



Parliamentary Series Report Five

Department of Water: Investigation of Probity Concerns

August 2009

EXECUTIVE SUMMARY

Background to this report

This report details one matter relevant to the compliance of s.8(1)(a)-(c) and s.9 of the *Public Sector Management Act 1994* (PSM Act) and the public sector standards in human resource management, and other associated requirements. The matter relates to 21 issues regarding possible improper practice at the Department of Water (DoW).

What this report found

OPSSC reports that 11 matters as investigated are not compliant with:

- PSM Act s.7(f) (General principles of public administration and management);
- PSM Act s.8(1)(a),(b) (General principles of human resource management);
- PSM Act s.9 (a)-(c) (General principles of official conduct);
- Western Australian Public Sector Code of Ethics;
- Public Sector Commissioner's Circular: Guidelines for Expenditure on Official Hospitality 2009-18¹;
- State Government Fleet Policy and Guidelines;
- Public Sector Recruitment, Selection and Appointment Standard;
- Public Sector Grievance Resolution Standard;
- *Public Sector Management (Breaches of Public Sector Standards) Regulations 2005*;
- *Public Sector Management (Redeployment and Redundancy) Regulations 1994*;
- Relevant DoW policies and guidelines, including:
 - DoW guidelines on recruitment and selection;
 - DoW Code of Conduct;
 - DoW policy and guidelines on grievance resolution;
 - DoW guidelines on the use of corporate credit cards; and
 - DoW policy on hospitality.

¹ Previously published as Premier's Circular

What action needs to be taken

This report raises a number of important issues for agency heads.

- It is essential for the reputation of government that senior staff in government agencies are people of the highest integrity. Appointment of trustworthy individuals is important to the ethical operation of government agencies. When individuals appointed to senior positions do not act with integrity, or where there is a perception that they have not acted with integrity, the reputation of the agency suffers. Further, chief executive officers (CEOs) lead a structure which depends on the delegation of duty. Delegation of duty is accompanied by delegation of trust. Where the trust which is delegated is betrayed, then the operations of the agency are under threat. Senior staff in government agencies have an obligation to honour the charge they carry of both duty and trust. To do otherwise is to damage not only their own reputation but the reputations of their colleagues, their agency, and the public sector in general.
- While agencies expect and deserve trust from all employees, agency operations are not based on trust alone. The requirements of government are specified through a range of instruments, including legislation, regulation, across-government policies and agency specific policy, procedure and guidelines. The importance of these instruments becomes apparent at times such as this. There is strong government leadership on such matters. In the case of DoW, the policies, procedures and guidelines specified requirements, and have provided a benchmark from which to consider the allegations. CEOs are reminded about the importance of being aware of government requirements, incorporating these into their operating environment, and engaging staff in their implementation.
- The role of the internal auditor is one essential check on the operations of an agency. The internal audit should have direct access to the CEO, and possess shrewd analytical capacity as well as trustworthiness. Internal audit should not only scrutinise process, but conduct sufficient checks on transactions such that scope and sample adequately tests the operating environment.

The complete report is available from the OPSSC website

www.opssc.wa.gov.au