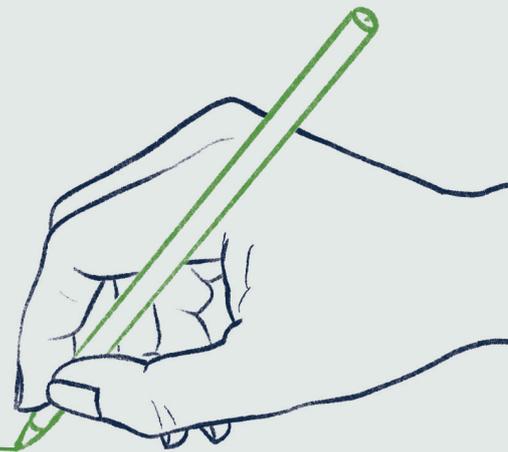


Victorian Inspectorate Annual Plan

2022-23

*Strengthening
trust in Victoria's
integrity system*



**VICTORIAN
INSPECTORATE**

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1 | Inspector's Foreword

Following an independent base review, the Victorian Inspectorate (VI) has secured a sufficient increase in its ongoing budget to allow a longer term outlook and grow to around 30 FTE by 2026. This is the culmination of four years of hard work aimed at securing appropriate base funding for the VI's extremely broad remit, which grew to 13 agencies in 2021-22 due to oversight of the new Office of the Special Investigator (OSI).

Until now the VI has not been able to fulfil the promise of its legislation. For the financial years ending 2019, 2020 and 2021, the VI's workforce was 14, 16 and 20 FTE at year end. Exchanging fixed term for ongoing funding will allow the VI to build ongoing staff capability and focus on driving systemic improvements across the integrity system. However this funding stops short of delivering what the VI needs, and funding boosts to the agencies we oversight are likely to further increase demand on our resources.

The base review recognised that the VI has the same corporate compliance obligations as large Victorian government entities, and its findings support the VI's purchase of corporate support from a department. Despite our status as a budget independent agency, in 2022-23 the VI will commence a Memorandum of Understanding (MOU) with the Department of Justice and Community Safety (DJCS).

Resources will also be impacted by the performance audit of the VI, scheduled to be completed by August 2022. The Integrity and Oversight Committee of the Parliament (IOC) appointed an independent performance auditor in accordance with s 90D of the *Victorian Inspectorate Act 2011*. We welcome this oversight and will carefully consider any recommendations within our footprint.

The VI's new three year Strategic Plan will deliver a Service Charter in 2022 for the VI's complaints function. To support delivery of the Service Charter, the VI will develop and implement a new complaints framework to address the impact of two years of COVID restrictions on the VI's under-resourced operations, combined with the impact of the base review, the performance audit and an increase in complaints volume and complexity in 2021-22. The VI's ongoing resources now make this possible.

The VI has almost concluded its 4-year infrastructure upgrade program. The ICT strategy and roadmap will be delivered early in the year, aimed at leading the VI to more integrated and flexible ICT systems. This will not come at the cost of information security.

As our corporate program reverts closer to business as usual, the VI will continue to invest time in retaining a strong and positive workplace culture in alignment with our

values. Such a culture is an important component of delivering strong integrity outcomes.

As we enter this financial year with a stronger fiscal outlook, new infrastructure, a positive culture and a growing and capable staffing cohort, the VI looks forward to a year of continued improvements both internally and across Victoria's integrity system.

A handwritten signature in black ink, appearing to read 'C Cato', written in a cursive style.

Cathy Cato
Acting Inspector
June 2022

2 | Background

OVERVIEW

The VI was established to provide oversight of other integrity, accountability or investigatory bodies and their officers. The VI is the key oversight body in Victoria's integrity system.

The VI is committed to providing the Parliament and the people of Victoria with independent assurance that these bodies, which collectively constitute Victoria's 'integrity system', act lawfully and properly in the performance of their functions.

The model of integrity oversight adopted by the Victorian Parliament is unique in Australia in how it vests in a single entity (the VI) the oversight of multiple integrity bodies. This allows the VI to take a leadership role within the integrity system and apply learnings from its oversight of any one integrity body across the integrity system, as appropriate.

VISION

- An integrity system that is robust and trusted

ASPIRATIONS

Public confidence and trust in Victoria's integrity system

- The right checks and balances are in place
- Participants understand rights and responsibilities in the integrity system
- The community knows when to come to the VI to protect their rights

A robust Victorian integrity system

- Parliament and integrity agencies have confidence in the VI
- The VI is positively influencing integrity agencies
- Intrusive and coercive powers are exercised lawfully
- The public sector is being held to account

STRATEGIC PRIORITIES 2022-2024

- 1 Build community knowledge of rights within the integrity system
- 2 Address issues thematically to create improvements across the integrity system
- 3 Improve timeliness and ease of access for integrity participants
- 4 Continue to build organisational sustainability, capability and a positive culture

3 | Planned Business Activities

OPERATIONAL FUNCTIONS

The VI's broad remit requires oversight of 13 integrity, accountability and investigatory bodies. Since 1 December 2021, this includes the OSI. Our key functions table (**Attachment 1**) details our oversight responsibility for each body.

Our functions include inspections, public interest disclosures, investigations, complaints and monitoring activities. Our education activities support compliance across the integrity system.

OPERATIONAL FRAMEWORK AND GOVERNANCE

The VI's Operations Model (**Attachment 2**) is a conceptual framework for our approach to conducting this broad range of operational functions.

The Operations Model describes:

- **Notifications and complaints** – these contain key information and intelligence. All complaints are responded to, with written reasons. Notifications are triaged and reviewed using a risk based approach and as resources allow.
- **Investigative activities** – the VI must investigate disclosures that are determined to be public interest complaints under the *Public Interest Disclosures Act 2012* (PID Act). The VI may also investigate complaints and undertake own motion investigations.

- **Compliance activities** – Integrity Programs and Monitoring Projects – Integrity Programs are regular, ongoing oversight activities that deliver recurrent outputs, such as the VI's inspections activities and monitoring of coercive powers. By contrast, monitoring projects are strategically targeted and involve finite activities with well-defined objectives.
- **Integrity Responses** – Our Integrity Responses to identified non-compliance and other issues include liaison and engagement, education, recommendations and reports. We may also decide to conduct a more in depth oversight activity, like a monitoring project. We focus on productive, influential "Integrity Responses" that support our vision of improving Victoria's integrity system.

In practice, the Operations Model underpins our internal operational governance structures. Through our Integrity Operations Management Committee (IOMC), operational decision-making is consistent, fully informed by risk assessments and legal advice, and properly documented. The IOMC structure ensures that decisions to initiate new work are carefully considered, and that progress on existing work is monitored for resource short-falls or delays.

OPERATIONAL PRIORITIES

1 Mandatory functions

These functions are mandated by legislation and will continue to receive priority in 2022-23:

- Inspections and related reporting obligations
- Public interest disclosure assessments and notifications to IBAC
- Public interest complaint investigations under the PID Act.

2 Complaints

The VI's complaint function has increased in volume and complexity, compounding a backlog caused by COVID-19 restrictions and the VI's broader jurisdiction under the *Public Interest Disclosures Act 2012*. Our performance measure to give all complainants written reasons for outcomes contributes to the time required to conduct a complaint assessment.

In 2022-23, we will focus on improving response times for complaints. We have a new performance measure to acknowledge receipt of new complaints within five business days. Utilising the increase in ongoing funds to the VI from the May 2022 budget, and an expanded complaints team, we will deliver a Service Charter for complaints, supported by a new complaints framework based on best practice principles in accordance with expert advice.

3 Coercive power notifications

Reviewing coercive power notifications from oversight agencies will be the key monitoring activity.

The VI commonly receives around 1000 notifications per annum. The VI's notification oversight model is tailored for each agency, to identify risks specific to each agency.

To the extent that resources allow, any public IBAC hearings will be carefully monitored as there are inherent risks associated with public hearings, including risks to witness welfare.

The VI's successful oversight model for the WIV, which commenced exercising coercive powers in 2021-22, will be adopted for the OSI, the latest agency to be oversighted by the VI. The VI will review the majority of notifications from WIV and OSI as 2022-23 will only be their second year with these coercive powers.

The VI will identify systemic and thematic issues in notifications and share the learnings from one agency across other agencies as appropriate and as resources allow.

4 Education

The VI will deliver at least two educational activities and produce tools and materials in accordance with our new educational performance measure. To the extent possible within its resources, the VI will engage with and tailor information for members of the LGBTIQ+ community and other vulnerable complainants, and lawyers representing clients involved in integrity agency investigations.

Activities will include presentations and website publications.

5 Investigations and monitoring

Significant monitoring projects are resource intensive and the VI is now resourced to complete a monitoring project during 2022-23 relating to coercive power notifications. The VI will also continue to identify issues during inspections, complaint assessments, notifications, preliminary inquiries and investigations. The VI will apply its Integrity Response Guidelines to identify an appropriate response that prevents recurrence.

Any remaining resources will be directed within a risk based model to investigations and monitoring activities responding to issues that arise during 2022-23 or remain unresolved from 2021-22.

Statistics on the VI's input and output across each legislative function are published in our Annual Reports.

CORPORATE/GOVERNANCE PRIORITIES

Core Business

In 2022-23, the VI will leverage support where possible through an MOU with DJCS for the delivery of a range of corporate functions (eg. finance, payroll, HR advice) as the Department of Premier and Cabinet (DPC) will no longer be supporting the VI. Preparation for and transition into DJCS has required time and resourcing from the VI's small corporate team across the last quarter of 2021-22 financial year. This, along with the independent performance audit, have impacted the VI's delivery of the ICT roadmap and new records management system. The new arrangement with DJCS commences from 1 July 2022 and there will be a further period of transition across the first quarter as the VI embeds the new way of working. The VI will also continue to manage secure ICT and business facilities.

Within the capability of our size and footprint, the VI will support the delivery of governance compliance requirements including the Financial Management Compliance Framework, the Victorian Protective Data Security Standards as well as the audit and risk management requirements.

The VI will work towards new strategic priorities and continue to focus on supporting staff engagement to maintain our strong *People Matter Survey* (PMS) results from 2018-19, 2019-20 and 2020-21. The PMS supports public sector organisations to build positive workplace cultures with integrity that live the public sector values.

In addition to core business corporate functions, the following priorities will support operational activities throughout 2022-23:

1 Performance Audit

An independent performance audit of the VI commenced in February 2022 and is due to be completed by August 2022 on behalf of the IOC. Any recommendations will be carefully considered within the VI's footprint.

2 ICT systems

The VI completed most of its comprehensive capital program in 2021-22, replacing end of life and specialised ICT infrastructure. Due to the VI moving from DPC to DJCS for its corporate support, the VI's new records management system will be implemented under the DJCS platform in 2022-23.

The VI is also scheduled to complete implementation of stage 1 of the document review system and commence implementation of stage 2 to drive operational efficiency. This project has been complicated by the VI's security requirements and the transition to DJCS corporate support.

3 ICT Strategy & Roadmap

During 2021-22, the VI appointed a consultant to commence a comprehensive project to identify the future state of the VI's ICT systems and structures to ensure they:

- align with and support the VI's future strategic vision and objectives
- are managed efficiently, effectively and economically
- are complemented by a long-term infrastructure replacement strategy that is well paced, evidence based and leverages off new and emerging technologies
- continue to comprehensively meet our ongoing information management and security needs.

This project will be completed in 2022-23, with implementation of recommendations commencing as quickly as possible within available resources to help drive operational efficiency.

4 | Budget

2022-23 Budget

Recurrent base operating funding	\$4,083,256
Fixed term operating and project funding	\$3,601,422
Depreciation funding	\$1,121,394
Total Operating	\$8,806,072
Fixed Term Capital Funding	\$150,000
Total Budget	\$8,956,072

5 | Performance Measures

The VI's performance measures, including a new quantity measure about education and two new timeliness measures, are as follows:

Performance Measure	Unit of Measure	2021-22 Target
Quantity		
Recommendations of the VI accepted by agencies	Per cent	75%
Reasons for decisions provided for complaint outcomes	Per cent	100%
Educational activities delivered and material or tools produced	Number	2
Quality		
Improvements to the integrity system*	Number	6
Timeliness		
Acknowledge receipt of new complaints within 5 business days	Per cent	95%
Proportion of standard investigations completed within 12 months	Per cent	30%

* An improvement to the integrity system is a demonstrable change to the conduct and compliance of any of the integrity, accountability and investigatory bodies oversights by the VI (integrity bodies).

We identify non-compliance and opportunities for systemic improvement through undertaking our functions (inspections, investigations, monitoring etc) and respond proportionately through the framework of our published Integrity Response Guidelines.

We measure improvements to the integrity system where the VI's integrity response has demonstrably influenced an integrity body's conduct to help prevent future non-compliance, such as:

- an integrity body implementing VI recommendation(s)
- an integrity body establishing new procedures to prevent systemic recurrence of non-compliance
- an integrity body changing its application of the law in response to VI feedback.

ATTACHMENT 1 | VICTORIAN INSPECTORATE'S KEY FUNCTIONS

For each agency, the Victorian Inspectorate has these different functions:

 <p>Receives and assesses complaints about conduct of IBAC & IBAC personnel</p> <hr/> <p>Investigates conduct</p> <hr/> <p>Investigates a public interest complaint (PIC) about IBAC or an IBAC officer</p> <hr/> <p>Monitors the exercise of coercive powers</p> <hr/> <p>Assesses the effectiveness and appropriateness of policies and procedures</p> <hr/> <p>Monitors compliance with the IBAC Act and other laws</p> <hr/> <p>Reviews Public Interest Disclosure (PID) procedures</p> <hr/> <p>Oversees IBAC's performance of its PID Act functions</p> <hr/> <p>Receives & assesses PIDs about IBAC</p> <hr/> <p>Monitors interaction with other integrity bodies</p> <hr/> <p>Inspects records on telephone intercepts, use of surveillance devices and on controlled operations</p>	 <p>Receives and assesses complaints about conduct of VO officers</p> <hr/> <p>Investigates conduct</p> <hr/> <p>Monitors the exercise of coercive powers</p> <hr/> <p>Monitors compliance with procedural fairness</p> <hr/> <p>Reviews PID procedures</p>	 <p>Receives and assesses complaints about conduct of the Chief Examiner or Examiners</p> <hr/> <p>Investigates the conduct of the Chief Examiner and Examiners</p> <hr/> <p>Monitors the exercise of coercive powers</p> <hr/> <p>Assesses the effectiveness and appropriateness of policies and procedures</p> <hr/> <p>Monitors compliance with the <i>Major Crime (Investigative Powers) Act 2004</i></p>	 <p>Investigates PICs about a PIM</p> <hr/> <p>Receives & assesses PIDs about a PIM</p> <hr/> <p>Inspects records relating to order/warrant applications</p>	 <p>Receives and assesses complaints about the conduct of the OSI and OSI personnel</p> <hr/> <p>Investigates conduct of the OSI and OSI personnel</p> <hr/> <p>Assesses the effectiveness and appropriateness of policies and procedures</p> <hr/> <p>Monitors compliance with Part 3 of the <i>Special Investigator Act 2021</i> and other related laws</p>	 <p>Inspects records on use of surveillance devices and on controlled operations</p>
	 <p>Receives and assesses complaints about conduct of OVIC officers</p> <hr/> <p>Investigates conduct</p> <hr/> <p>Monitors the exercise of coercive powers</p> <hr/> <p>Monitors compliance with procedural fairness</p>	 <p>Receives and assesses complaints about conduct of VAGO officers</p> <hr/> <p>Investigates conduct</p> <hr/> <p>Monitors the exercise of coercive powers</p> <hr/> <p>Monitors compliance with sections 30 to 37, 39, 43 to 46, 50(1) and 51 of the <i>Audit Act 1994</i></p>	 <p>Investigates conduct of the WIV and WIV officers</p> <hr/> <p>Monitors the exercise of coercive powers</p>	 <p>Inspects records on use of surveillance devices and on controlled operations</p>	 <p>Inspects records on use of surveillance devices and on controlled operations</p>
	 <p>Monitors the exercise of coercive powers</p> <hr/> <p>Reviews PID procedures</p>		 <p>Monitors compliance with the <i>Major Crime (Investigative Powers) Act 2004</i></p> <hr/> <p>Inspects records on telephone intercepts, use of surveillance devices and on controlled operations</p> <hr/> <p>Inspects records on use of counter-terrorism powers</p>		

The VI must consider whether any disclosure received by it relating to any public body or public officer is a PID that must be notified to the appropriate entity.
The VI must also investigate any PIC referred to it by IBAC relating to the conduct of any public body or public officer.

Integrity Responses

The VI is empowered to make recommendations and issue reports.

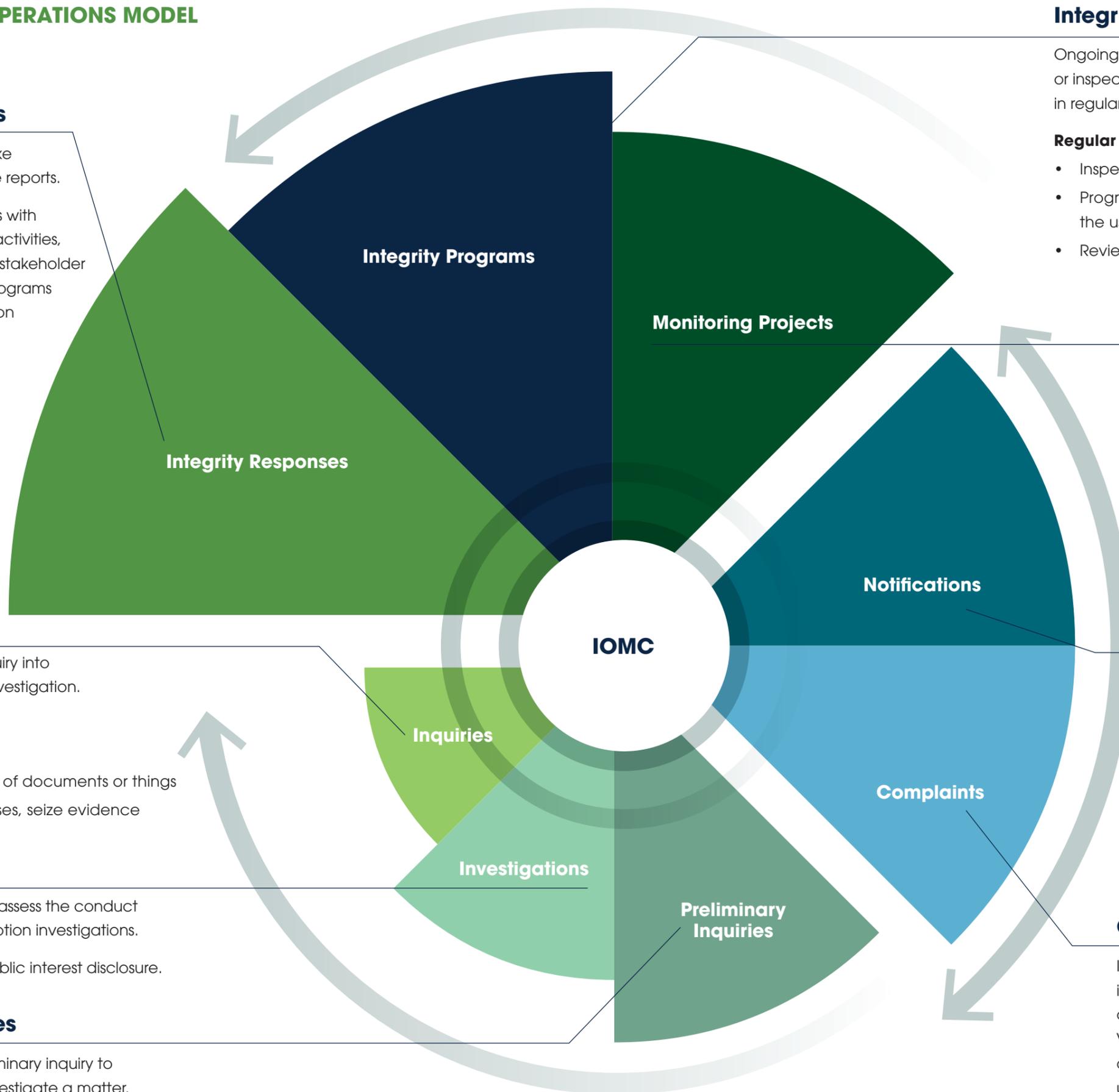
The VI may respond to issues with a spectrum of appropriate activities, such as informal liaison and stakeholder engagement, education programs and resources, or the initiation of further oversight projects or programs.

Integrity Programs

Ongoing, regular programs to assess compliance or inspect records; results are generally delivered in regular reports.

Regular Integrity Programs:

- Inspections of law enforcement powers
- Program of notification reviews to monitor the use of coercive powers
- Reviewing compliance with certain provisions



Integrity Responses

Monitoring Projects

Monitoring Projects

Strategically targeted and finite activities with well-defined objectives, methodology and deliverables.

Targeted monitoring projects:

- Projects arising from identified concerns
- Reviews of high risk notifications eg. Public hearings

Notifications

Notifications

The VI receives information via notifications from oversight bodies where they:

- Use a coercive power
- Are required to notify the VI of other information

Inquiries

The VI may conduct an inquiry into a matter arising out of an investigation.

The VI is empowered to:

- Examine witnesses
- Compel the production of documents or things
- Enter and search premises, seize evidence

Inquiries

Complaints

Individuals can complain or provide information to the VI about the conduct of officers of bodies it oversees. The VI also receives complaints about the activities of IBAC and certain disclosures under the PID Act.

Investigations

The VI may investigate and assess the conduct of officers, including own motion investigations.

The VI must investigate a public interest disclosure.

Investigations

Preliminary Inquiries

The VI may conduct a preliminary inquiry to determine whether it will investigate a matter.

Preliminary Inquiries



vic.gov.au/vicinspectorate