

CHAPTER 4



GOVERNANCE AND ACCOUNTABILITY

Governance and accountability

Internal Audit

Internal Audit reports administratively to the Chief Operating Officer and functionally to the Security and Audit Team (SAT). Internal Audit provided secretariat services to the SAT and the ANAO.

The Internal Audit Program for 2003–04 was approved in August 2003 after SAT had reviewed progress against the approved Strategic Audit Plan for 2002–05. Audit subjects for 2004–05 and 2005–06 were identified with a view to establishing a three-year rolling program.

SAT membership included an independent member for the first time and a second independent member invited to join during 2004–05. SAT also considered changes to its charter, Internal Audit's charter and the Audit Protocol.

Table 9 in the Appendixes summarise the audits and significant projects completed by Internal Audit. Internal Audit provided SAT with 23 audit reports. Another 10 audits were underway and several more in planning. SAT follows up on the implementation of agreed recommendations from previous internal audit reports and implements ANAO recommendations to AFP business.

Consultants produced 14 of the 23 audit reports. Consultants were engaged under a standing deed of offer that would expire on 30 June 2005. The market would be retested during 2004–05 for the provision of these services.

Significant internal audits conducted included:

- Avian Operations of Mobile Drug Strike Teams, found to be operating effectively, efficiently, ethically, and in accordance with the Government's funding approval;
- South Pacific Offices in the International Network were found to be effective and the Manager advised that the Network was improving business planning and reporting as a consequence of the report; and
- post-implementation reviews of the Air Security Officer Program, which contributed significantly to ongoing risk management.

SAT continued to require audits of the systems for handling and recording seized drugs and property.



The audits did not reveal loss of drugs or property. Revised internal guidelines for drugs and property management were implemented and work began on improving electronic recording systems.

APS Quality Management Team

The APS Quality Management Team conducted 62 Quality Management System (QMS) audits of APS Stations and National Headquarters enabling support functions in the period. The QMS program measures performance to encourage continual improvement of its services to clients. The APS QMS is accredited, meeting the requirements of the International Standard AS/NZS ISO 9001:2000.

The APS is independently audited by Lloyds Register Quality Assurance (LRQA). LRQA renewed the APS's accreditation in December 2003, stating that "the quality management system of the Australian Protective Service has shown considerable improvement and continues to meet the requirements of ISO 9001:2000".

In August 2003 KPMG released a report on the *Application of the Quality Management System across the Australian Protective Service*. This report was produced as part of the AFP Internal Audit Program. Overall the audit found that the APS QMS effectively promoted compliance with APS policies and procedures. The operations of the APS were found to be subject to sound application of the quality standard. A similar report with a similar result was provided by KPMG—on the QMS in place at AFP Forensic Services.

The APS Quality Management Team was put in charge of promoting risk management within the Protection Portfolio.

Risk management

A workshop involving selected General Managers and Directors was conducted in July 2003 to progress examination of the AFP's strategic risks.

The workshop analysed the adequacy of current risk-management treatments, identified new treatment strategies and developed a timetable for implementation.

Insurance

Starting in 2002–03 the AFP reviewed the adequacy of its general insurance and worker's compensation coverage. Completed in August 2003 the review recommended improving the AFP's position as a purchaser of insurance services and ensuring it had sufficient knowledge to maximise the cost effectiveness of its insurance cover while minimising exposure to risk.

Recommendations were also made on consolidating APS activities into AFP arrangements and reviewing insurance arrangements and indemnities that might pertain to the ACT Government. The AFP also participated in Comcover's risk management benchmarking exercise for 2004.

Auditor-General Reports

The ANAO audited the AFP's financial statements and performance measures relating to the AFP's Community Policing contract with the ACT Government.

The Auditor-General did not include the AFP as a primary subject of any report tabled in the Parliament. However the AFP was included in cross-agency reports, namely:

- #3—Management of Risk and Insurance;
- #5 and #31—The Senate Order for Department and Agency Contracts (Autumn 2003 Report, and *Financial Year 2002-2003 Report*);
- #57—Administration of Freedom of Information Requests; and
- #58—Control Structures as part of the *Audit of Financial Statements of Major Australian Government Entities for the Year Ending 30 June 2004*.

Report #58 set out four issues of moderate control risk within the AFP, including three prior year issues.

The AFP accepted the ANAO's issues and began implementing recommendations in addition to other independently initiated actions, particularly in the area of asset management.

Further the ANAO involved the AFP in its activities via audits or surveys related to the following cross-agency reports:

- #14—Survey of Fraud Control Arrangements in APS Agencies;
- #20—Aid to East Timor;
- #22—Financial Statements of Australian Government Entities for period ended 30 June 2003;
- #24—Agency Management of Special Accounts;
- #25—Intellectual Property Policies and Practices in Commonwealth Agencies; and
- #35—Compensation Payments and Debt Relief in Special Circumstances.

Report #53—The Implementation of CrimTrac, the ANAO obtained formal comments from the AFP as one of several key stakeholders in CrimTrac.

Fraud Control and Anti-Corruption Plan

Under the Commonwealth Fraud Control Guidelines the AFP has a Fraud Control and Anti-Corruption Plan (FC&AC Plan). The Plan was extended to 30 June 2004 to deal with the shift to the Functional Model structure.

Almost 100 per cent of action items were fully implemented.

Progress reporting and updates on implementation were provided to the SAT, the agency Audit Committee in the context of the *Financial Management and Accountability Act 1997*.

The AFP submitted data on fraud and fraud control activities to the Attorney General's Department in October 2003 for the *Annual Report on Fraud Control* to the Minister for Justice and Customs.

During the currency of the FC&AC Plan, a sample of completed action items was inspected as an added layer of accountability. Results of this spot audit indicated a high level of compliance.

The 2004–2006 iteration of the Fraud Control & Anti-Corruption Plan was to be based on an AFP and APS fraud and corruption risk assessment. The development of this risk assessment began, focussing more on functional lines and less on geo-specific lines. Projections of organisational fraud and corruptions risks were to be incorporated into future FC&AC plans to ensure relevance. This was based on environmental scanning and an array of predictive data and strategies.

Commissioner's Declaration

In accordance with Guideline 1.9 and 2.8 of the Commonwealth Fraud Control Guidelines the AFP Commissioner certified he was satisfied there were in place appropriate fraud prevention, detection, investigation, reporting, and data collection procedures and processes to meet AFP needs and comply with the Commonwealth Fraud Control Guidelines.

External scrutiny

Judicial Decisions/ Administrative Tribunal Decisions Impacting on Operations

Like other public-sector organisations AFP and APS operations and the actions of members are occasionally affected (directly or otherwise) by judicial or administrative decisions. Implications for the AFP and APS in a given case are assessed by the Legal Team which may seek further specialist advice as required. Adjustments to operating procedures or the conduct of members arising from assessments are promulgated throughout the AFP and APS in the most appropriate way—written advice, publication of a directive/guideline or the making of a Commissioner's Order. There were no decisions of significant national impact on AFP and APS operations or policy. There were no judicial decisions or decisions of administrative tribunals that impacted or might have impacted on the operations of the APS or the AFP.

The AFP appeared before Estimates Hearings and Parliamentary Committees on the dates listed:

Estimates Hearings—Senate Legal and Constitutional Legislation Committee

3 November 2003

Consideration of Supplementary Estimates

25 November 2003

Consideration of Supplementary Estimates

16 February 2004

Consideration of Additional Estimates

25 May 2004

Budget Estimates

Other Parliamentary Committees of Inquiry

21 July 2003—Joint Committee on the Australian Crime Commission—Inquiry into Cybercrime

23 July 2003—Legal and Constitutional Legislation Committee—*Australian Protective Service Amendment Bill 2003*

4 September 2003—Joint Committee of Public Accounts and Audit—Review of Aviation Security in Australia

15 September 2003—Joint Committee on Treaties—Agreement on the operations and status of personnel deployed to Solomon Islands

24 September 2003—Senate Legal and Constitutional Legislation Committee—*Australian Protective Service Amendment Bill 2003*

17 October 2003—Joint Committee of Public Accounts and Audit—Management and integrity of electronic information in the Commonwealth

27 October 2003—Joint Committee on ASIO, ASIS and DSD—Private Inquiry into the provisions of the *Intelligence Services Amendment Bill 2003* (in camera)

28 November 2003—Senate Foreign Affairs, Defence and Trade Committee—Inquiry into Security Threats to Australians in South East Asia

26 February 2004—Parliamentary Joint Committee on the Australian Crime Commission—Inquiry into Trafficking in Women for Sexual Servitude

8 March 2004—Senate Legal and Constitutional Committee: Inquiry into the Australian Federal Police and Other Legislation Bill 2003

8 March 2004—Joint Standing Committee on Foreign Affairs, Defence and Trade: Watching Brief on the War on Terrorism

22 March 2004—Senate Legal and Constitutional Committee: Inquiry into the provisions of the Telecommunications (Interception) Amendment Bill 2004

30 April 2004—Senate Legal and Constitutional Committee—Inquiry into the Anti-Terrorism Bill 2004

10 May 2004—Senate Legal and Constitutional Legislation Committee—Inquiry into the Surveillance Devices Bill 2004

Commonwealth Ombudsman's Reports

The Commonwealth Ombudsman performs an external scrutiny function in relation to the following AFP activities:

- (i) reports of the Commonwealth Ombudsman's investigation of practice and procedures and integrity issues under the Complaints (Australian Federal Police) Act;
- (ii) reports of inspections under the *Telecommunications Interception Act*; and
- (iii) reports of inspections for controlled operations under the *Crimes Act* and *Measures to Combat Serious Crimes Act*.

Type (i) activities

There were two reports from the Commonwealth Ombudsman. The office investigated aspects of the AFP's administration of the NWPP that had come under criticism in a matter before a court. The concern was that the AFP had sought to mislead the court in order to secure an adjournment for the prosecution. The AFP had chosen to protect the identity and location of a protected witness. The report found there was no evidence to support the contention that the witness, or the AFP, was attempting to avoid an appearance before the court and the AFP did not misled the court about the health of the witness. The report to the AFP recommended several changes to NWPP procedures to accommodate the needs of the court and to ensure a witness's assumed identity (consistent with the *Witness Protection Act 1994*) was not compromised.

The second report dealt with the complaints of Gary Lee-Rogers. Mr Lee-Rogers had complained that the AFP and the APS (his employer) conspired to bring false charges against him. Mr Lee-Rogers alleged the

charges were payback for being a whistle-blower. Before the scheduled court trial in 2002 Mr Lee-Rogers was found dead in his flat. In the week before his death Mr Lee-Rogers alleged that an AFP officer had assaulted him. The officer was to be the main police witness for the prosecution. The Ombudsman's investigation found no evidence to support Mr Lee-Rogers' allegations. The NSW State Coroner began inquiring into the death.

Type (ii) activities

Under the *Telecommunications (Interception) Act 1979*, the Commonwealth Ombudsman is required to inspect AFP records twice a year to ascertain the extent to which AFP members complied with the record-keeping sections of the Act, namely, sections 79, 80 and 81.

AFP records for 1 July to 31 December 2003 were inspected by Ombudsman inspectors between 16 and 17 February and 19 and 25 February 2004 in Canberra and between 2 and 3 March in Melbourne. The inspectors determined that the AFP complied with the provisions of sections 80 (record-keeping provisions with respect to the issue of warrants) and 81A (accuracy of entries in the General Register of Warrants) of the Act. The inspectors determined that the AFP did not fully comply with the provisions of sections 79, 81 and 81C. The Ombudsman made six recommendations which were implemented.

To improve the quality of AFP records and reports a two-day workshop was held in Canberra (August 2003) for the interstate Special Projects Registrars. Officers from the AGD and the Commonwealth Ombudsman's Office delivered training sessions. Members of the AFP's Telecommunications Interception Division, AGD and the Commonwealth Ombudsman's Office also delivered training to federal agents in Melbourne, Sydney, Adelaide, and Perth.

Type (iii) activities

The Commonwealth Ombudsman's Office inspected AFP records under the *Crimes Act 1914* and the *Measures to Combat Serious Crime Act 2001* on 30 March 2004, reviewing documents for the 2003–04 financial year. The AFP was waiting for the report and possible recommendations.

Consultancy services

Competitive tendering and contracting

Work continued on ensuring delivery of services in accordance with the core procurement principle of value-for-money.

Recommendations from a report on outsourced arrangements for Records Management Services were implemented, resulting in the AFP exercising its option to extend its outsourcing contract.

The AFP conducted competitive tendering processes for goods and services including:

- tape transcription services;
- construction of boats for Solomon Islands; and
- referred accommodation (hotels and apartments).

Consultancy services

The AFP let 21 consultancy service contracts, totalling \$1,004,986.59. Included were:

- development of electronic records and document management strategy;
- review of the service delivery model for Records Management Services;
- review of the adequacy of the AFP's general insurance and workers' compensation coverage;
- long-term strategic accommodation planning for the AFP in the ACT; and
- development of a master plan for the Wanggirrali Ngurrumbai Centre at Majura.

Details on consultancy services provided to the AFP are on www.afp.gov.au under Government and Corporate, then Information Access.

Advertising and market research

During the reporting period, the AFP spent \$146,720.99 with market research organisations and media advertising organisations. Details are provided at Table 22 in the Appendixes.



Freedom of Information

The AFP Freedom of Information (FOI) Team facilitates public access to AFP documents, consistent with the provisions of the *Freedom of Information Act 1982* (the FOI Act). Under section 23 of the Act, the Leader of the FOI Team has authorisation to make decisions under the Act.

The AFP received 142 requests compared with 126 in 2002-03. FOI requests generally seek access to information concerning past or present AFP investigations, sometimes involving many hundreds of pages of documents. These documents require careful and resource-intensive examination of contents to respect the right of access by applicants without unduly prejudicing personal privacy considerations or the AFP's law enforcement activities.

The AFP was one of six agencies audited by the ANAO on its administration of FOI requests. The report found that AFP practices complied with the requirements of the FOI Act and that correspondence to applicants was generally consistent with best practice.

Following the ANAO audit, the Commonwealth Ombudsman advised he would conduct an 'own motion' investigation into the quality of agency processing of requests made under the FOI Act. The AFP (the subject of the 1999 Report by the Commonwealth Ombudsman) was again chosen to be audited. The audit continued.

The AFP and the APS submitted quarterly and annual returns under the FOI Act for the Attorney-General's report to Parliament under section 93. Detailed information about FOI procedures is in Tables 23, 24 and 25 in the Appendixes. Information on making FOI requests to the AFP are on www.afp.gov.au

The National Manager Protection has decision-making responsibility for the APS, pursuant to

section 23 of the FOI Act. The APS received one FOI request. There are no arrangements for outside participation in the formulation of FOI policy or in the administration of the APS unless separately stated in this report.

Commonwealth Disability Strategy

The AFP recognises the need to continue to move towards a diverse flexible workforce to enable an effective partnership between the police service and community.

The AFP Disability Program and Strategy 2003–2006 aims to enhance diversity, ensure compliance and provide support mechanisms for a shared success in delivering an effective police service to the community.

The AFP encourages enabling services to consider employment opportunities for people from diverse backgrounds including people with disabilities. Recruitment selection, placement and advancement practices were shaped to facilitate the selection of diverse groups. Due to specific requirements for operational law enforcement roles, the AFP focus is on employment opportunities for people with disabilities in non-operational roles.

Employees with a disability are encouraged to participate in employee support networks and to provide advice, assistance and education in relation to their circumstances to enhance inclusiveness and a harmonious environment.

Ecologically sustainable development and environment performance

The AFP continued to implement policies to reduce its impact on the environment. Where possible, solutions were sought that: ensured energy savings were achieved; resulted in a high rate of return for money invested; minimised additional maintenance costs; and did not compromise member comfort.

The AFP continued to develop proposals for the Wanggiralali Ngurrumbai Centre (an AFP firing range and training facility at Majura, Canberra) and the Australian Institute of Police Management which incorporates environmentally sustainable practices

and allows for environmental and security (power and data backup) self-sufficiency.

Water and energy management were key issues in planning building works at the Wanggiralali Ngurrumbai Centre. The proposed facilities were to integrate sustainable design principles, providing maximum long-term benefit to the AFP. Proposed design principles for the current building works program, which were to reduce running costs, included: collection of rainwater for reuse in toilet areas; irrigation and fire fighting; wind, solar and/or mini-hydro power generation; solar hot water; low energy light fittings and natural day lighting; natural ventilation systems using high thermal mass and night purge; high levels of insulation; hydronic slab heating and cooling; and overland drainage for surface water using swales and dry ponding.

AFP and APS establishments participated in office paper-recycling programs. The AFP photographic unit at Weston undertook silver recovery procedures and removed spent photographic processing chemicals from AFP premises using the services of commercial waste disposal contractors responsible for complying with industry standards. Chemical and biological waste from Forensic Services was also removed.

The major components of the AFP's Environmental Crime-Management Strategy are biodiversity conservation, heritage protection, and air, land and water pollution.

The AFP investigates environmental crime and successful prosecutions are publicised as a deterrent to potential offences. Summary details of AFP environmental crime investigations are in Chapter 2, Environmental crime. Significant investigational achievements are also listed.

Where possible, the APS continued to implement policies to reduce its impact on the environment. Measures were restricted due to the contractual arrangements of leases and the condition and age of some buildings. Measures undertaken included pursuing energy savings and recycling and minimising additional maintenance costs. During 2004–05 increased resources were to be allocated for further energy savings and for measures to responsibly dispose of superseded equipment.

