	171,526	155,965
Department of Finance	280,865	315,057
Total services received	452,391	484,292
Total income from State Government	8,311,391	8,650,292

- (a) **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 in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered (as set out in note 2). Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset).

The 'Amounts receivable for services (Holding Account) (Note 6.2) comprises the following:

- The budgeted depreciation expense for the year; and
- Any agreed increase in leave liabilities during the year.

4.2 Other revenue

	2018 \$	2017 \$
Other revenue - general	66,960	104,870
Other recoup ^(a)	2,146,614	1,950,443
	2,213,574	2,055,313

(a) Includes recoup for the costs of the functions of the Energy and Water Ombudsman Western Australia (see Note 2.1) and services of the Office in relation to complaints involving the Indian Ocean Territories (see Note 9.8).

Revenue is recognised and measured at the fair value of consideration received or receivable.

5. Key assets

Assets the Office utilises for economic benefit or service potential

This section includes information regarding the key assets the Office utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2018 \$	2017 \$
Plant and equipment	5.1	64,740	96,572
Intangibles	5.2	235,916	267,279
Total key assets		300,656	363,851

5.1 Plant and equipment

	Furniture and Fittings	Computer Hardware	Office Equipment	Communications	Total
Year ended 30 June 2017	\$	\$	\$	\$	\$
1 July 2016					
Gross carrying amount	6,814	244,771	56,844	213,050	521,479
Accumulated depreciation	(2,895)	(183,705)	(27,793)	(213,050)	(427,444)
Carrying amount at start of period	3,919	61,066	29,051	-	94,035
Additions	-	58,292	-	-	58,292
Depreciation	(681)	(43,829)	(11,245)	-	(55,755)
Carrying amount at 30 June 2017	3,237	75,529	17,806	-	96,572

	Furniture and Fittings	Computer Hardware	Office Equipment	Communications	Total
Year ended 30 June 2018	\$	\$	\$	\$	\$
1 July 2017					
Gross carrying amount	6,814	303,063	56,844	213,050	579,771
Accumulated depreciation	(3,577)	(227,534)	(39,038)	(213,050)	(483,199)
Carrying amount at start of period	3,237	75,529	17,806	-	96,572
Additions	-	3,766	14,655	-	18,421
Depreciation	(681)	(40,063)	(9,509)	-	(50,253)
Carrying amount at 30 June 2018	2,556	39,233	22,952	-	64,740

Initial recognition

Items of plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. 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).

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.

5.1.1 Depreciation and impairment

Charge for the period

	2018 \$	2017 \$
Furniture fixtures and fittings	681	681
Computer hardware	40,063	43,829
Office equipment	9,509	11,245
Total depreciation for the period	50,253	55,755

As at 30 June 2018 there were no indications of impairment to plant and equipment.

All surplus assets at 30 June 2018 have either been classified as assets held for sale or have been written-off.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

All plant and equipment 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. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Furniture and fittings	10 years
Plant and machinery	10 years
Computer hardware	3 years
Office equipment	5 years
Software ^(a)	3 years

(a) Software that is integral to the operation of related hardware.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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 its recoverable amount, an impairment loss is recognised through profit or loss.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 declining replacement costs.

5.2 Intangible assets

	Computer software	Total
Year ended 30 June 2017	\$	\$
1 July 2016		
Gross carrying amount	1,195,540	1,195,540
Accumulated amortisation	(1,148,280)	(1,148,280)
Carrying amount at start of period	47,260	47,260
Additions	342,170	342,170
Amortisation	(122,151)	(122,151)
Carrying amount at 30 June 2017	267,279	267,279
	Computer Software	Total
Year ended 30 June 2018	\$	\$
1 July 2017		
Gross carrying amount	1,537,710	1,537,710
Accumulated amortisation	(1,270,431)	(1,270,431)
Carrying amount at start of period	267,279	267,279
Additions	122,115	122,115
Amortisation	(153,478)	(153,478)
Carrying amount at 30 June 2018	235,916	235,916

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

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.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset, and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probable future economic benefit;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

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

5.2.1 Amortisation and impairment

Charge for the period

	2018 \$	2017 \$
Computer software	153,478	122,151
Total amortisation for the period	153,478	122,151

As at 30 June 2018 there were no indications of impairment to intangible assets.

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.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Office have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

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

Asset	Useful life: years
Computer software ^(a)	3 years

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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.

6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Office's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018 \$	2017 \$
Receivables	6.1	78,522	44,404
Amounts receivable for services	6.2	2,156,000	2,179,000
Other current assets	6.3	95,923	95,169
Payables	6.4	110,776	83,715
Other liabilities	6.5	48,184	101,982

6.1 Receivables

	2018 \$	2017 \$
<u>Current</u>		
Receivables	59,543	30,959
GST receivable	-	5,390
Purchased leave receivable	18,978	8,055
Total current	78,522	44,404

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

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

6.2 Amounts receivable for services (Holding Account)

	2018 \$	2017 \$
Current	208,000	208,000
Non-current	1,948,000	1,971,000
Balance at end of period	2,156,000	2,179,000

Amounts receivable for services represent 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.

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.

6.3 Other assets

	2018 \$	2017 \$
Current		
Prepayments	95,923	95,169
Total current	95,923	95,169
Balance at end of period	95,923	95,169

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 Payables

	2018 \$	2017 \$
Current		
Trade payables	27,584	-
Accrued expenses	48,566	50,913
Accrued salaries	27,378	29,836
Accrued superannuation	2,717	2,956
GST payable	1,529	-
Other payables	3,002	10
Total current	110,776	83,715
Balance at end of period	110,776	83,715

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.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Office considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.1 'Cash and cash equivalents') consists of amounts paid annually, from Office appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

6.5 Other liabilities

	2018 \$	2017 \$
Current		
Software contracts ^(a)	48,184	48,184
Total current	48,184	48,184
Non-current		
Software contracts ^(a)	-	53,798
Total non-current	-	53,798
Balance at end of period	48,184	101,982

(a) Contract for right-of-use software for the Complaints Management System.

7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Office.

	Notes
Cash and cash equivalents	7.1
Reconciliation of cash	7.1.1
Reconciliation of operating activities	7.1.2
Commitments	7.2
Non-cancellable operating lease commitments	7.2.1
Capital commitments	7.2.2
Other expenditure commitments	7.2.3

7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash

	Notes	2018 \$	2017 \$
Current			
Cash and cash equivalents	8.1	468,134	1,849,259
Restricted cash and cash equivalents			
– Indian Ocean Territories	9.8	1,783	2,873
Non-current			
Restricted cash and cash equivalents			
– Accrued salaries suspense account ^(a)		63,743	32,202
Balance at end of period		533,660	1,884,834

(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

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.

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

	Note	2018 \$	2017 \$
Net cost of services		(9,717,106)	(9,051,022)
Non-cash items			
Depreciation and amortisation expense	5.1, 5.2	203,730	177,906
Services received free of charge	4.1	452,391	484,292
Intangibles work in progress		(4,552)	-
(Increase)/decrease in assets			
Current receivables ^(a)		(39,507)	20,200
Other current assets		(754)	103
Increase/(decrease) in liabilities			
Accrued salaries		(2,458)	29,836
Accrued superannuation		(239)	2,956
Accrued expenses		(2,347)	(15,177)
Current payables ^(a)		30,576	(1,339)
Current provisions		57,609	(78,577)
Non-current provisions		(27,155)	103,901
Net GST (payments)/receipts ^(b)		49,828	14,679
Change in GST in receivables/payables ^(c)		(42,909)	-
Net cash provided by/(used in) operating activities		(9,042,892)	(8,312,242)

(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.

The mandatory application of AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* imposed disclosure impacts only. The Office is not exposed to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

7.2. Commitments

All commitments are presented inclusive of GST.

7.2.1 Non-cancellable operating lease commitments

	2018 \$	2017 \$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	1,286,814	984,135
Later than 1 year and not later than 5 years	5,115,648	35,979
Later than 5 years	-	-
	6,402,462	1,020,114

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

The Office has entered into a memorandum of understanding with the Department of Finance's Building Management and Works division for the lease of 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 five year occupancy period from 2018-23. Rent is payable monthly. Contingent rent provisions within the memorandum of understanding require that the lease payments shall be subject to market indices each financial year.

A motor vehicle lease is a non-cancellable lease with a three to five 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.

7.2.2 Capital commitments

	2018 \$	2017 \$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are		
Within 1 year ^(a)	14,105	4,143
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	14,105	4,143

- (a) Due to the timing of the replacement of Office assets, some intangible assets were committed in 2017-18 but not paid until 2018-19.

7.2.3 Other expenditure commitments

	2018 \$	2017 \$
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	-	3,300
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	-	3,300

Judgements made by management in applying accounting policies – operating lease commitments

The Office has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

8. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the Office.

	Note
Financial risk management	<u>8.1</u>
Contingent assets and liabilities	<u>8.2</u>

8.1 Financial risk management

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.

(a) Summary of risks and risk management

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 8.1(c) 'Ageing analysis of financial assets' and Note 6.1 '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:

	2018 \$	2017 \$
<u>Financial Assets</u>		
Cash and cash equivalents	468,134	1,849,259
Restricted cash and cash equivalents	65,526	35,075
Receivables ^(a)	78,522	39,014
Amount receivable for services	2,156,000	2,179,000
<u>Financial Liabilities</u>		
Payables ^(a)	109,247	83,715
Other liabilities	48,184	101,982

(a) The amount of receivables/payables excludes GST recoverable from and payable to the ATO.

(c) Ageing 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	€
2018								
Cash and cash equivalents	468,134	468,134	-	-	-	-	-	-
Restricted cash and cash equivalents	65,526	65,526	-	-	-	-	-	-
Receivables ^(a)	78,522	78,522	-	-	-	-	-	-
Amount receivable for services	2,156,000	2,156,000	-	-	-	-	-	-
	2,768,182	2,768,182	-	-	-	-	-	-
2017								
Cash and cash equivalents	1,849,259	1,849,259	-	-	-	-	-	-
Restricted cash and cash equivalents	35,075	35,075	-	-	-	-	-	-
Receivables ^(a)	39,014	19,381	9,207	-	-	10,426	-	-
Amount receivable for services	2,179,000	2,179,000	-	-	-	-	-	-
	4,102,348	4,082,715	9,207	-	-	10,426	-	-

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

(d) 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										
2018	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	468,134	-	-	468,134	468,134	468,134	-	-	-	-
Restricted cash and cash equivalents	65,526	-	-	65,526	65,526	1,783	-	-	-	63,743
Receivables ^(a)	78,522	-	-	78,522	78,522	78,522	-	-	-	-
Amount receivable for service	2,156,000	-	-	2,156,000	2,156,000	-	-	208,000	832,000	1,116,000
	2,768,182	-	-	2,768,182	2,768,182	548,439	-	208,000	832,000	1,179,743
Financial Liabilities										
Payables ^(a)	109,247	-	-	109,247	109,247	109,247	-	-	-	-
Other liabilities	48,184	-	-	48,184	48,184	-	-	48,184	-	-
	157,431	-	-	157,431	157,431	109,247	-	48,184	-	-

(a) The amount of receivables and payables excludes GST recoverable from and payable to the ATO.

Interest rate exposure and maturity analysis of financial assets and financial liabilities										
2017	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	1,849,259	-	-	1,849,259	1,849,259	1,849,259	-	-	-	-
Restricted cash and cash equivalents	35,075	-	-	35,075	35,075	2,873	-	-	-	32,202
Receivables ^(a)	39,014	-	-	39,014	39,014	39,014	-	-	-	-
Amount receivable for service	2,179,000	-	-	2,179,000	2,179,000	-	-	208,000	832,000	1,139,000
	4,102,348	-	-	4,102,348	4,102,348	1,891,146	-	208,000	832,000	1,171,202
Financial Liabilities										
Payables ^(a)	83,715	-	-	83,715	83,715	83,715	-	-	-	-
Other liabilities	101,982	-	-	101,982	101,982	-	-	48,184	53,798	-
	185,697	-	-	185,697	185,697	83,715	-	48,184	53,798	-

(a) The amount of receivables and payables excludes GST recoverable from and payable to the ATO.

(e) 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.

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

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

9. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Note
Events occurring after the end of the reporting period	9.1
Future impact of Australian standards issued not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Remuneration of auditors	9.5
Equity	9.6
Supplementary financial information	9.7
Indian Ocean Territories	9.8
Explanatory statement	9.9

9.1 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.

9.2. 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. Where applicable, the Office plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<i>Financial Instruments</i>	1 Jan 2018
	This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.	
	The Office has determined that the Standard has no financial impact.	

AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2019
	<p>This Standard establishes the principles that the Office shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p> <p>The Office has determined that the Standard has no financial impact.</p>	
AASB 16	<i>Leases</i>	1 Jan 2019
	<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.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the Office currently has operating lease commitments for \$4,847,195. The Office anticipates this amount will be brought onto the Statement of Financial Position, excepting amounts pertinent to short-term or low-value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	
AASB 1058	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019
	<p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset (such as cash or another asset) received by the Office. The Office anticipates that the application will not materially impact appropriation or untied grant revenues.</p>	

AASB 2010-7	<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>	1 Jan 2018
	<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. Other than the exposures to AASB9 noted above, the Office is only insignificantly impacted by the application of the Standard.</p>	
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018
	<p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Office was not permitted to early adopt AASB 9.</p>	
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018
	<p>This Standard gives effect to 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>	
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	<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>	

AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15* 1 Jan 2018

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. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Office has not yet determined the application or the potential impact of AASB 15.

AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15* 1 Jan 2018

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 when the deferred AASB 15 becomes effective from 1 January 2019.

AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not for Profit Entities* 1 Jan 2018

This Standard, defers, not-for-profit-entities, the standard application date of AASB15 to 1 January 2019, and the consequential amendments that were originally set out in AASV 2014-5. There is no financial impact arising from this standard.

AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for Profit Entities* 1 Jan 2019

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

9.3 Key management personnel

The Office has determined key management personnel to include cabinet ministers and senior officers of the Office. The Office does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Office for the reporting period are presented within the following bands:

Compensation band (\$)	2018	2017
1 - 10,000	-	1
40,001 - 50,000	1 ^(a)	-
60,001 - 70,000	-	1
120,001 - 130,000	1 ^(b)	-
160,001 - 170,000	1	-
180,001 - 190,000	1	1
190,001 - 200,000	1	1
200,001 - 210,000	2	1
210,001 - 220,000	-	1
220,001 - 230,000	1	1
270,001 - 280,000	1	-
280,001 - 290,000	-	1
420,001 - 430,000	-	1
430,001 - 440,000	1	-

	2018	2017
	\$	\$
Short-term employee benefits	1,678,545	1,471,107
Post-employment benefits	190,151	170,090
Other long-term benefits	189,825	166,699
Total compensation of senior officers	2,058,521	1,807,896

(a) The senior officer within the 40,001 - 50,000 band for 2018 commenced in April 2018.

(b) The senior officer within the 120,001 - 130,000 band for 2018 was part-time prior to March 2018.

Total compensation includes the superannuation expense incurred by the Office in respect of senior officers.

9.4 Related party transactions

The Office is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Office include:

- All cabinet ministers and their close family members, and their controlled or jointly controlled entities;

- The Ombudsman and all senior officers and their close family members, and their controlled or jointly controlled entities;
- Other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- Associates and joint ventures of a wholly-owned public sector entity; and
- The Government Employees Superannuation Board (GESB).

Significant transactions with Government-related entities

In conducting its activities, the Office is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- Income from State Government (Note 4.1);
- Services received free of charge from the Department of Finance, State Solicitor's Office, and the Department of the Premier and Cabinet (Note 4.1);
- Lease rentals and ICT services payments to the Department of Finance (Government Office Accommodation and State Fleet) and related outstanding balances (Note 7.2.1);
- Insurance payments to the Insurance Commission and Riskcover fund (Note 3.2);
- Payments for leave liabilities for staff transferred to the Department of Health and Mental Health Commission (Note 3.1(a)); and
- Remuneration for services provided by the Auditor General (Note 9.5).

Material transactions with other related parties

Significant transactions include:

- Superannuation payments to GESB (Note 3.1(a));

Outside of normal citizen type transactions with the Office there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

9.5 Remuneration of auditors

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

	2018 \$	2017 \$
Auditing the accounts, financial statements, controls, and key performance indicators	25,700	25,400
	25,700	25,400

9.6 Equity

	2018 \$	2017 \$
Contributed equity		
Balance at start of period	1,206,000	1,206,000
<i>Contributions by owners</i>		
Capital appropriation	-	-
Total contributions by owners	-	-
Balance at end of period	1,206,000	1,206,000
	2018 \$	2017 \$
Accumulated surplus		
Balance at start of period	1,230,404	1,631,134
Result for the period	(1,405,715)	(400,729)
Balance at end of period	(175,311)	1,230,404
Total equity at end of period	1,030,689	2,436,404

9.7 Supplementary financial information

(a) Write-offs

During the financial year, \$25,981 (2017: nil) was written off under the authority of:

	2018 \$	2017 \$
The Accountable Authority	25,981	-
	25,981	-

(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.

9.8 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, Regional Development and Cities (**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.

	2018 \$	2017 \$
Opening Balance	2,873	(14,798)
Receipts	30,108	47,096
Payments	(31,198)	(29,425)
Closing Balance	1,783	2,873

9.9 Explanatory statement

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$202,000 for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$91,000 for the Statement of Financial Position.

9.9.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2018 \$	Actual 2018 \$	Actual 2017 \$	Variance between estimate and actual \$	Variance between actual results for 2018 and 2017 \$
Statement of Comprehensive Income						
Employee benefits expense	1, A	6,887,000	9,191,283	8,431,813	2,304,283	759,470
Supplies and services		1,216,000	1,072,897	1,029,470	(143,103)	43,427
Depreciation and amortisation expense		215,000	203,730	177,906	(11,270)	25,824
Accommodation expenses		1,542,000	1,391,978	1,427,269	(150,022)	(35,291)
Other expenses	2	288,000	70,792	39,877	(217,208)	30,915
Total cost of services		10,148,000	11,930,680	11,106,335	1,782,680	824,345
Income						
<i>Revenue</i>						
Other revenue	3	1,989,000	2,213,574	2,055,313	224,574	158,261
Total revenue		1,989,000	2,213,574	2,055,313	224,574	158,261
Total income other than income from State Government		1,989,000	2,213,574	2,055,313	224,574	158,261
NET COST OF SERVICES		8,159,000	9,717,106	9,051,022	1,558,106	666,084
Income from State Government						
Service appropriation	B	7,719,000	7,859,000	8,166,000	140,000	(307,000)
Services received free of charge		440,000	452,391	484,292	12,391	(31,901)
Total income from State Government		8,159,000	8,311,391	8,650,292	152,391	(338,901)
DEFICIT FOR THE PERIOD		-	(1,405,715)	(400,729)	(1,405,715)	(1,004,986)
OTHER COMPREHENSIVE INCOME		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	(1,405,715)	(400,729)	(1,405,715)	(1,004,986)

Major Estimate and Actual (2018) Variance Narratives

- 1) The variance in employee benefits expense is primarily due to additional staffing required to enable the Office to manage the workload associated with an increase in complaints to the Ombudsman and one-off costs associated with voluntary separations to enable changes to further enhance the efficiency of complaint resolution services.
- 2) The variance in other expenses is primarily due to some expenses, included in other expenses for the estimate, being included in supplies and services for the actual.
- 3) The variance in other revenue is primarily due to additional funding approved by the Board of the Energy and Water Ombudsman (Western Australia) to enable the Office to meet the workload associated with an increase in complaints to the Energy and Water Ombudsman and to provide further capacity for activities such as building awareness.

Major Actual (2018) and Comparative (2017) Variance Narratives

- A) The variance in employee benefits expense is primarily due to additional staffing expenses in 2017-18 as set out in Variance Note 1, partially offset by a reduction in staffing expenses due to 2016-17 being the final year of the three year function to monitor the Infringement Notices provisions of *The Criminal Code*.

- B) The variance in service appropriation is primarily due to 2016-17 being the final year of funding for the function to monitor the Infringement Notices provisions of *The Criminal Code*, in line with the approved funding over the three years of the function.

9.9.2 Statement of Financial Position Variances

	Variance Note	Estimate 2018 \$	Actual 2018 \$	Actual 2017 \$	Variance between estimate and actual \$	Variance between actual results for 2018 and 2017 \$
Statement of Financial Position						
ASSETS						
Current Assets						
Cash and cash equivalents	4, C	1,939,000	468,134	1,849,259	(1,470,866)	(1,381,125)
Restricted cash and cash equivalents		-	1,783	2,873	1,783	(1,090)
Other current assets		110,000	95,923	95,169	(14,077)	754
Receivables		114,000	78,522	44,404	(35,478)	34,118
Amounts receivable for services		208,000	208,000	208,000	-	-
Total Current Assets		2,371,000	852,362	2,199,706	(1,518,638)	(1,347,344)
Non-Current Assets						
Restricted cash and cash equivalents		40,000	63,743	32,202	23,743	31,541
Amounts receivable for services		1,978,000	1,948,000	1,971,000	(30,000)	(23,000)
Plant and equipment		97,000	64,740	96,572	(32,260)	(31,832)
Intangible assets	5	125,000	235,916	267,279	110,916	(31,363)
Total Non-Current Assets		2,240,000	2,312,400	2,367,053	72,400	(54,653)
TOTAL ASSETS		4,611,000	3,164,762	4,566,759	(1,446,238)	(1,401,997)
LIABILITIES						
Current Liabilities						
Payables		52,000	110,776	83,715	58,776	27,061
Provisions		1,563,000	1,537,588	1,479,979	(25,412)	57,609
Other current liabilities		108,000	48,184	48,184	(59,816)	-
Total Current Liabilities		1,723,000	1,696,548	1,611,877	(26,452)	84,671
Non-Current Liabilities						
Provisions		360,000	437,524	464,679	77,524	(27,155)
Other non-current liabilities		-	-	53,798	-	(53,798)
Total Non-Current Liabilities		360,000	437,524	518,477	77,524	(80,953)
TOTAL LIABILITIES		2,083,000	2,134,072	2,130,354	51,072	3,718
NET ASSETS		2,528,000	1,030,689	2,436,404	(1,497,311)	(1,405,715)
EQUITY						
Contributed equity		1,206,000	1,206,000	1,206,000	-	-
Accumulated surplus/(deficit)		1,322,000	(175,311)	1,230,404		
TOTAL EQUITY		2,528,000	1,030,689	2,436,404	(1,497,311)	(1,405,715)

Major Estimate and Actual (2018) Variance Narratives

- 4) The variance in cash and cash equivalents is primarily due to the use of cash balances, approved by Parliament through the budget papers, to meet the additional employee benefits expense set out in Variance Note 1.
- 5) The variance in intangible assets is primarily due to asset purchases committed in 2017-18 but paid in 2018-19 and fluctuations in the value and timing of the amortisation of assets.

Major Actual (2018) and Comparative (2017) Variance Narratives

- C) The variance in cash and cash equivalents is primarily due to the approved use of cash balances to meet the additional employee benefits expense set out in Variance Note 1.

9.9.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2018	Actual 2018	Actual 2017	Variance between estimate and actual	Variance between actual results for 2018 and 2017
		\$	\$	\$	\$	\$
Statement of Cash Flows						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		7,504,000	7,644,000	7,945,000	140,000	(301,000)
Capital appropriations		-	-	-	-	-
Holding account drawdown		208,000	238,000	208,000	30,000	30,000
Net cash provided by State Government		7,712,000	7,882,000	8,153,000	170,000	(271,000)
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	6, D	(6,867,000)	(9,180,715)	(8,385,880)	(2,313,715)	(794,835)
Supplies and services		(1,075,000)	(941,107)	(866,505)	133,893	(74,602)
Accommodation		(1,163,000)	(1,111,860)	(1,112,101)	51,140	241
GST payments on purchases	7	-	(219,896)	(230,234)	(219,896)	10,338
GST payments to taxation authority	7	-	(44,557)	-	(44,557)	(44,557)
Other payments	7	(639,000)	(25,400)	(25,100)	613,600	(300)
Receipts						
GST receipts on sales		271,000	212,559	197,407	(58,441)	15,152
GST receipts from taxation authority		-	55,206	48,736	55,206	6,470
Other receipts	8	1,989,000	2,212,879	2,061,435	223,879	151,444
Net cash used in operating activities		(7,484,000)	(9,042,892)	(8,312,241)	(1,558,892)	(730,651)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets		(208,000)	(189,782)	(298,480)	18,218	108,698
Net cash used in investing activities		(208,000)	(189,782)	(298,480)	18,218	108,698
Net (decrease)/increase in cash and cash equivalents		20,000	(1,350,675)	(457,721)	(1,370,675)	(892,954)
Cash and cash equivalents at the beginning of the period		1,959,000	1,884,334	2,342,055	(74,666)	(457,721)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,979,000	533,659	1,884,334	(1,445,341)	(1,350,675)

Major Estimate and Actual (2018) Variance Narratives

- 6) The variance in employee benefits payments is primarily due to additional staffing costs as set out in Variance Note 1.
- 7) The variance in GST payments on purchases, GST payments to the taxation authority and other payments is primarily due to some payments, included as other payments for the estimate, being included in GST payments on purchases and GST payments to the taxation authority in the actual.
- 8) The variance in other receipts is primarily due to additional funding approved by the Board of the Energy and Water Ombudsman (Western Australia) as set out in Variance Note 3.

Major Actual (2018) and Comparative (2017) Variance Narratives

- D) The variance in employee benefits payments is primarily due to changes in staffing costs as set out in Variance Note A.

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Key Performance Indicators

Certification of Key Performance Indicators

For year ended 30 June 2018

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 Investigations' performance, and fairly represent the performance of the Parliamentary Commissioner for Administrative Investigations for the financial year ended 30 June 2018.



Alan Shaw
Chief Finance Officer

21 August 2018



Chris Field
Accountable Authority

21 August 2018

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	2013-14	2014-15	2015-16	2016-17	2017-18 Target	2017-18 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)	152	99	156	109	100	173

- (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 2017-18 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 2017-18 actual number of improvements to practices and procedures of public authorities as a result of Ombudsman action (173) has exceeded the 2017-18 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 decision making of public authorities and improving the standard of public administration.

Key Efficiency Indicators	2013-14	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
Percentage of allegations finalised within three months	98%	98%	95%	94%	95%	94%
Percentage of allegations finalised within 12 months	100%	100%	100%	100%	100%	100%
Percentage of allegations on hand at 30 June less than three months old	98%	96%	93%	94%	90%	92%
Percentage of allegations on hand at 30 June less than 12 months old	100%	100%	100%	100%	100%	100%
Average cost per finalised allegation (a)	\$1,858	\$1,857	\$1,886	\$1,889	\$1,890	\$1,879
Average cost per finalised notification of death (b)	\$18,407	\$18,983	\$18,597	\$16,731	\$17,500	\$17,438
Cost of monitoring and inspection functions (c)	NA	NA	\$413,821	\$412,129	\$415,000	\$414,311

(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 monitoring and inspection functions under relevant legislation.

Comparison of Actual Results and Budget Targets

The 2017-18 actual results for the Key Efficiency Indicators met, or were comparable to, the 2017-18 target. Overall, 2017-18 actual results represent sustained efficiency of complaint resolution over the last five years.

The average cost per finalised allegation in 2017-18 (\$1,879) met the 2017-18 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 \$1,879 in 2017-18.

The average cost per finalised notification of death (\$17,438) met the 2017-18 target (\$17,500), reflecting continuous improvement of the finalisation of notifications.

The cost of monitoring and inspection functions (\$414,311) met the 2017-18 target (\$415,000).

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Other Disclosures and Legal Compliance

Ministerial Directions

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 2017-18.

Employment of staff

As at 30 June 2018 there were 75 people (70.0 full-time equivalent positions (**FTEs**) directly employed by the Office, including 61 full-time employees and 14 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.

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 2016-17 and 2017-18.

Staff numbers as at 30 June 2018

Employee Category	2016-17	2017-18
Full-time permanent	55	50
Full-time contract	9	11
Part-time permanent	13 (7.6 FTEs)	13 (8.6 FTEs)
Part-time contract	2 (1.3 FTEs)	1 (0.4 FTEs)
TOTAL	79 (72.9 FTEs)	75 (70.0 FTEs)

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 64 staff (60.8 FTEs) undertaking the work of the Office at 30 June 2018. Over the full 2017-18 year, the average staffing was 65.6 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 continuous professional development and performance management, 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. In 2017-18, the Office continued implementation of the Office's *Aboriginal Action Plan* which includes a range of strategies to enhance the Office's services for, and engagement with, Aboriginal Western Australians. Employment was recognised as a key area of focus, and actions in the *Aboriginal Action Plan* related to employment include recruitment, retention and professional development for Aboriginal staff.

- **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. During 2017-18, staff participated in a range of training sessions including sessions on Aboriginal cultural awareness, disability awareness, accountable and ethical decision making, family and domestic violence leave and support and engaging with youth from culturally and linguistically diverse backgrounds. 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.

As well as the key human resource strategies outlined above, the Office's people management framework establishes the conduct and ethical behaviour expected of staff and the appropriate response to unethical behaviour.

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, guidance provided by external agencies and staff feedback processes. 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.

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 2017-18, there was no use of a credit card for personal purposes.

Personal Use of Credit Cards	2017-18
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 2018.	Not applicable

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 conflicts 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 or related party transactions with the Office.

Benefits to senior officers through contracts

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

Insurance paid to indemnify directors

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

Other Legal Requirements

Expenditure on advertising, market research, polling and direct mail and media advertising

During 2017-18, 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 2017-18 was \$4,997 for state-wide advertising for advertising vacant positions and promoting regional visits, and was incurred in the following areas.

Category of expenditure	Total	Company
Advertising agencies	Nil	Nil
Media advertising organisations	\$3,997	Adcorp
	\$1,000	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 disability, their families and carers. In 2017-18, 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 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 *Accessibility and Inclusivity Standard* under the *Western Australia Whole of Government Digital Services Policy*.

The Office is accessible for people with 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 disability. Organisations that provide information and support to people with disability are specifically informed about the Office's activities as part of its Regional Awareness and Accessibility Program. 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 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 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 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 *Accessibility and Inclusivity Standard* under the *Western Australia Whole of Government Digital Services Policy*. Information published on the website can be viewed 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 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 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 disability.

Information about the Office's DAIP and a video on providing services to people with disability, *Make a Difference* produced by the (then) Disability Services Commission, is included in induction training for all new staff. In 2017-18, disability awareness training was provided to all staff.

Outcome 5: People with 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 disability has an equal opportunity to make a complaint. Where necessary, the complaint process is modified to meet the needs of a person with 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 disability have the same opportunities as other people to participate in any public consultation by the Office.

Staff and members of the public with 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. Documents released for public consultation can also be made available in alternative formats to meet the needs of people with disability.

Outcome 7: People with 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 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 disability are encouraged to apply for positions in the Office and recruitment processes are modified as required to enable people with disability to have the same opportunity as other people to compete on merit for advertised positions. The Office monitors the proportion of applicants with disability to ensure its recruitment processes are accessible. Appropriate modifications are made to the duties undertaken, hours of work and/or equipment required to enable employees with disability, or who acquire disability, to maintain productive employment with the Office.

Compliance with Public Sector Standards and Ethical Codes

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

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

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

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

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

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

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

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

The *Code of Ethics* and the Office's *Code of Conduct* (**Ethical Codes**) are available on the Office's intranet and are part of the Online Induction for new staff. *Guidelines for Ethical and Accountable Decision Making* have been developed as a ready reference for staff when dealing with a difficult situation related to the Ethical Codes. The Guidelines are based on the *Accountable and Ethical Decision Making in the WA Public Sector* training materials provided by the Public Sector Commissioner. In 2017-18, 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 or Deputy Ombudsman sign off, for management of conflicts of interest and gifts, benefits and hospitality, as well as reviews each year by the Deputy Ombudsman of the registers of conflicts of interest and gifts, benefits and hospitality to determine if there are any patterns or trends that need action by the Office;
- 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 for Public Sector Agencies*.

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 Corporate Executive, comprising the Ombudsman, Deputy Ombudsman, the Principal Assistant Ombudsman Investigations and Legal Services, the Principal Assistant Ombudsman Executive Services, and the leaders of the Complaint Resolution, Investigations, Reviews, Administrative Improvement, Monitoring and Energy and Water 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 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 and managed. When declarations are made, a senior manager 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. In 2017-18, the Office developed a *Family and Domestic Violence Workplace Leave and Support Policy* to support employees of the Office in situations of family and domestic violence through the compassionate administration of leave and working arrangements.

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 Corporate Executive. 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 2017-18 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 and training for dealing with Aboriginal people, children and young people, people with 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 2017-18, the Internal Audit and Risk Management Committee established the Strategic Audit Plan for 2018-19, and updated the *Risk Management Plan* and the *Internal Audit and Risk Management Charter*.

In 2017-18, internal audits were conducted of the Office's information security, financial systems workflow, 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 review of its General Disposal Schedule for functional records. The revised Schedule was submitted to the State Records Commission for approval in June 2016 and was approved by the State Records Commission on 23 December 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

The Office's recordkeeping processes, policies and guidelines were reviewed in 2017-18 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. 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 in June 2016. The results of the survey were progressed during 2016-17 to develop targeted training and other programs to address common themes across the Office. A new survey was distributed to staff in June 2017, and surveys will continue to be distributed on an annual basis as part of the program of regular reviews of the effectiveness of the Office's recordkeeping systems.

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.

The Office has an online training module to further strengthen and maintain 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 2017-18, the Principal Aboriginal Liaison Officer continued work to raise awareness and improve 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 2017-18, the Office continued implementation of the *Aboriginal Action Plan*, a comprehensive whole-of-office plan to address the significant disadvantage faced by Aboriginal people in Western Australia. The plan contributes to an overall goal of developing an organisation that is welcoming and culturally safe for Aboriginal people and meets the unique needs of the Aboriginal community it serves.

In addition to the *Aboriginal Action Plan*, the Office continued with its Regional Awareness and Accessibility Program in 2017-18. The Program recognises the historical under-representation of Aboriginal people accessing the Office's services and 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 2017;
- 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 and/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, through translated information sheets for the general community and translated simplified information sheets tailored for children and young people. All publications are available in alternative formats and can be translated into other languages on request;
- Involving the Principal Aboriginal Liaison Officer in complaint clinics and complaints involving Aboriginal people;
- 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 2017-18, 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 2017-18:

- 10.4% of people identified as Aboriginal, compared to 3.3% of the population;
- 30.6% of people were born overseas compared to 34.8% of the population; and
- 16.5% of people were born in a country where English is not the main language, compared to 18% 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:

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

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;
- Trained first aid officers and regular checks of first aid supplies; 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 2017-18, 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.

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

The Office has an OSH Management Plan and guidelines detailing OSH roles and responsibilities within the Office and outlining the approach to identify, assess and control 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 was last undertaken in June 2016. All recommendations were accepted and the actions, arising from the audit, have been completed.

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 2017-18, 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 2017-18, one new workers' compensation claim was recorded. The Office's OSH and injury management statistics for 2017-18 are shown below.

Measure	Actual Results			Results Against Target	
	2015-16 Actual	2016-17 Actual	2017-18 Actual	2017-18 Target	Comment on Result
Number of fatalities	0	0	0	0	Target achieved
Lost time injury/disease (LTI/D) incidence rate	1.5	0	0	0	Target achieved
Lost time injury/disease severity rate	0	0	0	0	Target achieved
Percentage of injured workers returned to work within (i) 13 weeks; and (ii) 26 weeks.	i) 100% ii) 100%	NA	NA	Greater than or equal to 80% return to work within 26 weeks	NA
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities.	100%	100%	94%	>80%	Target exceeded

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