

## **Management of Senior Executive Service Conflict of Interest Requirements**

Aged Care Quality and Safety Commission

Australian Trade and Investment Commission

Department of Home Affairs

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Canberra ACT  
23 June 2025

Dear President  
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Aged Care Quality and Safety Commission, the Australian Trade and Investment Commission and the Department of Home Affairs. The report is titled *Management of Senior Executive Service Conflict of Interest Requirements*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Dr Caralee McLiesh PSM  
Auditor-General

The Honourable the President of the Senate  
The Honourable the Speaker of the House of Representatives  
Parliament House  
Canberra ACT

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# Audit snapshot

## Auditor-General Report No.47 2024–25

### *Management of Senior Executive Service Conflict of Interest Requirements*



#### Why did we do this audit?

- ▶ The public is entitled to have confidence in the integrity of public officials, and to know that the personal interests of public officials do not conflict with their public duties.
- ▶ Agency heads and Senior Executive Service (SES) employees have legislative obligations to declare material personal interests and avoid conflicts of interests.
- ▶ This audit was conducted to provide assurance to the Parliament whether the selected entities are effectively managing SES conflict of interest requirements.



#### What did we find?

- ▶ Selected entities are managing SES conflicts of interest in a largely effective manner.
- ▶ Entities have largely appropriate arrangements in place supporting the management of personal interests of SES officers.
- ▶ Entities have implemented partly effective controls for managing personal interests of SES officers.
- ▶ Entities are partly effective with respect to SES officers completing activity-based conflict of interest declarations.



#### Key facts

- ▶ As of 30 June 2024, the Australian Public Service (APS) had 3,428 SES officers.
- ▶ The Aged Care Quality and Safety Commission (ACQSC), the Australian Trade and Investment Commission (Austrade), and the Department of Home Affairs (Home Affairs) are non-corporate Commonwealth entities.



#### What did we recommend?

- ▶ There were seven recommendations to the three entities to improve the management of conflicts of interest.
- ▶ All recommendations were agreed to.

11

SES officers in ACQSC, as of  
30 June 2024

62

SES officers in Austrade, as of  
30 June 2024

212

SES officers in Home Affairs, as  
of 30 June 2024

# Summary and recommendations

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## Background

1. An 'interest' is something related to an individual's personal circumstances that may bring advantage to, or affect, that individual. Interests can include, but are not limited to: financial interests; relationships; employment, including past employment and outside employment; and memberships or affiliations.
2. A conflict of interest can occur when there is a conflict between the public duties and personal interests of a public official that could, or could be seen to, influence the decisions they make or advice they give. For example, an official may hold shares in a company that they are regulating or procuring goods and services from. Conflicts of interest can be real, apparent or potential. Real conflicts of interest occur when personal interests improperly influence officials in performing their public duties.
3. The *Public Service Act 1999* sets out that the function of the Senior Executive Service (SES) is to provide APS-wide strategic leadership of the highest quality that contributes to an effective and cohesive APS.<sup>1</sup> SES officers should, by personal example and other appropriate means, promote the Australian Public Service (APS) Values and compliance with the Code of Conduct.<sup>2</sup> There are specific requirements for accountable authorities and SES employees in relation to the management of interests.<sup>3</sup>

## Rationale for undertaking the audit

4. According to the Australian Public Service Commissioner, the public is entitled to have confidence in the integrity of public officials, and to know that the personal interests of public officials do not conflict with their public duties. Apparent conflicts can be just as damaging to confidence in public administration as real conflicts, so disclosure and effective management of real, apparent and potential conflicts of interest is an important element of the Australian Government's integrity framework.<sup>4</sup>
5. This audit was conducted to provide assurance to the Parliament whether the selected entities are effectively managing SES conflict of interest requirements.

## Audit objective and criteria

6. The objective of the audit was to assess the effectiveness of selected Commonwealth entities' management of Senior Executive Service conflict of interest requirements.

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1 *Public Service Act 1999*, subsection 35(2).

2 *ibid.*, paragraph 35(3)(c).

3 Australian Public Service Commission, 'Declaration of interests', *Integrity*, APSC, 7 March 2019, available from <https://www.apsc.gov.au/working-aps/integrity/integrity-resources/declaration-interests> [accessed 7 February 2025].

4 National Anti-Corruption Commission, *Towards Integrity Maturity: Mapping the Commonwealth integrity landscape*, Commonwealth of Australia, n.d, p. 23, available from <https://www.nacc.gov.au/towards-integrity-maturity-mapping-commonwealth-integrity-landscape> [accessed 24 February 2025].

7. To form a conclusion against the objective, the ANAO adopted the following three high-level audit criteria.

- Have the entities developed appropriate arrangements to support the management of SES personal interests and conflicts of interest?
- Have the entities implemented effective controls and processes for managing SES annual declarations of interests in accordance with policies and procedures?
- Are SES officers effectively completing conflict of interest declarations for activities of heightened risk of conflict?

## Conclusion

8. The Aged Care Quality and Safety Commission (ACQSC), the Australian Trade and Investment Commission (Austrade) and the Department of Home Affairs (Home Affairs) are managing conflicts of interest for SES officers in a largely effective manner. The entities' management of conflicts of interest has generally improved since 2022. There are a number of initiatives underway to strengthen the framework for managing conflicts of interest across the Australian Public Service.

9. The audited entities have largely appropriate arrangements in place to manage the personal interests and conflicts of interest of SES officers. All entities have policies and procedures which identify interests as a matter requiring consideration. ACQSC and Austrade do not have documented procedures for managing accountable authority declarations to the relevant minister as required by the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Home Affairs introduced a procedure in March 2025. All entities identify responsibilities for managing interests. Internal reporting on the completion of declarations and risks arising from declarations has not been undertaken. All entities include conflicts of interest in their enterprise risk registers or fraud risks. Each entity provides training on conflicts of interest within their mandatory training modules. Entities do not adequately monitor completion of this training. All entities communicate information and guidance on conflicts of interest to staff.

10. All entities have implemented partly effective controls and processes for managing SES declarations of interests. Not all SES officers are making declarations. There are limitations in the completeness of information included in declarations by officers, and demonstrated managerial review only occurred for some declarations. Records documenting management plans were not maintained by ACQSC until early 2024. All entities monitor completion of declarations and follow up non-compliant individuals. Between 2022 and 2024, the accountable authorities of ACQSC and Austrade did not make declarations to relevant ministers, as required. The ACQSC's new incoming accountable authority made a declaration to the relevant minister in January 2025 and the Austrade accountable authority made a declaration in November 2024 and March 2025. The Home Affairs accountable authority has made declarations as required. ACQSC and Austrade included conflicts of interest in assurance activities between 2022 and 2024, and Home Affairs last did so in 2020–21.

11. Entities are partly effective with respect to SES officers completing activity-based conflict of interest declarations. Entities have generally established a requirement for officers to declare conflicts of interest for procurement, recruitment and grants administration activities. The requirement is weakened when there is no requirement for all officers to make a declaration,



including for officers with nothing to declare. The ANAO found that officers from ACQSC and Austrade were generally making declarations for procurement as required. Home Affairs officers were not. Officers from all entities involved in grants administration activities are declaring as required. Results were mixed for recruitment activities. No entities had adequate arrangements in place for conflict of interest risks related to post-separation employment.

## Supporting findings

### Governance

12. ACQSC's and Home Affairs' Accountable Authority Instructions (AAIs) follow the model AAI content from the Department of Finance on the disclosure of interests. ACQSC's AAIs give additional organisational context. Austrade's instructions do not include the model content and make limited reference to the management of interests. All entities have supporting policies and procedures. Home Affairs' policies and procedures provide insufficient detail on the annual SES declaration process. None of the entities had procedures supporting accountable authority declarations to the relevant minister. Home Affairs introduced such a procedure in March 2025. (See paragraphs 2.1 to 2.39)

13. All entities have clearly documented responsibilities identifying that individuals are required to make declarations. ACQSC and Home Affairs identify additional responsibilities for other roles including supervisors, managers and business areas responsible for overall management of interests. There has been no internal reporting undertaken within the entities in relation to the completion of annual interest declarations processes, except ACQSC commenced reporting in January 2025 to its internal governance forum. None of the entities analysed declarations of interests to assess and report on emerging risks. (See paragraphs 2.40 to 2.60)

14. All entities have considered conflicts of interest as part of broader integrity or legislative compliance risks. While risks associated with conflicts of interest are considered by all entities, only Home Affairs has documented the controls and control owners associated with enterprise risks. ACQSC's register includes risk owners. Appropriate documentation of controls and control owners is absent in ACQSC and Austrade. All entities have considered conflicts of interest as a factor within their fraud and corruption control plans. Home Affairs has assessed conflicts of interest as part of its fraud and corruption risk assessments. (See paragraphs 2.61 to 2.77)

15. All entities have training on conflict of interest within their mandatory annual training. This training is not being completed by all SES officers. To help remind SES officers to complete their annual declarations, each of the entities provide officers with reminders. Information and assistance to support officers to comply with their obligations is also available within each entity. (See paragraphs 2.78 to 2.109)

### Annual declarations of interests

16. Not all SES officers are completing annual declarations, with completion rates varying across entities. For ACQSC, the completion rate was 92 per cent in 2024. For Austrade, it was 99 per cent (when taking into account long-term leave and departures) and for Home Affairs it was 84 per cent. Completion rates have varied over time. Declarations generally contain sufficient information to understand the nature and extent of a declared interest, however an explanation of how the interest relates to the 'affairs of the entity' is not always sufficiently described. The

accountable authorities of ACQSC and Austrade did not make declarations of their interests to the relevant minister as required. (See paragraphs 3.3 to 3.31)

17. None of the entities require that all annual declarations made by SES officers are subject to review. If an officer makes a 'nil' declaration, none of the entities have required declarations be reviewed. Home Affairs introduced a requirement in December 2024. Only declarations including an interest are subject to manager review. Management plans developed by Austrade officers document managerial review. Evidence of managerial review was lacking for plans developed by ACQSC and Home Affairs officers prior to 2024. (See paragraphs 3.32 to 3.48)

18. All entities monitor the completion of declarations of interests by SES officers. Where SES officers had not completed declarations, there was a process to follow up with relevant officers and their managers. ACQSC and Austrade undertook assurance activity through the inclusion of conflicts of interest within internal audits between 2022 and 2024. (See paragraphs 3.49 to 3.58)

### **Declarations of conflicts of interest for activity-based activities**

19. Each entity requires that SES officers involved in procurement declare conflicts of interest. For ACQSC the SES officers involved in procurement made declarations as required. Eleven of 14 Home Affairs SES officers did not make declarations as required. From March 2025, Austrade has required that all officers involved in procurement activities make conflict of interest declarations. Before this, only officers who had a conflict to declare were required to make a declaration. As such, there were no records for the two Austrade SES officers in the ANAO sample demonstrating that they had considered conflicts of interest. (See paragraphs 4.5 to 4.8)

20. Austrade does not have a policy specifically relating to making conflict of interest declarations for grants administration. Home Affairs requires officers to disclose and manage conflicts of interest, however, there is a lack of supporting process. The three Austrade SES officers involved in grants administration activities assessed by the ANAO had made conflict of interest declarations. The 13 Home Affairs SES officers involved in grants administration had also made declarations. (See paragraphs 4.9 to 4.13)

21. Each of the entities requires that SES officers involved in recruitment declare conflicts of interest, except Home Affairs does not have a documented policy where the recruitment is for an SES officer. Within ACQSC, 38 per cent of SES officers involved in recruitment activities assessed by the ANAO did not make a declaration as required. Austrade does not require officers to make declarations if they have nothing to declare — 44 per cent of SES officers involved in the recruitment assessed by the ANAO made no declaration. Ninety-seven per cent of Home Affairs' SES officers involved in recruitment made a declaration. Where conflicts of interest were declared, appropriate officers at the three entities were not always reviewing these and management actions were not always being put in place. (See paragraphs 4.14 to 4.39)

22. None of the entities have adequate policies and procedures to support the identification, declaration and management of conflicts of interest related to post-separation employment. Austrade has a declaration addressing conflicts of interest in its cessation checklist. The checklist was not completed by all departing officers. In addition, there was a lack of evidence to demonstrate that such conflicts of interest were considered for SES employees who had departed. (See paragraphs 4.42 to 4.50)

## Recommendations

**Recommendation no. 1**  
**Paragraph 2.36**

Aged Care Quality and Safety Commission and the Australian Trade and Investment Commission establish arrangements to support compliance with the requirements of the Public Governance, Performance and Accountability Rule 2014 relating to accountable authority (including acting accountable authority) declarations of interests to relevant ministers.

**Aged Care Quality and Safety Commission response:** *Agreed.*

**Australian Trade and Investment Commission response:** *Agreed.*

**Recommendation no. 2**  
**Paragraph 2.99**

All entities monitor the status of mandatory training to ensure that it is completed within expected timeframes. Where completion is not timely, follow up action should be taken to ensure that requirements are met.

**Aged Care Quality and Safety Commission response:** *Agreed.*

**Australian Trade and Investment Commission response:** *Agreed.*

**Department of Home Affairs response:** *Agreed.*

**Recommendation no. 3**  
**Paragraph 3.18**

Aged Care Quality and Safety Commission revise:

- (a) guidance supporting annual declarations to ensure individuals making declarations sufficiently describe their roles and responsibilities; and
- (b) its annual declaration form to require that annual declarations be refreshed in detail at regular intervals and specify a duration permitted for reliance on prior declarations.

**Aged Care Quality and Safety Commission response:** *Agreed.*

**Recommendation no. 4**  
**Paragraph 4.15**

Aged Care Quality and Safety Commission update its form for making conflict of interest declarations in relation to recruitment to include a section to describe the nature and extent of a conflict and how it is intended to be managed, and to record acceptance by the panel chair or recruitment delegate.

**Aged Care Quality and Safety Commission response:** *Agreed.*

**Recommendation no. 5**  
**Paragraph 4.19**

Australian Trade and Investment Commission revise its recruitment policy to require declarations of conflicts of interest in all instances, including where no conflict is present.

**Australian Trade and Investment Commission response:** *Agreed.*

**Recommendation no. 6** The Department of Home Affairs document its approach to managing conflicts of interest for SES recruitment activities.  
**Paragraph 4.23**

**Department of Home Affairs response:** *Agreed.*

**Recommendation no. 7** Aged Care Quality and Safety Commission and the Department of Home Affairs update policies and procedures to include employee obligations to identify, declare and manage conflicts of interest related to post-separation employment.  
**Paragraph 4.46**

**Aged Care Quality and Safety Commission response:** *Agreed.*

**Department of Home Affairs response:** *Agreed.*

## Summary of entity responses

23. The proposed report was provided to ACQSC, Austrade and Home Affairs. Summary responses from the entities are reproduced below. Full responses are at Appendix 1. Improvements observed by the ANAO during the course of this audit are listed at Appendix 2.

### Aged Care Quality and Safety Commission

The Aged Care and Quality Safety Commission (the Commission) welcomes the findings of the audit which align well with the uplift in our integrity policies and practices the Commission already had underway, and some of which were applied during the period of the audit.

The Commission agrees with the five recommendations relating to arrangements for the accountable authority to provide declarations to the Minister, monitoring compliance with mandatory training, ensuring declarations contain information about the person's role and responsibilities, ensuring annual declarations are refreshed at regular intervals, updating our recruitment Conflict of Interest Form and updating policies and procedures to include post separation conflicts of interest.

The Commission had already commenced improving its conflict of interest processes as part of a wider integrity uplift prior to the audit and the learnings from this audit will continue to inform our integrity maturity uplift. Recommendations from the audit have been actioned with amendments being made to forms, policies and procedures.

### Australian Trade and Investment Commission

The Australian Trade and Investment Commission welcomes the audit report and acknowledges the findings and recommendations made by the Australian National Audit Office in relation to the Management of the Senior Executive Services Conflict of interest requirements.

The Australian Trade and Investment Commission is committed to implementing the recommendations from the report. These improvements will further strengthen Austrade's efforts to ensure all Senior Executive Service (SES) employees of the agency declare all conflicts of interest, and that all declarations are managed with integrity and consistent with legislative obligations.

## Department of Home Affairs

All findings and recommendations are agreed. The Department of Home Affairs is committed to ensuring that appropriate processes are maintained for identifying and managing conflicts of interest. This is fundamental to maintaining public trust and confidence in our operations.

Mandatory training is currently in place for all staff and the department will establish follow up actions to ensure SES officers are meeting their mandatory training obligations within set timeframes. This will strengthen the current system of automatic reminders which are sent to both staff and their supervisors, and non-compliance reports that are provided to senior leaders.

The department has work underway to improve its conflict of interest process. This includes updating policies and guidance material and strengthening education. The department has already updated and strengthened procurement guidance and templates to ensure delegates are aware of their conflict of interest obligations throughout each stage of the procurement process. Formal procedures have also been implemented for the Senior Executive Service annual declaration of interest process.

## Key messages from this audit for all Australian Government entities

24. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

### Governance and risk management

- Accountable authorities have obligations to declare interests to relevant ministers. This obligation applies to both the permanent accountable authority and anyone filling the role on an acting basis.
- More comprehensive annual declarations of interests by SES officers include detail on the nature and extent of the interest, as well as how the interest relates to the affairs of the entity. For example, declarations could identify the role held by the SES officer and relevance to this role of the declared interest.
- There should be clearly defined obligations for managers or other officials to document review of declarations, and the approval of any associated management actions.
- For activities with heightened risk of conflicts of interest (such as procurement, grants administration, recruitment and post-separation employment), controls are strengthened where officials are required to make a declaration in all instances, even where no interest is present. This supports transparency and helps to ensure that officials have turned their minds to conflicts of interest.



## **Audit findings**

# 1. Background

## Introduction

### Conflict of interest as a risk for Australian Government entities

1.1 The Commonwealth Fraud Risk Profile notes that conflicts of interest are a common enabler of internal fraud.<sup>5</sup> The National Anti-Corruption Commission’s (NACC’s) *2022/23 Integrity Outlook* states:

Conflicts of interest are also a prevalent source of corruption issues. Many types of corrupt conduct – such as breaches of public trust, abuse of office and misuse of information – originate from conflicts of interest. Such conflicts therefore pose a substantial risk for government agencies, parliamentarians, and public officials. This is why identifying, disclosing and managing potential conflicts of interest is a critical pillar of integrity architectures.<sup>6</sup>

1.2 The NACC’s *Corruption prevention priorities for 2024* identified conflicts of interest as one of three areas of focus:

Conflicts of interest happen when public officials have personal connections or interests that could be affected by the decisions they make in their jobs. Not every conflict leads to corrupt conduct, but there is a conflict of interest at the heart of most corruption.

Conflicts of interest are inevitable. Public officials must be able to identify them and manage them properly to prevent them becoming integrity issues.<sup>7</sup>

1.3 The NACC and the Australian Public Service Commission (APSC) have highlighted four functions undertaken by Australian Government entities that have heightened risk of conflicts of interest (see Table 1.1).

**Table 1.1: Entity activities with heightened risk of conflicts of interest**

Function	Potential risk activity
Procurement and recruitment	<ul style="list-style-type: none"><li>• Procuring goods or services</li><li>• Tendering for and managing contracts</li><li>• Engaging and promoting employees</li><li>• Making appointments to statutory positions</li></ul>

5 The Commonwealth Fraud Risk Profile is available to Australian Government entities and available from Commonwealth Fraud Prevention Centre, *Commonwealth Fraud Risk Profile*, Attorney General’s Department, March 2022, p. 3, available from <https://www.counterfraud.gov.au/news/general-news/new-commonwealth-fraud-risk-profile>.

6 National Anti-Corruption Commission, *Integrity Outlook 2022–23*, NACC, 2023, p. 4, available from [https://www.nacc.gov.au/sites/default/files/documents/2023-10/integrity\\_outlook\\_22-23\\_-\\_final\\_version\\_for\\_publication\\_0.pdf](https://www.nacc.gov.au/sites/default/files/documents/2023-10/integrity_outlook_22-23_-_final_version_for_publication_0.pdf) [accessed 13 January 2025].

7 National Anti-Corruption Commission, *Corruption prevention priorities for 2024*, NACC, 22 April 2024, available from <https://www.nacc.gov.au/news-and-media/corruption-prevention-priorities-2024> [accessed 13 January 2025].



Function	Potential risk activity
Regulating individual or business activities	<ul style="list-style-type: none"> <li>Inspecting, regulating, or monitoring standards, businesses, equipment or premises</li> <li>Issuing qualifications or licenses</li> <li>Issuing or reviewing fines or penalties</li> </ul>
Distributing goods, services, grants or funds	<ul style="list-style-type: none"> <li>Providing a service</li> <li>Allocating grants of public funds</li> <li>Allocating subsidies, financial assistance, concessions or other relief</li> </ul>
Making binding decisions	<ul style="list-style-type: none"> <li>Issuing determinations on matters</li> <li>Passing binding judgements</li> <li>Exercising statutory powers</li> <li>Voting as a member of a board or committee</li> </ul>

Source: NACC, *Towards Integrity Maturity: Mapping the Commonwealth integrity landscape*, undated, available from [https://www.nacc.gov.au/sites/default/files/documents/2023-08/CIMF-towards-integrity-maturity-mapping-the-commonwealth-integrity-landscape\\_0.pdf](https://www.nacc.gov.au/sites/default/files/documents/2023-08/CIMF-towards-integrity-maturity-mapping-the-commonwealth-integrity-landscape_0.pdf) [accessed 13 January 2025]; and APSC, *APS Values and Code of Conduct in practice*, September 2021, available from <https://www.apsc.gov.au/publication/aps-values-and-code-conduct-practice/section-5-conflict-interest> [accessed 13 January 2025].

1.4 To assist entities in managing integrity risks, the NACC has developed a Commonwealth Integrity Maturity Framework. The framework outlines eight integrity principles derived from Australian Government integrity laws, policies and procedures, all of which relate to managing conflicts of interest (see Table 1.2).

**Table 1.2: Obligations and controls from Commonwealth Integrity Maturity Framework related to conflicts of interest**

Integrity maturity principle	Related obligations and controls
1. Values and Code of Conduct	<ul style="list-style-type: none"> <li>Code of Conduct requirements include avoiding and managing actual, perceived and potential conflicts of interest and declaring material personal interests.</li> </ul>
2. Integrity knowledge and performance management	<ul style="list-style-type: none"> <li>Provide integrity education to help manage key integrity risks such as conflict of interest.</li> </ul>
3. Integrity policies, resources and systems	<ul style="list-style-type: none"> <li>Develop and implement policies, resources and systems to manage identified integrity risks, including establishing systems to report and manage actual, perceived and potential conflicts of interest and declare associations, assets and interests.</li> </ul>
4. Integrity risk management	<ul style="list-style-type: none"> <li>Embed integrity risk management in key business processes.</li> <li>Review the effectiveness of controls to manage integrity risks.</li> <li>Develop a positive risk and pro-integrity culture where leaders are positive role models and officials talk openly and honestly about risk and integrity.</li> </ul>
5. Prevent, detect and manage fraud and corruption	<ul style="list-style-type: none"> <li>Comply with the Commonwealth Fraud and Corruption Control Framework, including conducting risk assessments and developing and implementing a control plan for identified risks.</li> </ul>

Integrity maturity principle	Related obligations and controls
6. Integrity in public resource management	<ul style="list-style-type: none"> <li>• Maintain probity in the management of public resources, including assessment and provision of grants and procurement.</li> <li>• Manage the risk of unethical supplier practices, such as actual, perceived or potential conflicts of interest.</li> </ul>
7. Protect people, information and assets	<ul style="list-style-type: none"> <li>• Comply with the Protective Security Policy Framework, including screening and vetting the eligibility and suitability of personnel and contractors and assessing and managing their ongoing suitability.</li> </ul>
8. Monitor and evaluate organisational integrity	<ul style="list-style-type: none"> <li>• Monitor and evaluate integrity performance, including periodically assessing the maturity of the entity's management of integrity risks.</li> </ul>

Source: ANAO analysis, based on NACC, *8 Integrity Principles and Maturity Indicators*, no date, available from <https://www.nacc.gov.au/8-integrity-principles-and-maturity-indicators> [accessed 13 January 2025].

## Legislative and policy frameworks for managing interests and conflicts of interest

### *Public Service Act 1999*

1.5 Under the *Public Service Act 1999* (PS Act), an APS employee must:

- a) take reasonable steps to avoid any conflict of interest (real or apparent) in connection with the employee's APS employment; and
- b) disclose details of any material personal interest of the employee in connection with the employee's APS employment.<sup>8</sup>

1.6 According to the APSC's *APS Values and Code of Conduct in practice* guide, to be 'material' a personal interest needs to be of a type that can give rise to a real or apparent conflict of interest.<sup>9</sup> The guide notes that agency heads are responsible for ensuring conflicts of interest are effectively managed and should establish systems for registering interests, assessing the materiality of interests and mitigating any conflicts that may arise. Agency heads must also monitor compliance with the agency's policy for disclosing and managing conflicts of interest to meet the requirements of the *Public Governance, Performance and Accountability Act 2013*. The APSC's guide states that:

Agency heads and Senior Executive Service (SES) employees are subject to a specific regime that requires them to submit, at least annually, a written declaration of their own and their immediate family's financial and other material personal interests.<sup>10</sup>

1.7 In December 2023, the Australian Public Service Commissioner wrote to department heads expressing 'a need [for the public service] to strengthen our approach to the declaration and management of conflicts of interest by senior leaders'. The letter asked secretaries to ensure SES employees had up-to-date declarations in place, and that agencies have strategies to mitigate or

<sup>8</sup> PS Act, subsection 13(7).

<sup>9</sup> Australian Public Service Commission, *APSC Values and Code of Conduct in practice*, APSC, Canberra, 2021, section 5.1, available from <https://www.apsc.gov.au/publication/aps-values-and-code-conduct-practice/section-5-conflict-interest> [accessed 14 January 2025].

<sup>10</sup> APSC, *APS Values and Code of Conduct in practice*, APSC, Canberra, 2021, section 5.2.7, available from <https://www.apsc.gov.au/publication/aps-values-and-code-conduct-practice/section-5-conflict-interest> [accessed 14 January 2025]. The guide does not refer to the regulatory or policy basis for the agency head and SES interest declaration 'regime'. The APSC advised the ANAO in April 2024 that the requirement stems from a government decision outlined in a statement to Parliament made by the prime minister in September 1983.

manage conflicts of interest, including in recruitment, procurement, awarding grants, regulatory decision making and post-separation matters.

### *Public Governance, Performance and Accountability Act 2013*

1.8 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) sets out the general duties of accountable authorities and officials of Australian Government entities. An official of an Australian Government entity or company has duties that include:

- not improperly using their position or information obtained through their position to gain or seek to gain a benefit or advantage for themselves or others, or to cause or seek to cause detriment to the entity, Commonwealth, or others<sup>11</sup>; and
- disclosing the details of any material personal interests that relate to the affairs of the entity.<sup>12</sup>

1.9 The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) specifies that accountable authorities must:

- disclose material personal interests that relate to the affairs of the entity to the entity's responsible minister in writing;
- include details of the nature and extent of the interest and how the interest relates to the affairs of the entity in their disclosure; and
- make the disclosure as soon as practicable after becoming aware of the interest or when there is a change in the nature or extent of the interest.<sup>13</sup>

1.10 Officials, other than the accountable authority, who have a material personal interest that relates to the affairs of the entity must disclose such interests in accordance with any instructions given by the accountable authority of the entity.<sup>14</sup> The Department of Finance's *Resource Management Guide 203: General Duties of Officials* (RMG 203) states that:

The overriding principle for a declaration of a material personal interest should be: if in doubt, declare the interest in accordance with the appropriate process. Taking this step should protect both the official and the Commonwealth entity.

### *Australian Government initiatives underway — May 2025*

1.11 As of May 2025, the APS Chief Operating Officers Committee<sup>15</sup> is developing a Conflict of Interest Better Practice Model for APS agencies and staff.<sup>16</sup> The Better Practice Model is being developed in response to recommendation 14 of the APS Integrity Taskforce's *Louder than Words*

11 PGPA Act, sections 27 and 28.

12 *ibid.*, section 29.

13 PGPA Rule, Part 2-2, Division 2, section 13.

14 *ibid.*, section 16.

15 The Chief Operating Officers Committee is a sub-committee of the Secretaries Board that is responsible for coordinating and providing advice on whole-of-government operational and implementation matters. It comprises relevant Deputy Secretaries and Chief Operating Officers from all Departments of State and 10 other Commonwealth entities.

16 Chief Operating Officers Committee, 'COO Committee Communique', APSC, 27 November 2024, available from <https://www.apsc.gov.au/initiatives-and-programs/chief-operating-officers-committee> [accessed 23 April 2025].

report.<sup>17</sup> It will form part of a broader launch of APS-wide guidance to improve the management of conflicts of interest in the APS.

1.12 The National Anti-Corruption Commission stated in August 2024 that it planned to issue guidance on identifying and declaring conflicts, and subsequently managing them. This guidance has not been published.

### *Other jurisdictions*

1.13 In Australia, the New South Wales Independent Commission Against Corruption<sup>18</sup> and Victorian Public Sector Commission<sup>19</sup> have published guidance detailing how to identify, declare and manage conflicts of interest.

## **Entities selected for examination in this audit**

1.14 Three non-corporate Commonwealth entities were selected for examination in this audit: the Aged Care Quality and Safety Commission (ACQSC); the Australian Trade and Investment Commission (Austrade); and the Department of Home Affairs (Home Affairs).

### *Aged Care Quality and Safety Commission*

1.15 ACQSC is the national regulator of aged care services.<sup>20</sup> It is responsible for protecting and enhancing the safety, health, wellbeing and quality of life of aged care consumers, promoting engagement with consumers about the quality of care and services, and promoting confidence and trust in the provision of aged care. The accountable authority is the Aged Care Quality and Safety Commissioner. As at 30 June 2024, ACQSC had 1,473 staff employed under the PS Act, 11 of which were SES staff.

1.16 ACQSC was selected for the audit as representative of an entity with few SES officers. As a regulator, ACQSC faces inherent and heightened risks related to conflicts of interest.

### *Australian Trade and Investment Commission*

1.17 Austrade is responsible for promoting Australia as a trade, investment and tourism destination and supporting Australian exporters to expand internationally through the delivery of trade and investment services to business and policy advice to government. Austrade operates 98 office locations, including 61 overseas locations. The accountable authority is the Chief Executive Officer. As at 30 June 2024, Austrade had 665 staff employed under the PS Act, 62 of which were SES staff.

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17 Department of the Prime Minister and Cabinet, *Louder Than Words: An APS Integrity Action Plan*, PM&C, 17 November 2023, available from <https://www.pmc.gov.au/resources/louder-words-aps-integrity-action-plan/culture> [accessed 18 March 2025].

18 New South Wales Independent Commission Against Corruption, *Managing conflicts of duties in the NSW public sector*, NSW ICAC, January 2024, available from <https://www.icac.nsw.gov.au/prevention/corruption-prevention-publications/latest-corruption-prevention-publications/managing-conflicts-of-duties-in-the-nsw-public-sector-january-2024> [accessed 24 April 2025].

19 Victorian Public Sector Commission, 'Conflict of interest', VPSC, 27 February 2025, available from <https://vpvc.vic.gov.au/ethics-behaviours-culture/conflict-of-interest/> [accessed 24 April 2025].

20 It was established on 1 January 2019, bringing together functions of the Australian Aged Care Quality Agency and the Aged Care Complaints Commissioner.

1.18 Austrade was selected for the audit as representative of a medium sized entity with a moderate number of SES employees, which employs both domestic and overseas staff, and has functions including service delivery and grants administration.

### *Department of Home Affairs*

1.19 Home Affairs is responsible for coordination, regulation, strategy and policy in relation to cyber and critical infrastructure resilience and security, immigration, border security and management, counter-terrorism and citizenship. The accountable authority is the Secretary of the department. As at 30 June 2024, Home Affairs had 15,207 staff employed under the PS Act, of which 212 were SES. SES roles include employees in permanent, non-ongoing and higher duties roles, as well as SES officers on secondment and extended leave.

1.20 Home Affairs has been included in this audit as representative of a larger entity with a large SES cohort. It also has a range of functions including grants administration and regulation where conflicts of interest present a heightened risk.

## **Rationale for undertaking the audit**

1.21 According to the Australian Public Service Commissioner, the public is entitled to have confidence in the integrity of public officials, and to know that the personal interests of public officials do not conflict with their public duties.<sup>21</sup> Apparent conflicts can be just as damaging to confidence in public administration as real conflicts, so disclosure and effective management of real, apparent and potential conflicts of interest is an important element of the Australian Government's integrity framework.<sup>22</sup>

1.22 This audit was conducted to provide assurance to the Parliament whether the selected entities are effectively managing SES conflict of interest requirements.

## **Audit approach**

### **Audit objective, criteria and scope**

1.23 The objective of the audit was to assess the effectiveness of selected Commonwealth entities' management of Senior Executive Service conflict of interest requirements.

1.24 To form a conclusion against the objective, the ANAO adopted the following three high-level audit criteria.

- Have the entities developed appropriate arrangements to support the management of SES personal interests and conflicts of interests?
- Have the entities implemented effective controls and processes for managing SES annual declarations of interests in accordance with policies and procedures?

21 APSC, *APSC Values and Code of Conduct in practice*, APSC, Canberra, 2021, section 5.1, available from <https://www.apsc.gov.au/publication/aps-values-and-code-conduct-practice/section-5-conflict-interest> [accessed 14 January 2025].

22 NACC, *Towards Integrity Maturity: Mapping the Commonwealth integrity landscape*, Commonwealth of Australia, undated, p. 23, available from <https://www.nacc.gov.au/towards-integrity-maturity-mapping-commonwealth-integrity-landscape> [accessed 24 February 2025].

- Are SES officers effectively completing conflict of interest declarations for activities of heightened risk of conflict?

### **Audit methodology**

1.25 To address the audit objective, the audit team:

- met with relevant officials at the selected entities;
- reviewed legislative, policy and internal arrangements related to conflicts of interest; and
- examined entity records, including risk registers, training and communications material, conflict of interest declarations and mitigation strategies, and monitoring and reporting.

1.26 The audit primarily focussed on the management of conflicts of interest between January 2022 and December 2024.

1.27 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$508,404.

1.28 The team members for this audit were Adrita Inam, Alexandros Soundias, Marcus Newberry, Daniel Whyte and Nathan Callaway.

## 2. Governance

### Areas examined

This chapter examines whether the Aged Care Quality and Safety Commission (ACQSC), the Australian Trade and Investment Commission (Austrade), and the Department of Home Affairs (Home Affairs) have appropriate arrangements in place to support the management of personal interests and conflicts of interest of Senior Executive Service (SES) officers.

### Conclusion

The audited entities have largely appropriate arrangements in place to manage the personal interests and conflicts of interest of SES officers. All entities have policies and procedures which identify interests as a matter requiring consideration. ACQSC and Austrade do not have documented procedures for managing accountable authority declarations to the relevant minister as required by the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Home Affairs introduced a procedure in March 2025. All entities identify responsibilities for managing interests. Internal reporting on the completion of declarations and risks arising from declarations has not been undertaken. All entities include conflicts of interest in their enterprise risk registers or fraud risks. Each entity provides training on conflicts of interest within their mandatory training modules. Entities do not adequately monitor completion of this training. All entities communicate information and guidance on conflicts of interest to staff.

### Areas for improvement

The ANAO made two recommendations addressing arrangements to ensure accountable authority compliance with requirements to declare interests to the minister, and that the completion of mandatory training is monitored.

2.1 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires the accountable authority to govern the entity in a manner which promotes the proper use and management of public resources.<sup>23</sup> They must also establish and maintain an appropriate system of risk oversight and internal control.<sup>24</sup> Personal interests are one of the factors that can influence the proper use and management of public resources, and should therefore be considered within the entity's risks and control systems.<sup>25</sup>

### Have entities developed appropriate policies and procedures?

ACQSC's and Home Affairs' Accountable Authority Instructions (AAIs) follow the model AAI content from the Department of Finance on the disclosure of interests. ACQSC's AAIs give additional organisational context. Austrade's instructions do not include the model content and make limited reference to the management of interests. All entities have supporting policies and procedures. Home Affairs' policies and procedures provide insufficient detail on

23 PGPA Act, section 15.

24 *ibid.*, section 16.

25 Section 27 of the PGPA Act requires an official of a Commonwealth entity to not improperly use their position to gain a benefit for themselves or another. A conflict of interest may give rise to a benefit for an APS employee or another person or entity.

the annual SES declaration process. None of the entities had procedures supporting accountable authority declarations to the relevant minister. Home Affairs introduced such a procedure in March 2025.

## **Aged Care Quality and Safety Commission**

### *Management of interests policies and procedures*

2.2 The management of interests within ACQSC is governed through three policies:

- Accountable Authority Instructions (AAIs)<sup>26</sup>;
- the Senior Officers Declaration of Interest Policy; and
- the Conflict of Interest Policy.

#### Accountable Authority Instructions

2.3 The AAIs for ACQSC closely follow the model instructions published by the Department of Finance.<sup>27</sup> The AAIs provide high-level direction in relation to the requirement to manage interests. The content on the disclosure of interests has been expanded upon by ACQSC to provide organisation specific guidance, including on roles and responsibilities. Responsibility for maintaining and promulgating ACQSC's process for disclosure of interests is also specified within the AAIs.

2.4 The AAIs note that while avoiding conflicts of interest is preferred, it is not always possible to do so in every instance. Any conflicts of interest should be managed in a way which can withstand external scrutiny, and that any actions taken will be determined according to the circumstances of the individual situation and the nature and extent of the conflict.

2.5 The AAIs include links to other relevant material, including to the two other policies governing the management of interests within the entity.

#### Senior Officers Declaration of Interest Policy

2.6 This policy applies to all SES and Executive Level (EL) officers, or equivalents. It is intended to ensure that officials comply with their duty to disclose interests. ACQSC requires senior officers to make biannual declarations. When making a declaration, the officer must consider and declare their private interests or relationships that 'could or could be seen to impact upon the decisions they are taking or the advice they are giving'. The policy provides detail on the need to address family and personal relationships, especially where family and friends have involvement in the aged care industry.

2.7 The process for making biannual declarations is described. Declarations are due by 15 February and 15 August each year and are submitted using a form. The policy requires that:

Where a conflict of interest is declared, your declaration should be discussed with your manager, and evidence should be submitted that identifies their acknowledgement and/or any plans in place, to mitigate the risk where required.

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26 AAIs may be issued by the accountable authority to instruct officials on matters relating to the finance law. AAIs assist the accountable authority in meeting their general duties under the PGPA Act and in establishing appropriate internal controls for their entity.

27 To support accountable authorities in providing operational instructions to their officers, the Department of Finance has published model AAIs in Resource Management Guide 206. These are not mandatory.



2.8 Between 2022 and 2024, there were two versions of the form for making declarations. The forms provide adequately for the capture of declarations where an interest was present. The 2024 form includes a separate 'nil interest' response, which was not present in the 2022 form. While information supporting officer declarations was present, information pertaining to management strategies has only been adequately captured since the February 2024 form was implemented. The impact of this is discussed in paragraph 3.35.

#### Conflict of Interest Policy

2.9 ACQSC's Conflict of Interest Policy applies to all officers and describes the organisational approach to managing conflicts of interest. The policy describes the legislative obligations relevant to management of conflicts of interest, defines what a conflict of interest is, and what needs to be disclosed and a process for doing so. The policy also provides direction on considerations relevant to specific scenarios, including managing family members employed within the Commission, commencing with the organisation, recruitment panels, procurements, working with lobbyists, receiving or offering gifts and benefits, outside employment and involvement in committees or boards.

2.10 The policy sets out the factors that should be assessed when determining the materiality of a conflict of interest. These include:

- the type or extent of the employee's personal interest, real or apparent;
- the nature or significance of the particular decision or activity being carried out;
- the extent to which the employee's personal interest could affect, or be affected by the agency's decision or activity; and
- the nature or extent of the employee's current or intended involvement in the agency's decision or activity.

2.11 The policy also provides detail on approaches to mitigating a conflict and responsibilities for employees and managers. The policy provides declaration forms to support staff in making declarations.

#### *Activity-based conflict of interest policies and procedures*

2.12 The policies specific to making activity-based conflict of interest declarations<sup>28</sup> are included in the 'Conflict of Interest Policy' outlined above. This policy addresses:

- managerial oversight of family members or other individuals where there is the potential appearance of partiality, preferential treatment or improper use of status;
- recruitment and selection;
- procurement;
- working with lobbyists;
- receiving and offering gifts or benefits;
- outside employment;
- participation on committees or in ad hoc negotiations;

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28 This audit uses the term 'activity-based declarations' to refer to declarations made in relation to specific activities such as recruitment and procurement.

- conflict of duty due to concurrent appointment to Commonwealth Boards;
- insider trading or promotion of other business interests; and
- post-separation employment (refers to separate policy).

2.13 The implementation of activity-based conflict of interest policy in ACQSC is discussed in Chapter 4 (see paragraphs 4.5, 4.14 and 4.42).

#### *Accountable authority declarations*

2.14 ACQSC does not have policy and procedural guidance applicable to the management of accountable authority declarations required under the PGPA Rule.<sup>29</sup>

### **Australian Trade and Investment Commission**

#### *Management of interests policies and procedures*

##### Chief Executive Instructions

2.15 Austrade's Chief Executive Instructions (CEIs)<sup>30</sup> do not include the section on disclosure of interests as set out in the model instructions published by the Department of Finance. The disclosure of interests section in the model AAls includes instructions on the requirement for officials to disclose material personal interests under the PGPA Act and PGPA Rule, and the *Public Service Act 1999*. Also present is discussion of the concepts of material personal interests, relationship to the affairs of the entity and the principle of declaring if in doubt.

2.16 The CEIs include 20 instructions. Of the 20, four reference the management of interests or conflicts of interest: CEI 4 — Procurement and Contract Management; CEI 7 — Representation and Entertainment; CEI 8 — Gifts and Benefits; and CEI 16 — Sponsorship. Each instruction states that officers must avoid any real or perceived conflicts of interest. Of these four CEIs, two (CEI 4 and 16) identify the Managing Conflict of Interest Policy and Procedure as applicable. CEI 7 — Representation and Entertainment refers readers to CEI 8 — Gifts and Benefits for further information on conflicts of interest. CEI 8 does not include additional detail other than what is included in CEI 7, nor does it link to the relevant policy.

##### Conflict of Interest Policy and Procedure

2.17 Austrade has an overarching conflict of interest policy and procedure. The policy requires that any staff member (whether APS or SES) make a declaration of interests upon commencement and at least annually thereafter. The policy also includes specific events which trigger the requirement for an updated declaration. Two of these events include where a role is filled by an SES officer, or if an employee acts in an SES role for longer than three months. The policy does not specify how cumulative periods of acting exceeding three months should be managed.<sup>31</sup>

2.18 The procedure requires an officer to make a declaration; however, a manager is required to review the declaration only if a conflict is declared.

29 PGPA Rule, Part 2-2, Division 2, section 13.

30 Austrade's AAls are CEIs.

31 Cumulative periods of acting exceeding specified thresholds may occur where individuals fill an SES role on more than one occasion within a 12-month period but where each instance is less than the specified three months.

2.19 If a management plan is required, this is to be completed by the officer in consultation with their manager and submitted to the employee's manager once removed. The direct manager and the manager once removed are responsible for ensuring that the agreed management plan is implemented and monitored appropriately.

#### Employment contracts

2.20 Austrade includes interest management requirements in SES employment contracts. SES officers are required to:

- declare any conflict of interest that exists or may arise from their employment;
- comply with any direction Austrade may make in relation to removing or preventing a conflict of interest; and
- manage any real or perceived conflict of interest arising from a prospective employer when separating from Austrade.

#### *Activity-based conflict of interest policies and procedures*

2.21 Austrade sets out requirements for managing conflict of interest policies and procedures related to: outside employment; lobbyists; and post-separation employment.

- The outside employment policy and procedure states that employees must disclose and take reasonable steps to avoid any conflict of interest in relation to their Austrade employment, and that they must not pursue activities which interfere or otherwise conflict with their public duties.
- The lobbyist policy sets out the requirement to avoid any conflict between official duties and relationships with lobbyists. The policy highlights the post-separation employment obligations should the employee be employed as a lobbyist.
- The post-separation employment policy requires employees to consider whether there is the potential for a conflict of interest in taking up post-Austrade employment. The policy provides examples of potential conflicts and identifies post-separation activities which present the greatest potential for conflicts. These include business activity or employment involving contracts with Austrade, receipt of grants or other capital assistance, exercise of Austrade discretion or approval, lobbying and provision of consultancy to Austrade.

2.22 Austrade does not document policies or procedures for conflicts of interest during grants management. The implementation of activity-based conflict of interest policy in Austrade is discussed in Chapter 4 (see paragraphs 4.6, 4.10, 4.18 and 4.43).

#### *Accountable authority declarations*

2.23 Austrade does not have policy and procedural guidance applicable to the management of accountable authority declarations required by the PGPA Rule.

### **Department of Home Affairs**

#### *Management of interests policies and procedures*

##### Accountable Authority Instructions

2.24 The AAI for Home Affairs contain similar content to the model AAI published by the Department of Finance. The AAI do not provide organisation specific guidance or requirements in

relation to declaring interests and in most instances do not refer to the relevant organisational policies.

2.25 Beyond the section on the disclosure of interests in the AAI, there is reference to managing interests and conflicts of interest in relation to gifts and benefits, use of delegations, combined personal and business travel, and grants administration. The section on procurement does not set out any requirements for managing conflicts of interest. The section on gifts and benefits is the only instruction to reference Home Affairs' Conflict of Interest Instruction and Guideline.

#### Conflict of Interest Procedural Instruction

2.26 The procedural instruction applies to all staff and outlines Home Affairs' approach to managing conflicts of interest. It provides guidance on the differences between real or actual; potential; and perceived or apparent conflicts of interest, and states that interests can be both pecuniary (financial) and non-pecuniary (influence and relationships).

2.27 The procedural instruction includes the following.

- It sets out how to identify interests and provides examples of the type of situations within the department's context which may give rise to a conflict.
- It includes a process for declaring and recording a conflict of interest. Staff are required to discuss potential conflicts with their supervisor as soon as possible. If a decision is made that no conflict exists, this should be recorded on a conflict of interest form and emailed to the team responsible for managing declarations. Where a conflict is identified, a management plan must be documented and sent to the Integrity and Professional Standards branch (see paragraph 2.53).
- It sets out strategies for managing conflicts of interest, such as separating individuals from relevant parts of an activity or process or relinquishing the other interest.

2.28 The procedural instruction outlines the requirement for SES officers to make annual declarations in relation to their interests. SES officers are required to declare through a specific form. The form states that an SES declaration must be made within one month of becoming an SES officer, or when acting for more than three months. This requirement is not included in the procedural instruction. The absence of this from the procedural instruction may lead to individuals being unaware of the obligation contained within the form to make declarations after three months of acting and consequently lead to declarations either not being made when required or being made late.

2.29 The instruction was due for review on 9 September 2023. As of February 2025, the last recorded review date was 15 November 2022.

#### *Activity-based conflict of interest policies and procedures*

2.30 Policies specific to making activity-based conflict of interest declarations are included in the Conflict of Interest Procedural Instruction. This policy includes material addressing:

- managerial oversight of family members or other individuals with whom they are in an intimate relationship;
- recruitment and selection;
- procurement; and

- receiving gifts or benefits.

2.31 The implementation of activity-based conflict of interest policy in Home Affairs is discussed in Chapter 4 (see paragraphs 4.7, 4.11, 4.21 and 4.45).

### *Accountable authority declarations*

2.32 In March 2025, Home Affairs introduced a process supporting accountable authority declarations to the Minister as required by the PGPA Rule. Prior to this, there was no documented process.

## **Summary of policies and procedures across entities**

2.33 Across the three entities, the ANAO found that the identification, declaration and management of interests and conflicts of interests is supported when entities' policies and procedures:

- provide entity specific context, and clearly outline and cross reference requirements;
- specify how conflicts of interests are to be managed for specific activities, particularly those activities with a heightened risk of conflict of interest; and
- include consideration of how an accountable authority is to make their declaration to the relevant minister as required.

2.34 To provide entity specific context, ACQSC expanded upon the material contained within the model AAls developed by the Department of Finance on the disclosure of interests (see paragraph 2.3). This supports entity officials in applying the model AAls content within the operating context of their entities. The AAls provide an opportunity to reference entity specific risks and context to guide application of the AAls by entity officials. ACQSC's AAls also cross-referenced the disclosure of interest section from relevant sections within the AAI, and provided references to the entity conflict of interest policies where appropriate. This makes relevant policies and procedures more accessible for staff and minimises risks associated with individuals independently searching for material and relying on incorrect or outdated material. The extent to which each entity specified the management of conflicts of interest for high-risk activities varied. ACQSC included detailed requirements for all activities within the overall enterprise conflict of interest management document (see paragraph 2.12). Austrade and Home Affairs described conflict of interest management requirements within activity specific documentation for some but not all high-risk activities (see paragraph 2.21 and 2.30). The absence of documented conflict of interest requirements for high-risk activities increases the likelihood of these risks not being addressed adequately.

2.35 Prior to March 2025, none of the entities had policy and procedure in place to manage declarations of interests by the accountable authority as required by the PGPA Rule (see paragraphs 2.14, 2.23 and 2.32). This creates the risk that there is no mechanism to support accountable authorities to meet the requirements of the PGPA Rule.

## Recommendation no. 1

2.36 Aged Care Quality and Safety Commission and the Australian Trade and Investment Commission establish arrangements to support compliance with the requirements of the Public Governance, Performance and Accountability Rule 2014 relating to accountable authority (including acting accountable authority) declarations of interests to relevant ministers.

**Aged Care Quality and Safety Commission response:** *Agreed.*

2.37 *The Aged Care Quality and Safety Commission accept this recommendation and has already drafted amendments to the Senior Officer Declaration of Interest Policy to ensure that the accountable authority, and anyone acting in the role of accountable authority, makes declarations of interests to relevant ministers in accordance with requirements of the PGPA Rule 2014.*

2.38 *The Commission's SES Unit, responsible for central coordination of recruitment of SES staff, will develop a checkpoint in their standard operating procedure to ensure that this requirement is embedded as part of onboarding any new accountable authority and for anyone acting in this role.*

**Australian Trade and Investment Commission response:** *Agreed.*

2.39 *The Australian Trade and Investment Commission will update its policies and procedures to ensure compliance with PGPA Rule 2014.*

## Have entities established appropriate governance, oversight and reporting arrangements?

All entities have clearly documented responsibilities identifying that individuals are required to make declarations. ACQSC and Home Affairs identify additional responsibilities for other roles including supervisors, managers and business areas responsible for overall management of interests. There has been no internal reporting undertaken within the entities in relation to the completion of annual interest declarations processes, except ACQSC commenced reporting in January 2025 to its internal governance forum. None of the entities analysed declarations of interests to assess and report on emerging risks.

### Aged Care Quality and Safety Commission

#### *Governance and oversight*

2.40 ACQSC has included clear roles and responsibilities within its policy and processes related to the management of interests. Within its AAls, responsibilities for specific roles, and for all staff are clearly described. For example, the AAls identify specific corporate roles who are accountable for developing, overseeing and managing processes for disclosure of interests. Two of ACQSC's conflict of interest policies (the Conflict of Interest Policy and the Quality Assessor Policy) set out responsibilities for specific classes of individual (for example national leadership group, quality assessors), as well as identifying specific corporate roles within the AAls.

2.41 ACQSC's records of SES annual declarations of interests improved from 2022 to 2024.

- Up until February 2024, there were record keeping gaps of SES annual declarations of interests (see paragraph 3.35). This limited the ability of ACQSC to appropriately oversee annual declarations.
- Following the implementation of a revised Senior Officer Declaration of Interest form in February 2024, the quality of records improved in relation to SES annual declarations. There has been associated improvement in the available information on which the responsible central team can provide insight and reporting of declarations.

### *Reporting*

2.42 ACQSC's Commission Management Committee<sup>32</sup> commenced receiving reporting in January 2025 on completion rates for SES annual declarations — it was reported that 100 per cent of senior officers completed declarations of interests in accordance with policy for the August 2024 declaration process. ACQSC's reporting included that 100 per cent of declarations were completed after several rounds of follow up emails to officers who had not completed their declarations within the required timeframes. ACQSC informed the ANAO in April 2025 that it planned to continue reporting to the Commission Management Committee in relation to annual declarations. This was accompanied by recommendations in relation to policy and process improvements. Prior to this, reporting was to line management on outstanding declarations.

2.43 There is no analysis of declared interests at an enterprise level to identify emerging risks to ACQSC, nor is there reporting of the broad categories of interests being declared.

## **Australian Trade and Investment Commission**

### *Governance and oversight*

2.44 The section of the model AAls on the responsibility to disclose material personal interests is absent from Austrade's CEIs as discussed at paragraph 2.15.

2.45 Austrade identified four of its CEIs as being relevant to conflicts of interest. Of these, three<sup>33</sup> include sections identifying roles and responsibilities for officers declaring conflicts of interest. Two<sup>34</sup> include additional role responsibilities for supervisors or specific business functions. Roles with additional responsibilities typically involve an oversight, advice, governance or approval function. For example, CEI 8 — Gifts and Benefits states 'you' are responsible for complying with the policy and related procedures, and supervisors are responsible for ensuring staff understand and apply the policy.

2.46 The remaining instruction, CEI 7 — Representation and Entertainment, does not have a responsibilities section and instead has statements which attribute a responsibility throughout (for example a 'must' statement as to an action to be taken by an individual).

2.47 Other policies and procedures identify roles and responsibilities to a variable extent.

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32 The Commission Management Committee is the operational governance forum for ACQSC and includes six senior officers — the Commissioner, all deputy commissioners, the complaints commissioner and the chief clinical advisor.

33 'CEI 4 — Procurement and Contract Management', 'CEI 8 — Gifts and Benefits' and 'CEI 16 — Sponsorship' include a responsibilities section.

34 'CEI 8 — Gifts and Benefits' and 'CEI 16 — Sponsorship' include additional responsibilities.

- The Conflict of Interest Policy and Procedure and the policy for post-separation employment set out general responsibilities for officers. They do not clearly identify responsibilities by role.
- Other policies and procedures related to the management of interests, such as for outside employment and working with lobbyists, do not clearly identify responsibilities.

2.48 Austrade has an enterprise system for managing declarations and management plans which provides visibility at the enterprise level.

### *Reporting*

2.49 Austrade does not report internally on the SES annual declarations of interests process. Austrade advised the ANAO in October 2024 that the Chief People Officer provides verbal updates in relation to progress in completing the annual declaration cycle.

2.50 There is no analysis of declared interests at an enterprise level to identify emerging risks to Austrade, nor is there reporting of the broad categories of interests being declared.

## **Department of Home Affairs**

### *Governance and oversight*

2.51 Home Affairs' AAls specify SES officer responsibilities to disclose material personal interests in alignment with the model AAls. Beyond the general disclosure of material interests requirement, similar requirements addressing interests are included in the AAI for grants, exercising delegations, and gifts and benefits. The procurement AAI does not include responsibilities related to conflicts of interest management.

2.52 The Conflict of Interest Procedural Instruction specifies accountabilities and responsibilities for three categories — all staff, supervisors or managers, and the Integrity and Professional Standards branch. Additional responsibilities are set out for officers involved in procurement and recruitment, and in relation to gifts, benefits and hospitality.

2.53 The Integrity and Professional Standards branch oversees the SES annual declarations process. In October 2024, the branch finalised a procedure for its management of the process. It outlines how the branch will assess declarations and engage with SES staff.

2.54 Home Affairs has an electronic system to manage declarations which provides centralised visibility for the Integrity and Professional Standards branch.

2.55 Home Affairs monitors the completion of SES annual declarations to identify individuals requiring follow up. The Integrity and Professional Standards branch also reviews SES annual declarations and communicates with other relevant business areas to cross check information or ensure the conflict is recorded in appropriate systems.

### *Reporting*

2.56 There is no analysis of declared interests at an enterprise level to identify emerging risks to Home Affairs, nor is there reporting of the broad categories of interests being declared.



## Summary of governance, oversight and reporting across entities

2.57 Across the three entities, the ANAO found that the governance, oversight and reporting arrangements for interests and conflicts of interests is supported when entities:

- have clearly documented roles and responsibilities for all activities involved in governing, overseeing and reporting on interests and conflicts of interest;
- keep records of declarations of interests and associated management plans centrally which are easily accessible; and
- monitor, review and report on declarations of interests to assess compliance with requirements and entity risks.

2.58 All entities documented their expectations in relation to officers making declarations. ACQSC and Home Affairs also documented expectations for other roles (see paragraphs 2.40, and 2.51 to 2.53). Having clearly documented roles and responsibilities contributes to ensuring that all participants in the process of managing interests understand the actions for which they are responsible and the standards to which they need to perform these actions.

2.59 In 2024, all entities maintained records of declared interests and management plans centrally (see paragraphs 2.41, 2.48 and 2.53). This was not the case in previous years. Where entities kept records centrally, information is more readily available to monitor compliance with requirements and to assess emerging risks.

2.60 Where it exists, entities' internal monitoring and reporting is primarily focused on compliance with the requirement to make declarations (see paragraphs 2.42, 2.49 and 2.55). None of the entities undertake thematic analysis and reporting of the types of interests being declared. Reporting of this nature could assist the accountable authority to monitor the risk environment in which the entity is operating.

## Have entities appropriately assessed risks?

All entities have considered conflicts of interest as part of broader integrity or legislative compliance risks. While risks associated with conflicts of interest are considered by all entities, only Home Affairs has documented the controls and control owners associated with enterprise risks. ACQSC's register includes risk owners. Appropriate documentation of controls and control owners is absent in ACQSC and Austrade. All entities have considered conflicts of interest as a factor within their fraud and corruption control plans. Home Affairs has assessed conflicts of interest as part of its fraud and corruption risk assessments.

## Aged Care Quality and Safety Commission

### *Organisational risks*

2.61 ACQSC has an enterprise risk register. The 2024 register includes seven enterprise risk categories, with 'integrity' identified as one of the seven. The integrity category is described as 'Fraudulent/corrupt behaviour by a member of staff and/or 3<sup>rd</sup> party'. This category includes 10 risks, three of which identify 'conflicts of interest not declared' as one of several causes. These three risks are:

- fraudulent/corrupt behaviour by a member of staff involved in procurement activities (up until the point of contract);
- fraudulent/corrupt behaviour by a member of staff involved in management of contracts; and
- member of Commission staff accept[s] benefits for approvals, revocation or accreditation.

2.62 The enterprise risk register was updated in 2022, 2023 and 2024. The register defines roles and responsibilities for managing risks. Each enterprise risk category has a risk owner who is 'the person who accepts responsibility for a risk. They must be at the appropriate level to adequately manage the accepted risks. The day-to-day management of the risks may [sic] delegated'. In addition to risk owners, the register includes a list of nominated control owners. Control owners are not up to date. The control owners are listed as 'under development' as of April 2022.

2.63 None of the three risks in the integrity category have documented controls related to conflicts of interest. The register provides for the listing of controls against all possible causes. None of the causes included in the register have controls documented. ACQSC advised the ANAO in December 2024 that the management of controls is devolved to relevant business areas and controls are currently not recorded centrally.

2.64 ACQSC does not maintain risk registers at the group or division levels.

#### *Fraud and corruption control plan*

2.65 ACQSC's 2024–26 Fraud and Corruption Control Plan identifies conflicts of interest as a potential cause of corrupt behaviour. ACQSC's Conflict of Interest Policy is referenced as an internal control for fraud risk. The requirement for staff to declare conflicts of interest and any gifts or benefits offered or received is listed as a strategy for detecting fraud and corruption.

2.66 The 2021–23 Fraud Control Plan, while substantially the same as the 2024–26 plan, differed in providing a three-year fraud control activities plan. One of the planned activities was to consider options for centrally managing conflicts of interest by December 2021. The management of conflicts of interest was moved from the People and Culture team to the Integrity team in December 2023, as part of centralising all integrity policies and functions during the implementation of the 2024–26 plan.

## **Australian Trade and Investment Commission**

### *Organisational risks*

2.67 Austrade has an Agency Risk Management Plan (ARMP) which identifies and assesses the entity-wide risks that may impact on its ability to achieve its objectives. The ARMP was updated annually during the period from 2022 to 2024. The 2024–25 ARMP does not identify conflict of interest as a risk, nor does it identify declarations of interests or the management of conflicts of interest as a control. A separate risk assessment addressing the risk 'Austrade does not prevent, detect or respond to fraud and corruption attempts from internal or external sources' includes conflict of interest as a factor contributing to the risk and identifies annual conflict of interest declarations as a control.

### *Fraud and corruption control plan*

2.68 The 2024–25 Fraud and Corruption Control Plan identifies conflicts of interest as a source of fraud and corruption risk in relation to failing to disclose personal interests in accordance with requirements and in relation to recruitment. Probity is also referenced as a source of risk in relation to procurement. Conflict of interest is one of 20 potential fraud risks, with a residual risk rating of ‘medium’. The plan notes that ‘medium’ risk is acceptable if benefits outweigh consequences but that all risks must be monitored to ensure they do not escalate. Austrade undertakes quarterly reporting of risks.

2.69 The plan identifies the need to maintain staff awareness of Austrade’s approach to fraud and corruption, and that one aspect of this is ensuring staff are advised about procedures for resolving ethical dilemmas such as conflicts of interest.

## **Department of Home Affairs**

### *Organisational risks*

2.70 Prior to the release of its 2024–25 Corporate Plan, Home Affairs had six enterprise risks, of which three included a control titled ‘Integrity and Professional Standards’.<sup>35</sup> The three risks which contained the ‘Integrity and Professional Standards’ control were related to: people management; security and integrity; and organisational compliance. The ‘Integrity and Professional Standards’ control identifies conflict of interest as one of the functions contributing to the control.

2.71 The ‘Integrity and Professional Standards’ control is subject to six-monthly testing. Between July 2023 and September 2024, this control was assessed by Home Affairs as effective. Commentary on the effectiveness of controls at each milestone has included references to conflict of interest matters.

2.72 Against the people management risk, compliance with conflict of interest requirements is identified as an indicator of the achievement of a positive integrity culture. The organisational compliance risk also included comments on control effectiveness over the past 12 months which described activities stated as demonstrating the effectiveness of the controls in relation to conflict of interest.

### *Fraud and corruption control*

2.73 Home Affairs has two fraud and corruption control plans. One is for the Department of Home Affairs and the other for the Australian Border Force. Both contain a brief section on conflict of interest which refers to the Conflict of Interest Procedural Instruction for further detail.

2.74 The control plans state that fraud and corruption risk management (FCRM) assessments should be performed by divisions every two years, or when there is a substantial change in the structure, function or activities of the relevant division. SES Band 2 or equivalent Australian Border Force officers are the owners of FCRM assessments.

2.75 Home Affairs has created standardised lists of risks and controls that divisions can use to populate FCRM assessments. These help provide consistent criteria for enterprise level review. The risk list includes ‘Failure to declare a conflict of interest’ with examples of behaviours which may

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<sup>35</sup> The 2024–25 Corporate Plan includes five risks.<sup>35</sup> The security and integrity, and organisational compliance risk present in the previous plan remain in the 2024–25 plan.<sup>35</sup>

enliven this risk. The controls list includes three preventative controls which include conflict of interest related actions in the examples of what may constitute a control.

2.76 The register of FCRM assessments is maintained by the Fraud Control team within the Audit and Assurance branch. As at 15 July 2024, 14 of 15 divisions have recorded ‘failure to declare a conflict of interest’ as a risk for their area. The risk and consequence of conflict of interest risks determined by each business area varies. The register also includes analysis of assessments undertaken across the organisation to support reporting.

### Summary of risk management across entities

2.77 Across the three entities, the ANAO found that the management of risks associated with conflicts of interest is supported when entities provide a clear connection between risks posed by interests and overall enterprise risks and controls. Both ACQSC and Home Affairs documented interests as either a cause or control for one or more of their enterprise risks (see paragraphs 2.61 and 2.70). Austrade identified conflicts of interest as part of a risk assessment used to determine one of its enterprise risks (see paragraphs 2.67 to 2.70). While risks associated with conflicts of interest have been considered by all entities, Austrade’s approach of only considering it within the risk assessment means that the visibility of conflict of interest as an enterprise risk is reduced.

### Have entities developed appropriate training and education arrangements to promote compliance with policy and procedural requirements?

All entities have training on conflict of interest within their mandatory annual training. This training is not being completed by all SES officers. To help remind SES officers to complete their annual declarations, each of the entities provide officers with reminders. Information and assistance to support officers to comply with their obligations is also available within each entity.

2.78 The *Australian Public Service Commissioner’s Directions 2022* introduced mandatory integrity training for employees engaged under the *Public Service Act 1999* within six months of being employed.<sup>36</sup> The *Integrity Good Practice Guide*<sup>37</sup> states that ‘Good practice suggests that integrity training should be ongoing and tailored to specific roles.’ The APS Academy offers an ‘APS Foundations: Integrity in the APS’ e-Learning module that agencies can access to meet the mandatory integrity training requirement.

### Aged Care Quality and Safety Commission

#### Training

2.79 ACQSC provides conflict of interest training to all staff as a subset of the mandatory Fraud Awareness and APS Integrity modules. The Fraud Awareness and APS Integrity modules include definitions of conflict of interest and relevant examples. Training also addresses the general

36 Federal Register of Legislation, *Australian Public Service Commissioner’s Directions 2022*, available from <https://www.legislation.gov.au/F2022L00088/latest/text> [accessed 12 August 2024].

37 Department of the Prime Minister and Cabinet, *Integrity Good Practice Guide*, PM&C, 17 November 2023, p. 6, available from <https://www.pmc.gov.au/sites/default/files/resource/download/integrity-good-practice-guide.pdf> [accessed 23 April 2025].

obligations on ACQSC employees to avoid and manage actual or apparent conflicts of interest. Of the 20 permanent SES officers within ACQSC during the period from 1 January 2022 to 18 September 2024, 13 (65 per cent) completed fraud training, and nine completed integrity training.

2.80 ACQSC's Integrity team has delivered a presentation on conflicts of interest for a specific business area. In December 2023, the team delivered a presentation to the Food, Nutrition and Dining Unit on the management of conflicts of interest. This training covered conflicts of interest for senior officers.

### *Communication of requirements*

2.81 In addition to mandatory training, conflict of interest requirements are notified to commencing SES officers through a request to complete a declaration of interests form. Communication of requirements in relation to conflicts of interest are not included as part of employment separation processes.

2.82 Senior officers receive notifications reminding them of the requirement to complete their biannual declarations as per ACQSC conflict of interest policies and procedures. These notifications are provided in the period immediately prior to and during each declaration cycle.

2.83 In August 2023, an intranet news article was developed to inform staff that changes had been made to the declaration of interest policy, such as that EL1 staff would be required to complete an annual declaration.

2.84 There have been no other internal communications on conflict of interest between 1 July 2022 and March 2025.

### *Support to meet requirements*

2.85 ACQSC prepared a guide on conflicts of interest in February 2024, as well as a draft manager's guide to supplement the policies in guiding SES and managers in reviewing the declaration of interests of their employees. The guides include links to related materials and provide contact emails for managers and officers to seek further guidance.

## **Australian Trade and Investment Commission**

### *Training*

2.86 Austrade provides conflict of interest training to all staff as a subset of its annual mandatory modules on fraud awareness, and its code of conduct and integrity training for new starters. The mandatory training 'Integrity in APS' includes conflict of interest training applicable to normal organisational operations but none specific to SES annual declaration requirements. The training provides examples of operational scenarios and the conflict of interest risks present in the scenarios. In 2024, 81 per cent of SES officers completed fraud awareness training.

2.87 Austrade recruits staff directly from industry to roles onshore and overseas. For overseas roles, Austrade advised the ANAO in June 2025 that all officers undertake a 3–6 month pre-posting program onshore which includes training on Australian Public Service legislative frameworks, values, Code of Conduct and internal processes including those related to conflicts of interest.

### *Communication of requirements*

2.88 Before commencement, SES officers receive their employment contracts which include relevant conflict of interest clauses. They can also access the SES employment policy which contains reference to their obligations on conflicts of interests from Austrade's intranet.

2.89 Austrade communicates in relation to interests through both general and targeted communications. All staff newsletters are distributed through email. These include notifications and reminders of the need to make annual declarations of interests. Managers are separately reminded of the need for their staff to complete annual declarations.

2.90 Integrity related policies are published on the Austrade intranet, which also has news articles to update staff on changes to integrity policies such as whole-of-government policies on gifts and benefits, corporate cards and conflicts of interest.

### *Support to meet requirements*

2.91 Austrade provides access to materials supporting staff to undertake their declarations. Examples include guides to completing the online declaration of interests form, managing responsibilities as a recruitment selection panel member, and managing sponsorship risks.

2.92 Policies, procedures and intranet pages provide contact information to allow Austrade staff and managers to seek further information and personal advice.

## **Department of Home Affairs**

### *Training*

2.93 All staff upon commencement are to complete the 'Essentials Suite' training which incorporates training on conflicts of interest. It informs new staff of their obligations to identify, declare and manage conflicts of interest. This training is then to be completed every 12 months. As of 26 March 2025, 50 of 205 SES officers are overdue for completion.

2.94 Home Affairs also has an integrity toolkit which contains an activity on conflicts of interest. The activity includes a scenario in which various events occur which may lead to a conflict of interest. Those involved in the activity are directed to consider several questions and explain the reasons for particular answers. Links to relevant departmental policy, guidance, and support resources are provided as an avenue to driving future action.

### *Communication of requirements*

2.95 Home Affairs provides an integrity factsheet to commencing SES officers which includes discussion of conflict of interest.

2.96 SES officers receive three email reminders to complete and review biannual and annual declaration requirements as per Home Affairs' conflict of interest policies and procedures.

2.97 Home Affairs' Integrity Week 2024 included a webinar that referred to conflict of interest requirements. This webinar has been posted to the Integrity and Professional Standards branch conflict of interest site to provide ongoing access to the information

### Support to meet requirements

2.98 Home Affairs provides resources to support staff in meeting their obligations. This includes factsheets and a contact page for matters related to conflicts of interest. The policy and procedure control register provides the ability to search for relevant materials.

### Recommendation no. 2

2.99 All entities monitor the status of mandatory training to ensure that it is completed within expected timeframes. Where completion is not timely, follow up action should be taken to ensure that requirements are met.

**Aged Care Quality and Safety Commission response:** *Agreed.*

2.100 *The Aged Care Quality and Safety Commission has a number of options to assist with monitoring of mandatory training. Performance Development Agreements prompt managers to check compliance with mandatory learning. LearnHub manager reports allow managers to check the status of their staff's learning at any time. Automatic enrolments are sent from LearnHub and reminders are managed currently through central communications.*

2.101 *The Commission's SES Unit is incorporating mandatory learning steps into an onboarding checklist so that checks can be made about what learning was undertaken by an SES staff member at their previous agency.*

2.102 *The Commission's Executive are engaged in discussions on how to strengthen monitoring of mandatory training to ensure requirements are met across the agency.*

**Australian Trade and Investment Commission response:** *Agreed.*

2.103 *The Australian Trade and Investment Commission will put in place arrangements to ensure compliance with mandatory training associated with conflicts of interest is monitored, and follow up action taken where completion is not within expected timeframes.*

**Department of Home Affairs response:** *Agreed.*

2.104 *It is expected that all staff, irrespective of level, complete mandatory training. The department's human resources system (OurPeople) sends automatic reminders to both staff and supervisors. People Division provides reports to SES Band 2 and 3 Officers on non-compliance and will establish additional follow-up actions to ensure SES officers are meeting their mandatory training obligations within set timeframes.*

### Summary of training and education across entities

2.105 Across the three entities, the ANAO found that the management of training and education was supported when:

- the completion of relevant training is monitored;
- individuals and business areas have access to additional support;
- there is regular communication regarding requirements; and
- guidance materials assist officers to complete declarations to expected standards.

2.106 Not all mandatory conflict of interest training was completed (see paragraphs 2.79, 2.86 and 2.93). If training completions are monitored, with suitable follow up on outstanding modules, entities can place greater reliance on staff awareness and training.

2.107 Each entity provides avenues for additional support to individuals or business areas (see paragraphs 2.85, 2.92 and 2.98). Providing avenues for additional support can improve the management of interests by addressing the specific context and needs of an individual or business area.

2.108 All entities notified commencing substantive SES officers of the requirements as part of their employment commencement packs (see paragraph 2.81, 2.88 and 2.95). Each entity also had processes in place to remind officers of the requirement in the lead up to the commencement of each declaration cycle (see paragraphs 2.82, 2.89 and 2.96). Collectively these activities contribute to improved awareness of conflict of interest matters by keeping the topic fresh in the awareness of individuals.

2.109 The availability of guidance material is important in ensuring that declarations and other interest management activities are to the standards expected by the entity. ACQSC provided managers with guidance on reviewing declarations (see paragraph 2.85) and Austrade produced guides to completing declaration forms (see paragraph 2.91).



### 3. Annual declarations of interests

#### Areas examined

This chapter examines whether the Aged Care Quality and Safety Commission (ACQSC), the Australian Trade and Investment Commission (Austrade), and the Department of Home Affairs (Home Affairs) have implemented effective controls and processes for managing Senior Executive Service (SES) annual declarations of interests in accordance with policies and procedures.

#### Conclusion

All entities have implemented partly effective controls and processes for managing SES declarations of interests. Not all SES officers are making declarations. There are limitations in the completeness of information included in declarations by officers, and demonstrated managerial review only occurred for some declarations. Records documenting management plans were not maintained by ACQSC until early 2024. All entities monitor completion of declarations and follow up non-compliant individuals. Between 2022 and 2024, the accountable authorities of ACQSC and Austrade did not make declarations to relevant ministers, as required. The ACQSC's new incoming accountable authority made a declaration to the relevant minister in January 2025 and the Austrade accountable authority made a declaration in November 2024 and March 2025. The Home Affairs accountable authority has made declarations as required. ACQSC and Austrade included conflicts of interest in assurance activities between 2022 and 2024, and Home Affairs last did so in 2020–21.

#### Areas for improvement

The ANAO made one recommendation aimed at ensuring declarations are sufficiently detailed to support identification of the potential impact of interests and that declarations be refreshed at regular intervals.

3.1 SES officers are expected to make an annual declaration of their own and family's material personal interests as part of meeting their obligations under section 13(7) of the *Public Service Act 1999* (PS Act).<sup>38</sup> The PS Act requires APS employees to take reasonable steps to avoid any conflict of interest, and to disclose details of any material personal interests in connection with their employment.<sup>39</sup>

3.2 The model AAls provided by the Department of Finance state that 'The overriding principle for a declaration of a material personal interest should be: if in doubt, declare the interest'.<sup>40</sup>

38 Australian Public Service Commission, 'Declaration of interests', *Integrity*, APSC, 7 March 2019, available from <https://www.apsc.gov.au/working-aps/integrity/integrity-resources/declaration-interests> [accessed 30 April 2025].

39 PS Act, subsection 13(7).

40 Department of Finance, 'RMG 206 – Model AAls for NCEs (Track change - November 2021)', *Resource Management Guide 206 – Accountable Authority Instructions (AAls)*, 28 April 2023, p. 11, available from <https://www.finance.gov.au/government/managing-commonwealth-resources/managing-risk-internal-accountability/risk-internal-controls/accountable-authority-instructions-aais-rmg-206> [accessed 14 March 2025].

Are annual declarations of interests being completed by SES officers?

Not all SES officers are completing annual declarations, with completion rates varying across entities. For ACQSC, the completion rate was 92 per cent in 2024. For Austrade, it was 99 per cent (when taking into account long-term leave and departures) and for Home Affairs it was 84 per cent. Completion rates have varied over time. Declarations generally contain sufficient information to understand the nature and extent of a declared interest, however an explanation of how the interest relates to the ‘affairs of the entity’ is not always sufficiently described. The accountable authorities of ACQSC and Austrade did not make declarations of their interests to the relevant minister as required.

3.3 The Australian Public Service Commission’s *APS Values and Code of Conduct in practice* guide states that SES employees are required to submit at least annually a written declaration of their own and immediate family’s financial and other material interests.

3.4 The ANAO’s assessment of SES annual declarations of interest considered whether:

- SES officers are completing annual declarations;
- declarations are comprehensive; and
- accountable authorities are declaring to relevant ministers, as required.

Completion of declarations

3.5 Table 3.1 shows the completion rates of annual declarations between 2022 and 2024 for the selected entities.

Table 3.1: Declaration completion rates, 2022 to 2024

	Year	ACQSC	Austrade <sup>a</sup>	Home Affairs <sup>a</sup>
Officers providing a declaration <sup>b</sup>	2022	14 of 18 (78%)	71 of 93 (76%)	88 of 186 (47%)
	2023	19 of 20 (95%)	65 of 88 (74%)	145 of 174 (83%)
	2024	22 of 24 (92%)	62 of 81 (77%)	163 of 195 (84%) <sup>b</sup>

Note a: Austrade and Home Affairs specify a minimum duration of three months when acting in an SES position before a declaration is required.

Note b: Number of officers includes both substantive and acting officers.

Source: ANAO analysis.

Aged Care Quality and Safety Commission

3.6 As shown in Table 3.1, 78 per cent of SES officers completed an annual declaration in 2022, 95 per cent in 2023 and 92 per cent in 2024. Across the three years reviewed by the ANAO, four different SES officers did not make declarations as required.

- In 2022, one permanent SES officer did not make a declaration.
- The remaining three SES officers who did not make an annual declaration were non-SES officers acting in SES roles. The ACQSC policies specify that all SES officers must make a declaration and does not waive the requirement for individuals acting in an SES role for a limited duration. Officers who did not make declarations were acting in SES roles for between four and 15 days.

3.7 The number of instances where individuals acting in SES roles did not have a declaration in place was mitigated by ACQSC having a policy in 2024<sup>41</sup> which required Executive Level officers to also make declarations to the same standard as SES officers. Between 2022 and 2024, 17 of 22 officers who acted in SES roles had a suitable declaration of interests on record prior to commencing in the acting roles.<sup>42</sup>

#### *Australian Trade and Investment Commission*

3.8 From 2022 to 2024, between 74 and 77 per cent of officers<sup>43</sup> completed a declaration (see Table 3.1). When excluding missing declarations attributable to resignation part way through the year or long-term leave, compliance with declaration requirements was between 96 and 99 per cent.

3.9 The ANAO identified an instance of the same permanent overseas-based SES officer failing to make an annual declaration in 2022 and 2023. Austrade sought an explanation from the officer who confirmed that they had overlooked the declaration in each instance.

#### *Department of Home Affairs*

3.10 For SES officers and those appointed to act in an SES role for greater than three months (at least 90 days as a single appointment), 47 per cent of officers made declarations in 2022, 83 per cent in 2023, and 84 per cent in 2024 (see Table 3.1).

### **Comprehensiveness of declarations**

3.11 Interests should be described in sufficient detail by SES officers to allow a judgement to be formed about the significance of the interest. Officials of the entity must disclose material personal interests in accordance with any instructions given by the accountable authority.

3.12 Table 3.2 shows the number of declarations made by SES officers that included a declared interest between 2022 and 2024.

**Table 3.2: Declarations including a declared interest, 2022 to 2024**

	Year	ACQSC <sup>a</sup>	Austrade	Home Affairs
Declarations including an identified interest (% of total declarations) <sup>a</sup>	2022	11 of 21 (52%)	44 of 132 (33%)	13 of 92 (14%)
	2023	11 of 20 (55%)	55 of 168 (33%)	16 of 146 (11%)
	2024	23 of 52 (44%)	41 of 77 (53%)	137 of 224 (61%)

Note a: The number of declarations including an identified interest may be greater than the number of SES officers required to make a declaration. This is because officers may be required to make declarations biannually or may make out-of-cycle updates to their declaration.

Source: ANAO analysis.

3.13 The ANAO reviewed whether declarations included sufficient detail on the nature and extent of interests, and how the interests relate to the affairs of the entity.<sup>44</sup>

41 Prior to 2024, Executive Level officers were required to make declarations, unless they had nil to declare.

42 Twenty-two officers acted in SES roles from January 2022 to December 2024.

43 This includes officers acting in SES roles for a minimum of three months.

44 The Public Governance, Performance Accountability Rule 2014 (PGPA Rule) states that, in making a declaration to the minister, the accountable authority must include the nature and extent of an interest, and how the interest relates to the affairs of the entity

### *Aged Care Quality and Safety Commission*

3.14 As shown in Table 3.2, 45 of 93 (49 per cent) declarations made by ACQSC officers between 2022 and 2024 included a declared interest.

3.15 Declarations by ACQSC SES officers were more complete in relation to the nature and extent of interests and less complete in relation to how the interest related to the affairs of the entity. The absence of role descriptions in declarations makes it difficult to determine the potential relationship to the affairs of the entity of a declared interest.

3.16 Since August 2024, ACQSC officers must answer the question ‘Do you have anything to declare which could influence, or could be perceived to influence, the decisions you make or the advice you give?’. One of the three possible responses is ‘YES — But I have no changes in my circumstances ... and nothing further to declare since my last declaration dated ...’.<sup>45</sup> Of the 23 declarations made by 13 officers in August 2024, seven made complete reliance on prior declarations by selecting this option, two made partial reliance and 14 no reliance. In comparison, between July 2021 and July 2024, only two declarations had relied on a prior declaration.

3.17 ANAO review of declarations where the option to rely on prior declarations was used found that these declarations had no detail on interests within them and awareness of relevant matters was contingent on requesting access to previous declarations, either from the declaring officer or the governance team.

#### **Recommendation no. 3**

3.18 Aged Care Quality and Safety Commission revise:

- (a) guidance supporting annual declarations to ensure individuals making declarations sufficiently describe their roles and responsibilities; and
- (b) its annual declaration form to require that annual declarations be refreshed in detail at regular intervals and specify a duration permitted for reliance on prior declarations.

**Aged Care Quality and Safety Commission response:** *Agreed.*

3.19 *The Aged Care Quality and Safety Commission have already updated the Senior Officer Declaration form to elicit further specific information including the staff members role and how the declaration relates to the affairs of the Commission. Our guidance document is also being amended to include this information to ensure that declarations contain all the necessary information to provide assurance that the management plan appropriately and adequately mitigates the conflict.*

### *Australian Trade and Investment Commission*

3.20 As shown in Table 3.2, 140 of 377 (37 per cent) declarations made by Austrade officers between 2022 and 2024 included a declared interest.

3.21 All declarations in 2023 and 2024 were complete in both the nature and extent of the interest, and of the relationship to the affairs of the entity.

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45 Other possible responses are: ‘No ...’; and ‘YES — I have a change in circumstances ..., and/or new declarations’.

### *Department of Home Affairs*

3.22 As shown in Table 3.2, 166 of 462 (36 per cent) declarations made by Home Affairs officers between 2022 and 2024 included a declared interest.

3.23 All declarations made by Home Affairs officers from 2022 to 2024 were complete in relation to the nature and extent of the interests declared but less complete in relation to the relationship to the affairs of the entity. Incomplete declarations in relation to the affairs of the entity did not include sufficient information about the role and responsibilities of the declaring officer to demonstrate how the interest could influence the officer in executing their duties, or impact upon the reputation of the entity.

### **Accountable authority declarations**

3.24 As outlined in paragraph 1.9, the PGPA Rule requires accountable authorities to declare their material personal interests to the minister including how the interests relate to the affairs of the entity, and the nature and extent of the interest. Disclosures should be made as soon as practicable after becoming aware of the interest, or when there is a change in the interest.

3.25 As outlined in paragraph 2.35, none of the entities had policies and procedures supporting accountable authority declarations to relevant ministers, although Home Affairs introduced such a policy in March 2025.

### *Aged Care Quality and Safety Commission*

3.26 Between 2022 and 2024, the previous accountable authority of ACQSC made no declarations to the minister as required by the PGPA Rule. The previous accountable authority made internal declarations of their interests in alignment with documented policies and procedures. Interests were declared by the accountable authority in internal declarations made between 2022 and 2024. These internal declarations were not made to the minister.

3.27 The new accountable authority of the Commission made a declaration to the minister soon after commencing in January 2025. Nil material personal interests were declared.

### *Australian Trade and Investment Commission*

3.28 Between January 2022 and November 2024, the Chief Executive Officer (CEO, the accountable authority) of Austrade made no annual declarations to the minister in relation to their interests as required by the PGPA Rule. They made internal declarations of their interests in 2022 and 2023.

3.29 The Austrade CEO announced his resignation in October 2024 to take the CEO role with a company who had previously used Austrade's services prior to the CEO joining Austrade. This was not declared to the minister by the Austrade CEO as a potential conflict of interest either before or after accepting the new role. Immediately following the announcement of the CEO's resignation, the Chief Operating Officer of Austrade informed the minister that the appointment 'does not raise any real or perceived conflicts of interest with the CEO's role at Austrade'. The notification included information about how Austrade proposed to manage potential risks arising during the CEO's transition to their new role.

3.30 An interim acting CEO commenced on 4 November 2024 and submitted a declaration of nil interests to the Minister on 7 November 2024. The new permanent CEO was appointed in March 2025 and provided a declaration of private interests to the minister on 21 March 2025.

*Department of Home Affairs*

3.31 The Secretary of Home Affairs made declarations of interest to the minister as required by the PGPA Rule on two occasions. In August 2022 the previous Secretary of Home Affairs submitted a declaration of interests to the minister, and in March 2024 the current Secretary did the same.

**Were the management plans developed in response to SES declarations of interest subject to review?**

None of the entities require that all annual declarations made by SES officers are subject to review. If an officer makes a ‘nil’ declaration, none of the entities have required declarations be reviewed. Home Affairs introduced a requirement in December 2024. Only declarations including an interest are subject to manager review. Management plans developed by Austrade officers document managerial review. Evidence of managerial review was lacking for plans developed by ACQSC and Home Affairs officers prior to 2024.

3.32 A fundamental part of good governance is that material personal interests are raised and dealt with effectively.<sup>46</sup> Failure to deal with (manage) interests can undermine confidence and trust in the Commonwealth.

3.33 Table 3.3 shows the numbers of declarations with a management plan between 2022 and 2024 at each of the entities. It also provides an overview of the ANAO’s analysis as to whether management plans were subject to managerial review.

**Table 3.3: Analysis of management plans, 2022 to 2024**

	Year	ACQSC	Austrade	Home Affairs
Number of declarations with a management plan	2022	11 of 21 (52%)	29 of 132 (22%)	8 of 92 (9%)
	2023	11 of 20 (55%)	39 of 168 (23%)	14 of 146 (10%)
	2024	19 of 52 (37%)	42 of 77 (55%)	62 of 224 (28%)
Management plans with evidence of managerial review	2022	0 of 11 (0%) <sup>a</sup>	28 of 29 (97%)	3 of 8 (38%) <sup>b</sup>
	2023	0 of 11 (0%) <sup>a</sup>	37 of 39 (95%)	7 of 14 (50%) <sup>c</sup>
	2024	14 of 18 <sup>d</sup> (74%)	39 of 42 (93%)	57 of 62 (92%)

Note a: ACQSC declaration forms in 2022 and 2023 did not include provision for a management plan and it was unable to provide evidence of managerial review.

Note b: Home Affairs’ declaration forms before September 2022 did not include provision for a management plan.

Note c: Home Affairs’ electronic declaration form introduced in September 2022 includes space to document a management plan, but not to document evidence of managerial review.

Note d: The Commissioner of ACQSC was excluded from this assessment as the Commissioner does not have a direct manager.

Source: ANAO analysis.

46 Replacement Explanatory Memorandum, Public Governance, Performance and Accountability Bill 2013 (Cth), paragraph 206.

## **Aged Care Quality and Safety Commission**

3.34 ACQSC's Conflict of Interest Policy states that managers are responsible for reviewing disclosures and documenting an initial assessment and comments for consideration, requesting additional information from the employee if required, discussing resolutions with the employee, and maintaining a record of declared conflicts and the actions taken to manage them.

3.35 ACQSC is unable to demonstrate that declarations of interest have been reviewed for 2022 or 2023 as the form in use at the time records only the declaration made by the individual and does not include any provision for evidence of managerial review and agreement to the declaration.

3.36 ACQSC issued a new declaration form in February 2024 which requires managerial review where an interest is declared. If individuals declare no interests, or if reliance is being placed on a previous declaration (see paragraph 3.16), the form is submitted directly to the Integrity and Governance team without managerial review.

3.37 In 2024, 14 of the 18 declarations with management plans had evidence of managerial review. The four management plans without evidence of review included two where reliance was placed on a previous declaration which had an absent or unsatisfactory management plan, one where the individual used a previous version of the form which lacked the fields for management plans, and one with a blank management plan field.

3.38 The ANAO identified some issues with declarations, such as forms not being signed or dated, or declaration fields not being completed. Managerial review may have identified these issues if it had been undertaken.

## **Australian Trade and Investment Commission**

3.39 Austrade's Conflict of Interest Policy and Procedure states that managers are notified when an employee declares a conflict. The conflict must be considered and approved by the manager. Managers must discuss the conflict of interest and the course of action to necessary to mitigate the impact. If a management plan is required, it must be approved by the manager once removed.

3.40 Austrade utilised an electronic workflow system to record annual declarations between 2022 and 2024. The system provides evidence of managerial review only for instances where an interest has been declared. If an individual makes a 'nil' declaration, the form is not sent for manager review.

3.41 From 2022 to November 2024, 151 declarations were made by Austrade's SES officers which included a declared interest. Of these, 105 (70 per cent) have evidence of managerial review (checkbox completed in the form). Thirty-one (30 per cent) include additional comments from the manager. The level of detail in comments ranges from single word responses (for example 'noted' or 'thanks') through to comment on the adequacy of the management approach.

3.42 Austrade informed the ANAO in April 2025 that it had identified that the electronic workflow for review of management plans differed from policy requirements. While policy specified that management plans should be reviewed by the manager plus one, the workflow merged the roles of direct manager and manager plus one where the direct manager was an SES officer.

## Department of Home Affairs

3.43 Home Affairs' Conflict of Interest Procedural Instruction requires that employees discuss any conflict of interest with their supervisor as soon as it arises. If a decision is made that no conflict exists, this should be documented on a Conflict of Interest Declaration form. If a conflict is identified, then both the interest and proposed management plan must be recorded in the relevant section of the form. The form must be signed by the employee, manager and second line manager.<sup>47</sup>

3.44 SES officers are required to declare annually any financial or other interests of their own, or of their immediate family, which could lead to a real, potential or perceived conflict of interest. This is submitted electronically via a SharePoint form to the Integrity and Professional Standards branch. As of March 2025, upon receipt of the declaration the SES officer is notified of a requirement to complete a management discussion form to demonstrate that the contents of their declaration have been discussed with their manager.

3.45 Prior to April 2022, the form used by Home Affairs SES officers to make annual declarations was to be completed and emailed to the team managing annual declarations. The form did not provide for recording managerial review of the declaration.

3.46 Since September 2022, Home Affairs has had an electronic form. The form automatically workflows the content of the completed declaration to the Integrity and Professional Standards branch which manages the annual declarations process. The officer making the declaration is emailed a copy of the declaration for their records. The manager of the officer making the declaration did not have a documented role in reviewing the annual declaration until March 2025 when a standard operating procedure for managing SES declarations of interest was developed. The standard operating procedure for managing SES declarations of interest is for internal use only within the Integrity and Professional Standards branch.

3.47 The ANAO reviewed declarations<sup>48</sup> made between March 2022 and February 2025 and found the following.

- For the 2022 cycle, of the 92 declarations made by 88 officers, four (4.3 per cent) contained evidence of manager review. Thirteen declarations included an interest, of which three (23 per cent) contained evidence of manager review.
- For the 2023 cycle, 145 declarations were made by 145 officers, with 15 (10.3 per cent) having evidence of manager review. Sixteen declarations included an interest, of which two (13 per cent) contained evidence of manager review.
- For the 2024 cycle, of 137 declarations which included an interest, 125 (91 per cent) contained evidence of manager review.

3.48 In March 2024, the Secretary wrote to all SES officers requesting they all confirm that their declarations and applicable management plans for that period's declaration process had been discussed with their manager. Fifty-one such confirmations were made for the 146 declarations to 1 November 2024. Declarations made from December 2024 as part of the most recent declaration round have implemented a two-step process with the second step requiring completion of a

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<sup>47</sup> Second line manager is Home Affairs' term for an employee's manager once removed.

<sup>48</sup> A greater number of declarations were made than officers required to declare (see in Table 3.1) as some officers provided additional declarations updating their interests over the course of the year.



manager review form. Of the 208 declarations made between December 2024 and February 2025, 198 had evidence of managerial review.

## Are monitoring and assurance processes in place?

All entities monitor the completion of declarations of interests by SES officers. Where SES officers had not completed declarations, there was a process to follow up with relevant officers and their managers. ACQSC and Austrade undertook assurance activity through the inclusion of conflicts of interest within internal audits between 2022 and 2024.

3.49 Monitoring can support decision making by providing timely and accurate information. Assurance assists in verifying that entity processes for managing interests are delivering against expectations.

### Aged Care Quality and Safety Commission

#### *Monitoring*

3.50 ACQSC monitors the submission of declarations during each declaration of interests process. A declaration register is maintained to monitor completion, and follow up on outstanding responses. Prior to 2024, declaration registers had a single status column indicating whether a declaration had been completed or not. The 2024 declaration register was improved to include details of email reminders, responses received, acknowledgement signed, any conflict of interest management plan and manager oversight through signature. As described in paragraph 2.42, ACQSC commenced reporting on completions to its Commission Management Committee in January 2025.

#### *Assurance*

3.51 ACQSC completed one assurance activity related to conflicts of interest between 1 July 2022 and 30 June 2024. A December 2023 internal audit on the effectiveness of ACQSC's procurement processes found that the 'maturity of COI [conflict of interest] processes, including the use of COI registers and the frequency of conflict of interest declaration statements across the samples varied'. The audit outlined an opportunity to strengthen ACQSC's management of conflicts of interest for procurement activities by incorporating the requirement that the biannual declaration of interest statements completed by senior officers be included in relevant procurement files. It also recommended that ACQSC update its procurement guidance material, including on the conflict-of-interest process. The recommendation was closed in August 2024 following the publication of procurement guidelines in June 2024.

### Australian Trade and Investment Commission

#### *Monitoring*

3.52 Austrade monitors completion of declarations by officers through a workflow within its HR system. The People Services team retrieve a system report of declarations completion status which is used to issue follow up emails for outstanding declarations. The current and historical information of declarations can be accessed from within the system.

3.53 Officers receive an email when their interest declaration form is overdue. This email provides a date the declaration must be completed by. Management cohorts are also provided reminders to review and monitor their team's declarations.

#### *Assurance*

3.54 Conflicts of interest were considered in seven internal audits completed between September 2021 and April 2024. Austrade undertakes an annual audit of its offshore posts and each of the three audits in the series published from November 2021 to August 2023 has included conflicts of interest awareness in its scope. The three audits of the offshore posts program found no significant or systemic issues with staff awareness of conflicts of interest. Two audits of grant programs provided 'in flight' advice leading to the inclusion of conflict of interest into existing processes, and one grant program audit found effective management of conflicts of interest. An audit of procurement found that Austrade lacked entity specific guidance for contract management, including in relation to declaring and managing conflicts of interest.

3.55 Austrade completed an internal audit in October 2024 on the compliance of its procurement activities, which included a focus on whether 'actual and perceived conflicts of interest associated with the procurement are declared and managed'. The audit identified an absence of positive declarations of conflicts of interest (that is, declaring that no interest exists) and recommended that a requirement be added to the Chief Executive Instructions requiring declarations from all individuals involved in procurement including panel members, delegates, procurement officials and the contract manager. Austrade agreed to the recommendation and stated that it would update CEI 4 and internal policies following completion of the ANAO audit of SES conflict of interest declarations. Updates occurred in March 2025.

### **Department of Home Affairs**

#### *Monitoring*

3.56 Home Affairs' Integrity and Professional Standards branch monitors and follows up on the annual SES declaration of interest process. The branch keeps a register of declarations to help track completions.

3.57 Approximately a month after the due date for the submission of annual declarations, the Integrity and Professional Standards branch compiles a list of SES officers with no record of submission and reports them to the Chief Operating Officer (COO). An email is sent on behalf of the COO to all managers notifying them of the SES officers who have not submitted declarations. The emails include information on the consequences of failing to make declarations, including potential code of conduct action.

#### *Assurance*

3.58 Home Affairs did not conduct any internal audits or other assurance activities between 2022 and 2024 relating to conflicts of interest. Home Affairs' Strategic Internal Audit Plan 2023–26 included reference to an audit of conflict of interest having been undertaken during the 2020–21 financial year.

## 4. Activity-based declarations of conflicts of interest

### Areas examined

This chapter examines whether Senior Executive Service (SES) officers at the Aged Care Quality and Safety Commission (ACQSC), the Australian Trade and Investment Commission (Austrade), and the Department of Home Affairs (Home Affairs) are completing conflict of interest declarations for activities that have a heightened risk of conflicts of interest (procurement, grants administration, recruitment and post-separation employment).

### Conclusion

Entities are partly effective with respect to SES officers completing activity-based conflict of interest declarations. Entities have generally established a requirement for officers to declare conflicts of interest for procurement, recruitment and grants administration activities. The requirement is weakened when there is no requirement for all officers to make a declaration, including for officers with nothing to declare. The ANAO found that officers from ACQSC and Austrade were generally making declarations for procurement as required. Home Affairs officers were not. Officers from all entities involved in grants administration activities are declaring as required. Results were mixed for recruitment activities. No entities had adequate arrangements in place for conflict of interest risks related to post-separation employment.

### Areas for improvement

The ANAO made three recommendations aimed at improving declarations forms, requiring declarations for all officers and introducing arrangements to manage conflict of interest risks related to post-separation employment.

4.1 The National Anti-Corruption Commission has identified that certain activities have a heightened risk of conflicts of interest (see Table 1.1) including procurement, grants administration and recruitment.

4.2 To establish a proactive approach to disclosing, entities should require declarations of conflicts of interests even when there is nothing to declare. By not requiring a declaration in all instances, a declarable interest could be overlooked. By requiring a declaration, there is a positive demonstration that officers have turned their minds to conflicts of interest.

4.3 Risks of conflicts of interest can also arise with respect to post-separation employment. The conflict of interest risk associated with post-separation employment is that individuals preparing to leave, or thinking of leaving public sector employment may make decisions which are influenced by an emerging interest connected to future employment. Former officials who have already left APS employment may also seek to improperly use contacts or confidential information gained during their public employment in their new position.

4.4 The Department of the Prime Minister and Cabinet in *Louder Than Words: An APS integrity action plan* states that 'leaders set the culture tone for their organisation through their behaviour'. It notes that leaders should 'walk the talk' on ethical values.<sup>49</sup>

49 Department of the Prime Minister and Cabinet, *Louder Than Words: An APS Integrity Action Plan*, PM&C, 17 November 2023, available from <https://www.pmc.gov.au/resources/louder-words-aps-integrity-action-plan/culture> [accessed 18 March 2025].

## Are SES officers completing conflict of interest declarations for procurement activities?

Each entity requires that SES officers involved in procurement declare conflicts of interest. For ACQSC the SES officers involved in procurement made declarations as required. Eleven of 14 Home Affairs SES officers did not make declarations as required. From March 2025, Austrade has required that all officers involved in procurement activities make conflict of interest declarations. Before this, only officers who had a conflict to declare were required to make a declaration. As such, there were no records for the two Austrade SES officers in the ANAO sample demonstrating that they had considered conflicts of interest.

### Entity requirements

#### *Aged Care Quality and Safety Commission*

4.5 ACQSC's Conflict of Interest Policy states that when participating in a procurement process:

The Commission requires all tender evaluation team members, including those from outside the Commission, to disclose any conflict of interest, unauthorised contact with any respondent/tenderer or their employees or any breach to the chair of the tender evaluation team or probity adviser. Tender evaluation team members ... are all required to complete and sign a Conflict of Interest Disclosure and Confidentiality Statement.

#### *Austrade Trade and Investment Commission*

4.6 As of 3 March 2025, Austrade's Chief Executive Instruction (CEI) 4 — Procurement and Contract Management requires a declaration to be made stating that either nil conflict of interest exists or that one does. Prior to this, a declaration need only have been made if the procurement requesting officer or the delegate had a conflict of interest to declare. A nil declaration was not required. Both versions of the CEI contain a section on ethical considerations which state that identifying and managing conflicts of interest is an ethical expectation.

#### *Department of Home Affairs*

4.7 Home Affairs' guidance on managing conflicts and confidentiality in procurement states that officials should be alert to any actual, potential or perceived conflicts between their public duty and private interests. To ensure no public perception of conflict of interest or bias, officials must provide a written conflict of interest declaration identifying either that they have or do not have a potential or actual conflict of interest. If a conflict of interest is identified and declared then the declaration must be submitted to the chair of the evaluation committee, and the procurement delegate, as well as forwarded to the personnel suitability team for record keeping purposes.

### SES conflict of interest declarations for procurement activities

4.8 Table 4.1 provides a summary of the ANAO's assessment as to whether SES officers are completing conflict of interest declarations for procurement activities.

**Table 4.1: Conflict of interest declarations for procurement activities**

Entity	ANAO assessment
ACQSC	The ANAO reviewed 8 ACQSC procurement activities between January 2022 and December 2024. Four SES officers were members of the procurement evaluation panel and therefore obliged to make a conflict of interest declaration. Each made the necessary declaration and in all instances nil interests were declared.
Austrade	The ANAO reviewed 4 Austrade procurements undertaken from 2022 to 2024. Across these 4 procurements, 2 SES officers were involved. Austrade advised the ANAO in January 2025 that there were no conflict of interest declarations related to these four procurements as declarations were only required if a conflict of interest was identified.
Home Affairs	The ANAO reviewed conflict of interest declarations relating to 7 Home Affairs procurements that were undertaken between 2022 and 2024. Across the 7 procurements, 14 SES officers were involved in procurements as delegates, approvers or endorers of the evaluation panel report. While obligated under departmental policy to make a declaration, only 3 officers did so and each declared nil interests.

Source: ANAO analysis.

## Are SES officers completing conflict of interest declarations for grants activities?

Austrade does not have a policy specifically relating to making conflict of interest declarations for grants administration. Home Affairs requires officers to disclose and manage conflicts of interest, however, there is a lack of supporting process. The three Austrade SES officers involved in grants administration activities assessed by the ANAO had made conflict of interest declarations. The 13 Home Affairs SES officers involved in grants administration had also made declarations.

### Entity requirements

4.9 Austrade and Home Affairs have responsibility for administering grants. ACQSC does not.

#### *Austrade Trade and Investment Commission*

4.10 Austrade does not publish policy or guidance for all staff on conflicts of interest in grants administration. Austrade's intranet contains a grants versus procurement page which directs readers to contact the procurement team for guidance on how to undertake grants. Austrade advised the ANAO in June 2025 that staff working on the Export Market Development Grants Program have access to guidance documents and templates for declaring conflicts of interest.

#### *Department of Home Affairs*

4.11 Home Affairs does not provide policy or guidance on conflicts of interest in grants administration. Both 'Accountable Authority Instruction 4 – Grants' and the grants assurance and monitoring framework make reference to an obligation that individuals must identify, disclose, and manage conflicts of interest in relation to grant activities. There is no detail in relation to how this should occur.

## Opportunity for improvement

4.12 Austrade and Home Affairs could document their expectations for the management of conflicts of interest during grants administration. This should identify requirements for internal officers where specific grants activities are undertaken by either of the Commonwealth Grants Hubs.

4.13 Table 4.2 provides a summary of the ANAO's assessment as to whether SES officers are completing conflict of interest declarations for grant administration activities.

**Table 4.2: Conflict of interest declarations for grant administration activities**

Entity	ANAO assessment
Austrade	The ANAO selected 22 Austrade grants for assessment. <sup>a</sup> For the 18 grants with available records, there were 55 conflict of interest declarations, with 3 made by the 3 SES officers involved. None of the declarations by SES officers disclosed conflicts. These SES officers had also made annual declarations — none of the declared interests were relevant to the grants reviewed.
Home Affairs	The ANAO assessed conflict of interest declarations relating to 5 grants made by Home Affairs. 13 SES officers were involved across the 5 grant rounds. <ul style="list-style-type: none"><li>• 12 officers made 'nil' declarations.</li><li>• 1 officer declared an interest.</li></ul>

Note a: Of the 22 grants, records for four grants had been archived and were not readily accessible. The sample included at least one approved grant from each grant opportunity active between 2022 and 2024.

Source: ANAO analysis.

## Are SES officers completing conflict of interest declarations for recruitment activities?

Each of the entities requires that SES officers involved in recruitment declare conflicts of interest, except Home Affairs does not have a documented policy where the recruitment is for an SES officer. Within ACQSC, 38 per cent of SES officers involved in recruitment activities assessed by the ANAO did not make a declaration as required. Austrade does not require officers to make declarations if they have nothing to declare — 44 per cent of SES officers involved in the recruitment assessed by the ANAO made no declaration. Ninety-seven per cent of Home Affairs' SES officers involved in recruitment made a declaration. Where conflicts of interest were declared, appropriate officers at the three entities were not always reviewing these and management actions were not always being put in place.

## Entity requirements

### *Aged Care Quality and Safety Commission*

4.14 ACQSC's Conflict of Interest policy states that members of selection panels or decision makers in an employment process must declare any past or present relationship or association with an applicant which would or may be reasonably seen to create a conflict of interest. ACQSC's 'Declaration of Conflict of Interest' form for selection committee panel members states that all panel members must sign the form even if not declaring any relationships. The form does not include provision to record the nature of any conflict of interest and how it should be managed.

## Recommendation no. 4

4.15 Aged Care Quality and Safety Commission update its form for making conflict of interest declarations in relation to recruitment to include a section to describe the nature and extent of a conflict and how it is intended to be managed, and to record acceptance by the panel chair or recruitment delegate.

**Aged Care Quality and Safety Commission response:** *Agreed.*

4.16 *The Aged Care Quality and Safety Commission has already commenced amending the Conflict of Interest Form for recruitment activities to include the nature and extent of the conflict, management plan and sign off by the panel chair and recruitment delegate. This form will be embedded into our new recruitment system which allows for workflows ensuring that any Conflict of Interest Form is provided to the recruitment chair and delegate.*

4.17 *The Aged Care Quality and Safety Commission is also reviewing its Conflict of Interest Policy to ensure that there are appropriate instructions for managing conflicts of interest in recruitment processes, particularly for when the recruitment panel chair may be conflicted.*

### Austrade Trade and Investment Commission

4.18 Austrade's Conflict of Interest policy states that where a selection committee member has a relationship with an applicant that might give rise to a conflict of interest, it must be declared to the chair and any other selection committee members (or to the delegate and other members if the chair is making the declaration) prior to the selection of shortlisted candidates for interview. Selection committee members are only required to make a declaration if they have an interest to declare.

## Recommendation no. 5

4.19 Australian Trade and Investment Commission revise its recruitment policy to require declarations of conflicts of interest in all instances, including where no conflict is present.

**Australian Trade and Investment Commission response:** *Agreed.*

4.20 *The Australian Trade and Investment Commission will update its recruitment policy to require declarations of interests in all instances.*

### Department of Home Affairs

4.21 Home Affairs' recruitment procedural instruction<sup>50</sup> states that all participants in the recruitment selection must declare any relationships with a candidate that may give rise to perception of bias, either positive or negative. This is done through the completion of a Declaration of Impartiality form after viewing the applicant list, and prior to commencing the selection activities, including viewing any applications from the recruitment process. Selection panel members must complete and submit a Declaration of Impartiality form. Participants required to make a declaration include, but are not limited to, panel members, delegate, scribes and contact officers. The delegate

<sup>50</sup> Recruitment of SES officers is out of scope of this policy.



is responsible for managing any declared conflicts of interest. If the delegate holds the declared interest then, the declaration should be provided to the recruitment section for clearance.

4.22 Home Affairs advised the ANAO in April 2025 that it does not have an internal policy<sup>51</sup> on the recruitment of SES officers, instead, it applies the requirements as defined by the Australian Public Service Commission (APSC).<sup>52</sup> The APSC material encourages entities to embed steps to identify and declare conflicts of interest. It does not specify the processes to do so. Home Affairs has not documented its internal approach to identifying and declaring conflicts of interest during SES recruitment.

**Recommendation no. 6**

4.23 The Department of Home Affairs document its approach to managing conflicts of interest for SES recruitment activities.

**Department of Home Affairs response:** *Agreed.*

4.24 *The department will formally document its established approach to managing conflicts of interest for SES recruitment activities.*

*Australian Public Service Commissioner’s Directions*

4.25 The *Australian Public Service Commissioner’s Directions 2022* include a requirement that the Commissioner or their representative is a full participant in an SES selection process.<sup>53</sup> The Commissioner or their representative is responsible for ensuring the process is consistent with the requirements of the *Public Service Act 1999* and Directions, and that employment decisions are consistent with merit. Merit includes the absence of conflict of interest during selection.

**SES conflict of interest declarations for recruitment activities**

4.26 Table 4.3 provides a summary of the ANAO’s assessment as to whether SES officers are completing conflict of interest declarations for recruitment activities.

**Table 4.3: Conflict of interest declarations for recruitment activities**

Entity	ANAO assessment
ACQSC	The ANAO assessed 52 recruitment activities undertaken between 1 January 2022 and January 2025. Conflict of interest declarations were provided for selection panel members in 43 of 52 (83 per cent) recruitment activities. Across the 52 recruitments activities, there were 61 SES officers on selection panels. <sup>a</sup> Of these, 19 (31 per cent) declared at least 1 interest; 19 (31 per cent) declared no interests; and for 23 (38 per cent) officers there were no recorded declarations.

51 While it does not have a documented internal policy for SES recruitment, Home Affairs advised in June 2025 that SES recruitment is conducted in accordance with the department’s Recruitment Procedural Instruction as modified by the APSC guidance. As stated at paragraph 4.21, the scope of this instruction does not include the recruitment of SES officers.

52 Australian Public Service Commission, *Senior Executive Service (SES) recruitment*, APSC, 2024, available from <https://www.apsc.gov.au/working-aps/information-aps-employment/senior-executive-service-ses/senior-executive-service-ses-recruitment> [accessed 16 April 2025].

53 *Australian Public Service Commissioner’s Directions 2022*, section 26(a).



Entity	ANAO assessment
Austrade	The ANAO assessed 133 recruitment activities conducted between January 2022 and January 2025. Across these activities, 96 SES officers were involved. <sup>a</sup> Of these 96 officers: 47 (49 per cent) declared at least one interest; 7 (7 per cent) declared no interests; and 42 (44 per cent) officers made no declarations.
Home Affairs	The ANAO assessed 34 recruitment activities conducted between January 2022 and January 2025. 73 Home Affairs SES officers <sup>a</sup> were involved in the 34 recruitment activities as a panel member or delegate. Of these, 61 were on the recruitment panel with 2 (3 per cent) not completing a conflict of interest declaration. 29 declarations included an interest.

Note a: SES officers may be on more than one panel. In this case, each involvement is counted as one instance. This number includes SES officers not from the entity appointed as the representative of the APS Commissioner.

Source: ANAO analysis.

## Management actions and review of declarations

### *Aged Care Quality and Safety Commission*

4.27 ACQSC's Conflict of Interest Policy states that any declared conflict of interest and agreed management strategy must be documented.

4.28 Of the 19 declarations made by SES officers that declared at least one interest (see Table 4.3), the ANAO assessed:

- three as adequately describing the nature and extent of the interest;
- 12 as partially adequate as they did not include detail beyond their relationship with the candidate being either professional or personal in nature; and
- four as inadequate as they did not provide sufficient detail regarding the nature of their relationship with the candidate, or did not declare that they were a referee for one or more candidates.

4.29 All panellists who declared that they had a potential conflict of interest indicated that they could undertake their duties 'in an ethical manner, free of discrimination and bias, and my involvement on this panel will not be seen to present a conflict of interest'. There is no confirmation within the form, by the panel chair or another party, that this is considered reasonable.

4.30 ACQSC's conflict of interest form does not prompt panellists to declare whether they are acting as a referee for a candidate. The ANAO identified six instances where a panellist was a referee for at least one candidate but did not declare this in their conflict of interest form. ACQSC's Conflict of Interest Policy states that selection panel members who are a nominated referee for a candidate should not participate in deliberations regarding that candidate, or if necessary, withdraw from participation in the selection process. There is no evidence that panel members who were referees for candidates complied with this policy.

4.31 Selection reports of recruitment outcomes include the panel members' declaration forms. The report contains no commentary on how any declared conflicts of interests have been managed. For SES recruitment activities, ACQSC was unable to provide copies of certifications from the APS Commissioner's representative.

### *Australian Trade and Investment Commission*

4.32 Most declarations made by SES officers on selection panels which included at least one declared interest (see Table 4.3) adequately described the nature and extent of the interest. Three

of the declarations could have better outlined the nature and extent of the conflict. For another declaration, the officer could have provided further explanation. In this instance the officer was a referee for two applicants and identified this as not presenting a real or perceived conflict of interest with no further explanation.

4.33 Eight of the 47 declarations made by SES officers included a management plan or mitigation strategy. Thirty-nine did not have a management plan or mitigation strategy.

4.34 Austrade's Conflict of Interest Policy and selection panel guidance state that where a relationship might give rise to a conflict of interest and has been declared by a selection panel member, it should be decided by the group whether the selection panel member should stand aside from the process or consideration of the particular applicant. Thirty SES officers on selection panels were a referee for one or more candidates. Seven specified management actions in recruitment documentation as follows:

- two stated they would provide a referee report prior to interviews;
- two stated they would declare the conflict of interest before or at the shortlisting stage;
- one stated they would not discuss the recruitment round with the candidates;
- one stated they would not participate when the candidate in question was discussed at the shortlisting meeting; and
- one stated they would not provide judgement first in the assessment process to enable other panel members to form the majority view.

4.35 There are two documented instances of the consideration of declarations by panel chairs or of actions being taken to mitigate declared interests.

- In one instance, two individuals who did not complete a declaration implemented a management strategy to manage a conflict of interest during a recruitment round. The selection report for the recruitment round stated that the panel chair had precluded themselves from initial commentary and assessment of four applicants, and another panel member had precluded themselves from initial commentary and assessment of one applicant.
- In the other instance, the selection report stated that the panel chair was the referee for a candidate and had provided a referee report prior to interviews.

4.36 Austrade provided copies of the certifications made by the APS Commissioner's representative which consider conflicts of interest as part of merit and alignment with the requirements of the *Public Service Act 1999*.

#### *Department of Home Affairs*

4.37 Of 29 declarations made by Home Affairs SES officers involved in recruitment as a panel member and which disclosed an interest (see Table 4.3), all were assessed by the ANAO as adequately describing the nature and extent of the interest. Disclosed interests mostly related to existing or previous working relationships with recruitment candidates.

4.38 All 29 declarations made by SES officers contained management plans, noting the following actions:

- 23 stated that referee reports would be completed before the assessment of applications;
- five stated that the interest would be declared to the panel;

- nine stated that the panellist would refrain from participating in the discussions relating to the candidate they declared an interest with;
- 13 stated that they would allow other panellists to lead the discussion relating to the candidates that they declared an interest with;
- three stated that they would allow the chair to decide whether they should abstain from discussions relating to the candidate they declared an interest with;
- 15 stated that they had not directly discussed the recruitment process with the candidate nor assisted them with their application process; and
- 19 stated that they would ensure that their assessment of applicants 'is fair, and in line with genuine merit principles'.

4.39 The declaration of impartiality form completed by selection panel members does not include evidence demonstrating delegate review of the declaration. Consideration of any declared conflicts of interest is not discussed in the selection panel's recommendation report to the delegate. Home Affairs provided copies of the certifications made by the APS Commissioner's representative which consider conflicts of interest as part of merit and alignment with the requirements of the *Public Service Act 1999*.

### Are SES officers completing conflict of interest declarations for post-separation employment?

None of the entities have adequate policies and procedures to support the identification, declaration and management of conflicts of interest related to post-separation employment. Austrade has a declaration addressing conflicts of interest in its cessation checklist. The checklist was not completed by all departing officers. In addition, there was a lack of evidence to demonstrate that such conflicts of interest were considered for SES employees who had departed.

4.40 The APSC's *APS Values and Code of Conduct in practice* guide states that there are three key risks involved when an employee accepts employment in a field that is related to their current responsibilities:

- that the employee, while still employed in the APS, would use their position to influence decisions and advice in favour of the prospective new employer;
- that the former employee would reveal confidential Commonwealth information to their new employer or provide other information that would advantage their new employer; and
- that the former employee would exploit their knowledge of the APS to lobby, or otherwise seek advantage, for their new employer in dealing with the Commonwealth.<sup>54</sup>

4.41 Agencies are advised to ensure that their system for registering and monitoring conflicts of interest related to post-separation employment are brought to the attention of the agency head. The guide notes that it would be good practice for the agency head, or a nominated person, to

54 APSC, *APS Values and Code of Conduct in practice*, APSC, Canberra, 2021, section 5.10.2, available from <https://www.apsc.gov.au/publication/aps-values-and-code-conduct-practice/section-5-conflict-interest> [accessed 14 January 2025].

discuss with the separating employee any steps to be taken to avoid or mitigate any conflict of interest while the employee is still employed in the APS.<sup>55</sup>

## Entity requirements

### *Aged Care Quality and Safety Commission*

4.42 ACQSC's Procedure for Separating Employees does not include reference to conflict of interest as an issue that needs to be considered during separations. Neither the separations checklist nor security declaration form include references to conflicts of interest. There is no prompt to consider whether the post-separation employment may represent a possibility of conflict necessitating review of duties or access to information in the period leading up to formal separation from the organisation.

### *Austrade Trade and Investment Commission*

4.43 Austrade has a post-separation and conflict of interest policy and procedure. The post-separation policy states that:

To avoid any impression of impropriety and to protect the interests of all parties concerned, Austrade requires an employee to fully inform their Executive Director of the situation before accepting a position which has potential to create a real or apparent conflict of interest. The Executive Director must then work with the employee to minimise the risk to Austrade.

4.44 The policy does not specify who should receive notification if the disclosing officer is at or above the Executive Director level — this would be all SES officers. Employees leaving Austrade are required to complete a 'cessation checklist' which includes a requirement for officers to confirm that they 'have notified my manager as to whether my new employment has potential for a conflict of interest'. Austrade advised the ANAO in January 2025 that not all employees complete the checklist on exit.

### *Department of Home Affairs*

4.45 Home Affairs' conflict of interest procedural instruction states that conflicts of interest may arise where 'future employment prospects or plans (that is, post-separation employment) that are a result of the role within the Department, for example, accepting a position as a migration agent when they have worked in a visa related role'. Separating employees are required to complete an 'Official Secrets' form and an employee separation declaration. Neither form addresses conflicts of interest that may arise from use of position in the favour of the new employer during separation.

## Recommendation no. 7

4.46 Aged Care Quality and Safety Commission and the Department of Home Affairs update policies and procedures to include employee obligations to identify, declare and manage conflicts of interest related to post-separation employment.

**Aged Care Quality and Safety Commission response:** *Agreed.*

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55 *ibid.*, section 5.10.5.

4.47 *The Aged Care Quality and Safety Commission has drafted amendments to the Conflict of Interest Policy and Senior Officer Declaration of Interest Policy employee obligations to identify, declare and manage conflicts of interest related to post-separation employment.*

4.48 *In addition to this, the Commission is working on a guidance document to assist all staff understand how to identify a potential conflict related to post-separation employment and we will be adding this requirement to our separation checklist.*

**Department of Home Affairs response: Agreed.**

4.49 *The department will update policies and procedures to support SES employees in upholding their obligations to identify, declare and manage conflicts of interest related to post-separation employment, including updates to the SES separation process.*

### **SES conflict of interest declarations relating to post-separation employment**

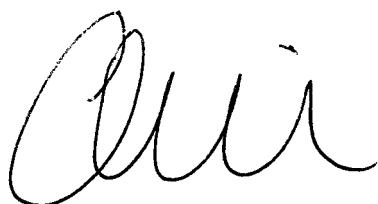
4.50 Table 4.4 provides a summary of the ANAO's assessment as to whether SES officers are completing conflict of interest declarations relating to post-separation employment.

**Table 4.4: Conflict of interest declarations for post-separation employment**

Entity	ANAO assessment
ACQSC	From January 2022 to August 2024, 4 permanent SES employees separated from ACQSC. There was no evidence to demonstrate the consideration and management of conflict of interest risks related to post-separation employment for these 4 employees.
Austrade	Between January 2022 to August 2024, 42 permanent SES employees separated from Austrade. The ANAO requested Austrade provide evidence to demonstrate the consideration and management of post-separation employment conflict of interest risks for a random sample of 8 separating employees. Of the 8, 3 completed cessation checklists. In January 2025, Austrade informed the ANAO that not all employees ceasing employment with Austrade were completing the cessation checklist as required and that this was a known issue that is planned to be addressed in 2025.  As stated in paragraph 3.29, the accountable authority did not make a declaration to the minister regarding their post-separation employment.
Home Affairs	From a total of 98 officers in an SES role who separated from Home Affairs between 2022 and 2024, the ANAO requested details of conflict of interest management processes for 12 individuals. <sup>a</sup> Home Affairs advised that it has 'no conflicts of interest [declarations] for the named individuals pertaining to post-separation risks'.

Note a: The 12 officers were selected to provide a cross section of officers departing the department in each of 2022, 2023 and 2024.

Source: ANAO analysis.



Dr Caralee McLiesh PSM  
Auditor-General

Canberra ACT  
17 June 2025



# Appendices

## Appendix 1 Entity responses

### Aged Care Quality and Safety Commission



Australian Government  
Aged Care Quality and Safety Commission

Engage  
Empower  
Safeguard

Dr Caralee McLiesh, PSM  
Auditor-General for Australia  
Australian National Audit Office  
GPO Box 70  
CANBERRA ACT 2601

Office of Commissioner  
T: (02) 7809 9954  
Our Ref: LHW2025-05-04

Dear Dr McLiesh

**Aged Care Quality and Safety Commission's (the Commission) response to the Australian National Audit Office (ANAO) Proposed Report on *Management of Senior Executive Service conflict of interest requirements*.**

Thank you for providing the ANAO proposed report on Management of Senior Executive Service (SES) conflict of interest requirements. I would like to thank the ANAO for the professional and constructive approach taken throughout the audit and I appreciate the opportunity to respond to the report.

The Commission acknowledges the ANAO's overall conclusions that the Commission is managing conflicts of interest for SES in a largely effective manner. I note that we have largely appropriate arrangements in place to manage the personal interests and conflicts of interest of SES officers, have implemented partly effective controls and processes for managing SES declarations of interests and that we are partly effective with respect to SES officers completing activity-based conflict of interest declarations.

The Commission agrees with each of the five recommendations to:

- establish arrangements to support compliance with the requirements of the Public Governance, Performance and Accountability Rule 2014 relating to accountable authority (including acting accountable authority) declarations of interests to relevant ministers.
- monitor the status of mandatory training to ensure that it is completed within expected timeframes. Where completion is not timely, follow up action should be taken to ensure that requirements are met.
- revise:
  - (a) guidance supporting annual declarations to ensure individuals making declarations sufficiently describe their roles and responsibilities; and
  - (b) its annual declaration form to require that annual declarations be refreshed in detail at regular intervals and specify a duration permitted for reliance on prior declarations.

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agedcarequality.gov.au



- update its form for making conflict of interest declarations in relation to recruitment to include a section to describe the nature and extent of a conflict and how it is intended to be managed, and to record acceptance by the panel chair or recruitment delegate.
- update policies and procedures to include employee obligations to identify, declare and manage conflicts of interest related to post-separation employment.

These recommendations align well with the uplift in our integrity policies and practices that the Commission already had underway, and some of which were applied during the period of the audit. The learnings from this audit will continue to inform our integrity uplift.

The Commission has already drafted amendments to our Senior Officer Declaration of Interest Policy to ensure that the accountable authority, and anyone acting in the role of accountable authority, makes declarations of interests to relevant ministers in accordance with requirements of the PGPA Rule 2014. Amendments to the policy instruct all Senior Officers to complete a new declaration in August of each year with only the February round allowing them to advise that nothing has changed.

The Commission's Senior Officer Declaration of Interest Form has been updated to elicit further specific information including the staff members' role and responsibilities and how the declaration relates to the affairs of the Commission.

The Commission has already commenced revising our Conflict of Interest Form in relation to recruitment activities to include the suggested amendments. We have also drafted amendments to our Conflict of Interest Policy and Senior Officer Declaration of Interest Policy in relation to conflicts of interest and post-separation employment, which will be supported by a guidance document.

Additionally, the Commission's Executive are engaged in discussions on how to strengthen monitoring of mandatory training to ensure requirements are met across the agency.

If you require any further enquiries in relation to this response, please contact Shaun Rohrlach, Senior Director Governance and Risk at [shaun.rohrlach@agedcarequality.gov.au](mailto:shaun.rohrlach@agedcarequality.gov.au)

Yours sincerely



**Liz Hefren-Webb**  
Commissioner

05 June 2025

**1800 951 822**  
[agedcarequality.gov.au](http://agedcarequality.gov.au)

## Australian Trade and Investment Commission



Australian Government

Australian Trade and Investment Commission

6 June 2025

Dr Caralee McLiesh PSM  
Auditor-General for Australia  
Australian National Audit Office  
[OfficeoftheAuditorGeneralPerformanceAudit@anao.gov.au](mailto:OfficeoftheAuditorGeneralPerformanceAudit@anao.gov.au)

Dear Dr McLiesh

Thank you for your correspondence of 12 May 2025 regarding the Australian National Audit Office's (ANAO's) section 19 proposed audit report on the 'Management of Senior Executive Service conflict of interest requirements' at Austrade.

Austrade welcomes the report and accepts its recommendations. Maintaining the highest integrity standards is core to sustaining trust and confidence in our operating arrangements. We are committed to ensuring appropriate control and procedural arrangements are implemented in response to the audit. We have already undertaken initial steps in this regard. At an appropriate time, we will undertake an internal audit to provide assurance of the operational effectiveness of the relevant controls and procedures implemented to address the findings of this audit.

We thank the audit team for their professionalism during the audit and appreciate the importance of findings presented from the ANAO's independent and objective assessment.

If you require further information, please contact Melissa Woodburn, Chief Operating Officer at [melissa.woodburn@austrade.gov.au](mailto:melissa.woodburn@austrade.gov.au).

Yours sincerely

A blue ink signature of Dr Paul Grimes, consisting of stylized initials 'Pm.' followed by a dot.

Dr Paul Grimes PSM  
Chief Executive Officer  
Australian Trade and Investment Commission

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Level 2, 2 Phillip Law Street, New Acton, ACT, 2601

ABN: 11 764 698 227

If you are not the intended addressee of this letter, please notify the sender immediately and destroy this. Australia's anti-bribery laws operate overseas. Austrade will not provide business related services to any party who breaches the law and will report credible evidence of bribery.

## Department of Home Affairs



Australian Government

Department of Home Affairs

SECRETARY

EC25-002685

Dr Caralee McLiesh PSM  
 Auditor-General  
 Australian National Audit Office  
 GPO Box 707  
 Canberra ACT 2601

*Caralee*  
 Dear Dr McLiesh

Thank you for the opportunity to provide feedback on the Section 19 Report *Management of Senior Executive Service (SES) conflict of interest requirements* that was provided to the Department of Home Affairs on 12 May 2025.

I am committed to ensuring that conflicts of interest are identified, declared and managed effectively and that our procurement, recruitment and grant administration activities meet the highest standards of integrity in this regard. I acknowledge the value of the Australian National Audit Office (ANAO) in providing independent analysis of, and insights into, areas where the department can improve.

The department agrees with each of the findings and recommendations outlined in the Section 19 Report. The department will strengthen its processes, guidance, reporting and assurance activities to improve the management of SES conflicts of interest, including in relation those processes associated with procurement recruitment and grants administration.

Mandatory training is currently in place for all staff, and the department will establish follow up actions to ensure SES officers are meeting their mandatory training obligations within set timeframes. This will strengthen the current system of automatic reminders which are sent to both staff and their supervisors, and non-compliance reports that are provided to senior leaders.

Procurement related guidance and templates have already been updated to ensure that delegates are aware of their obligations at each stage of the procurement process. Work is underway to formally document the established conflict of interest management process for SES recruitment. The SES separation process will also be documented to support SES employees and managers in meeting their obligations to identify, declare and manage conflicts of interest related to post-separation employment.

Please find attached a summary response to the report for inclusion in the formal report (Attachment A), as well as a response to the recommendations (Attachment B). Editorial comments will be provided to the ANAO audit team separately.

Yours sincerely

*Stephanie Foster*  
 Stephanie Foster PSM

3 June 2025

## Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.
2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's corporate plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.
3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:
  - strengthening governance arrangements;
  - introducing or revising policies, strategies, guidelines or administrative processes; and
  - initiating reviews or investigations.
4. In this context, the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity. The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.

### **Aged Care Quality and Safety Commission (ACQSC)**

- The implementation of a new declaration form in February 2024 improved SES annual declarations by better capturing nil declaration statements and management plans (see paragraph 2.41)
- In January 2025, ACQSC's Commission Management Committee commenced receiving reporting on completion rates for SES annual declarations (see paragraph 2.42).
- In January 2025, the new accountable authority of the Commission made a declaration to the minister soon after commencing (see paragraph 3.27).

### **Australian Trade and Investment Commission (Austrade)**

- In October 2024, Chief Operating Officer of Austrade made a declaration to the minister after the accountable authority announced their resignation to take up a role with an entity who had previously been a client of Austrade's trade services (see paragraph 3.29 and Table 4.4).
- On 4 November 2024, a new acting Chief Executive Officer commenced in Austrade and submitted a declaration to the minister on 7 November as required by the PGPA Rule (see paragraph 3.30).

- In March 2025, Austrade updated Chief Executive Instruction 4 — Procurement and Contract Management to require conflict of interest declarations irrespective of whether an actual or perceived conflict of interest exists, rather than only when a conflict of interest exists (see paragraph 4.6).

### **Department of Home Affairs**

- In October 2024, Home Affairs' Integrity and Professional Standards branch finalised a standard operating procedure for its management of the SES annual declaration process (see paragraph 2.53).
- In March 2025, Home Affairs introduced a process supporting accountable authority declarations to the minister as required by the PGPA Rule (see paragraph 2.32).
- In March 2025, Home Affairs introduced a second step in their annual declaration process requiring SES officers to discuss their declaration and any agreed management strategies with their direct manager. SES officers are required to submit a form providing evidence that this discussion has taken place (see paragraphs 3.44 and 3.48).



## Appendix 3 Good practice observed during the audit

Paragraph	Example
2.3	In its Accountable Authority Instructions, ACQSC has expanded upon the content on the disclosure of interests from the Department of Finance's model AAls to provide organisational specific guidance, including on roles and responsibilities. Responsibility for maintaining and promulgating ACQSC's process for disclosure of interests is also specified within the AAls.
2.10 to 2.11	<p>ACQSC's Conflict of Interest Policy sets out the factors that should be assessed when determining the materiality of a conflict of interest. These include:</p> <ul style="list-style-type: none"> <li>• the type or extent of the employee's personal interest, real or apparent;</li> <li>• the nature or significance of the particular decision or activity being carried out;</li> <li>• the extent to which the employee's personal interest could affect, or be affected by the agency's decision or activity; and</li> <li>• the nature or extent of the employee's current or intended involvement in the agency's decision or activity.</li> </ul> <p>The policy also provides detail on approaches to mitigating a conflict and responsibilities for employees and managers. The policy provides declaration forms to support staff in making declarations.</p>
2.19	In Austrade, if a management plan is required following a declaration, this is to be completed by the officer making the declaration in consultation with their manager and submitted to the employee's manager once removed. The direct manager and the manager once removed are responsible for ensuring that the agreed management plan is implemented and monitored appropriately.
2.26	Home Affairs' Conflict of Interest procedural instruction applies to all staff and outlines the department's approach to managing conflicts of interest. It provides guidance on the differences between real or actual; potential; and perceived or apparent conflicts of interest, and states that interests can be both pecuniary (financial) and non-pecuniary (influence and relationships).
2.53	Home Affairs' Integrity and Professional Standards branch oversees the SES annual declarations process. In October 2024, the branch finalised a procedure for its management of the process. It outlines how the branch will assess declarations and engage with SES staff.
2.85	ACQSC prepared a guide on conflicts of interest in February 2024, as well as a draft managers guide to supplement the policies in guiding SES and managers in reviewing the declaration of interests of their employees. The guides include links to related materials and provide contact emails for managers and officers to seek further guidance.
3.44	In Home Affairs, as of March 2025, upon receipt of the declaration the SES officer is notified of a requirement to complete a management discussion form to demonstrate that the contents of their declaration have been discussed with their manager.

Source: ANAO.