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VICTORIA POLICE

**CORPORATE MANAGEMENT REVIEW
DIVISION**

June 2010

**AUDIT OF VICTORIA POLICE HUMAN
SOURCE MANAGEMENT PRACTICES**

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12th July 2010

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1. EXECUTIVE SUMMARY

Introduction

Human source management has been identified as one of the major strategic risks to Victoria Police. This audit was commissioned to determine whether Victoria Police is adequately managing the risks associated with human source management. The audit comprised of two separate phases:

- Phase 1 involved a “desk top” audit of 95 Interpose human source files.
- Phase 2 involved interviewing 11 registered human sources.

Phase 1

Phase 1 identified five key control categories, being: registration, contact with sources, supervision / management, rewards and deactivation. (Refer Appendix A 1.-5.). Ninety five (95) random human source interpose files were selected and tested against 20 controls. The files tested involved a proportionate representation of registered human sources across the organisation. These files were from each of the former 5 Regions, the Crime Department and the Intelligence and Covert Support Department. The process involved a total of 1900 tests (Refer Appendix B).

The testing and matrix results indicate deficiencies around supervision and management across the organisation. The lack of intrusive supervision and the gap between controller and Local Source Registrar are flagged as areas where improvement can be made. Additionally, audit and governance and policy are key areas where findings indicate improvement can be made.

A snapshot of the test results is as follows:-

Description	Unsatisfactory	Close to Standard	Satisfactory	Not Applicable	Unable to be readily determined
HSM Interpose Compliance	264	124	912	484	116

Phase 2

Phase 2 involved interviewing 11 randomly selected human sources again from the Regions, the Crime Department and the Intelligence and Covert Support Department.

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These files were also subjected to the Phase 1 testing process. Again, supervision and management was identified as the key area for improvement. The field craft of staff tested in this phase was found to be of a high standard and the feedback from all sources tested was positive and indicated policy compliance by respective staff.

Audit Findings

The results of Phase 1 and 2 form the basis of the audit findings. The 26 audit findings represent several areas that require improved compliance. Additionally, this report provides twenty six (26) recommendations intended to value add to human source management within Victoria Police. The recommendations relate to the following categories: the application of human source and community contact descriptions (2 recommendations), risk assessments (2), intrusive supervision (1), supervision of the handler-human source relationship (5), reliance on telephone contact (1), deficiencies with briefing of controllers and & checking of contact reports (1), human source management framework (2), policy direction in relation to compromise & corruption (3), audit and governance (2), interpose (6), and human source management policy structure (1). Additionally, CMRD provide comment on 2 human source management related recommendations made by the Office of Police Integrity in their 2007-2008 Annual Report.

A snapshot of the ratings of these 26 audit recommendations is as follows:-

Rating Description	High	Medium	Low
Number of Findings	7	12	7

Conclusion

The audit has identified several issues that fundamentally relate to the level of management and supervision involved in human source management. The audit recommends the exploration of several possible resolution strategies that involve amendments to policy and structure along with additional training.

The inception of Interpose for use with all human source management files has necessitated the need for changes to policy and procedures to reflect the current position. Further education and training of relevant staff will enhance the use and acceptance of Interpose.

Any amendments to human source management policy and structure would benefit from the inclusion of an enhanced auditing and governance regime that encourages compliance and mitigates risk.

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2. SUMMARY OF FINDINGS

No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
1	Application of Human Source & Community Contact Definitions. Persons fitting the definition of a human source are being registered as a community contact, apparently based primarily on the rationale that such persons will not be tasked or make application for reward. But with no consideration for the risks that might be posed to such person if it became known they were providing information to police. This issue is compounded by the fact that the best way to assess and document any such risks is via the risk assessment process, which is presently not required prior to registering a community contact.	Recommendation 1: That Victoria Police human source management policy be amended so as to require that all identified persons providing information to Victoria Police <i>'with the expectation that their identity will be protected'</i> must be the subject of a risk assessment process in the first instance in order to determine (amongst other considerations) whether they are required to be registered as a human source or a community contact.	High	8.1		<name, position, dept>	<Date>
2	Application of Human Source & Community Contact Definitions. Policy advise in relation to community contacts is diluted and confused by virtue of wording within the VPM, such as <i>'community contacts may be registered in order to protect their confidentiality...'</i> and <i>'where a Member believes it is necessary to protect the identity of a community contact they may submit a source registration application...'</i>	Recommendation 2: That Victoria Police human source management policy be amended so as to require that a person who does not meet the definition of a human source but does meet the definition of a community contact must be registered as a community contact.	Medium	8.1		<name, position, dept>	<Date>
3	Risk Assessments A significant number of the risk assessments examined lacked the necessary incisive analysis, with many appearing to have been heavily reliant on a 'pro forma' or 'cut and paste' approach, compounded by an apparent lack of input from the controller.	Recommendation 3: That the Human Source Management Unit develop a process whereby risk assessments provided in support of registration are critically examined in order to determine (1) the degree of rigour applied to the risk assessment process, and (2) whether the	Medium	8.2		<name, position, dept>	<Date>

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No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
4	Risk Assessments A majority of the files examined provided no evidence of any review of the initial risk assessment having been undertaken since the registration of the human source, despite there being a policy requirement for the controller to undertake such reviews monthly. This deficiency was observed even where there had been significant changes to aspects of the risks identified in relation to a given human source.	<u>Recommendation 4:</u> That the Human Source Management Unit develop a process whereby they are able to routinely identify human source management files where the controller has failed to regularly review the attendant risk assessment/s, and so cause remedial action to be taken.	High	8.2		<name, position, dept>	<Date>
5	Intrusive Supervision The most critical group of controls placed around the handler – human source relationship are those pertaining to supervision – in particular intrusive supervision. The application of 'intrusive supervision' forms part of the syllabus for all human source management training above the level 1 course. However, current policy does not incorporate a definition or explanation of the term.	<u>Recommendation 5:</u> That Victoria Police human source management policy be amended so as to (1) define the term 'intrusive supervision' and (2) broaden its application to personnel other than 'supervisors and employees working within high risk work units ...'; in particular all personnel involved in the handling of registered human sources and the supervision of handler – human source relationships.	Medium	8.3		<name, position, dept>	<Date>
6	Supervision of the Handler – Human Source Relationship The VPM does not articulate the key responsibilities of the handler role or the necessary specialist training required before a Member can perform the role.	<u>Recommendation 6:</u> That Victoria Police human source management policy be amended so as to provide direction in relation to the responsibilities and minimum level of training required of Members undertaking the role of a human source handler.	Low	8.4		<name, position, dept>	<Date>

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No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
7	Supervision of the Handler – Human Source Relationship The VPM does not articulate the key responsibilities of the controller role or the necessary specialist training required before a Member can perform the role.	<u>Recommendation 7:</u> That Victoria Police human source management policy be amended so as to provide direction in relation to the responsibilities and minimum level of training required of Members undertaking the role of a human source controller.	Low	8.4		<name, position, dept>	<Date>
8	Supervision of the Handler – Human Source Relationship The human source management responsibilities expressly required of the work unit manager / supervisor as per the VPM are largely restricted to tasks around the initial receipt of a source registration application. This situation has contributed to (1) a 'supervision gap' between the controller [REDACTED] and the local source registrar [REDACTED] and (2) the opportunity for a lack of coordination between controllers and work unit managers / supervisors in terms of the supervision of a given handler.	<u>Recommendation 8:</u> That Victoria Police human source management policy be amended so as to (1) provide direction in relation to the human source management responsibilities of work unit managers / supervisors and (2) increase the necessary level of coordination between controllers and work unit managers / supervisors charged with supervising a given handler.	Medium	8.4		<name, position, dept>	<Date>
9	Supervision of the Handler – Human Source Relationship The VPM states that local source registrars have 'responsibility for ... supervision of source related operations'. However, the VPM does not make it clear what a 'source related operation' is or what obligations are required to be fulfilled in terms of any related supervision.	<u>Recommendation 9:</u> That human source management policy be amended so as to define the term 'source related operation' and provide direction in relation to the local source registrar's 'responsibility for ... supervision of source related operations'.	Low	8.4		<name, position, dept>	<Date>

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No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
10	Supervision of the Handler – Human Source Relationship A significant 'supervision gap' has been identified between the controller [REDACTED] and the local source registrar [REDACTED] exacerbated by the competing demands of the [REDACTED] rank / role and the 'organisational distance' between the rank of [REDACTED] and the rank of [REDACTED]. It is considered that the single most effective way to reduce organisational distance and so close the supervision gap is the devolving of responsibilities to the [REDACTED] rank.	Recommendation 10: That within the Regions the responsibilities of the local source registrar, other than the current audit responsibilities, be devolved to the [REDACTED]	High	8.4		<name, position, dept>	<Date>
11	Reliance On Telephone Contact A large number of the files examined revealed an apparent preference for telephone communication rather than face-to-face meetings, with some instances where almost all communication between handler and human source was via telephone. Further, a number of instances of deactivation debriefs being undertaken via telephone rather than face-to-face as required were also identified. In such circumstances, the opportunities for supervisors and / or co-handlers to apply oversight and corroboration are reduced and the need for intrusive supervision is increased.	Recommendation 11: That Victoria Police human source management training courses incorporate discussion and analysis of the risks and implications of relying on telephone communication with human sources at the expense of face-to-face meetings, with particular consideration of the problems posed for the application of intrusive supervision strategies.	High	8.5		<name, position, dept>	<Date>
12	Deficiencies With Briefing of Controllers & Checking Of Contact Reports It is apparent that a practice has arisen wherein following contact with a human source, the handler simply forwards the contact report to the controller	Recommendation 12: That Victoria Police human source management training courses reiterate the importance of (1) both the handler and the controller taking steps to ensure that the controller is verbally briefed by the handler	Medium	8.6		<name, position, dept>	<Date>

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	via Interpose, and the controller then on occasions checks the contact report without the benefit of an actual briefing. Further, Interpose records indicate that there are also numerous instances of controllers not checking such contact reports until days, weeks, or even months after they have been submitted. Indeed, there are instances where controllers have apparently never checked some contact reports.	as soon as practicable after contact with a human source and in addition to the submission of any contact report resulting from that contact, and (2) the controller checking the content of contact reports as soon as practicable after the submission of such contact reports by the handler.					
13	Human Source Management Framework A comparison of Victoria Police human source management policy with human source management practice suggests that the policy is constructed around two tiers (human sources and community contacts) while practice is constructed around three tiers (high risk human sources, human sources other than high risk, and community contacts). As a consequence, there is a disconnect between policy and practice that needs to be addressed.	Recommendation 13: That the Victoria Police human source management framework, and supporting policy, be reconfigured from a two tier (human sources and community contacts) model to a three tier (high risk human sources, human sources other than high risk sources, and community contacts) model.	Medium	8.7		<name, position, dept>	<Date>
14	Human Source Management Framework The case for formalising and building on the three tier human source management construct, as detailed at Recommendation 13 above, has also been reflected in views expressed by key stakeholders around such suggested initiatives as psychological assessments and formally drafted documentation defining the obligations and boundaries of the human source management relationship.	Recommendation 14: That the Assistant Commissioner Intelligence & Covert Support Department consider the merits of adopting such tools as (1) psychological assessments and (2) formally drafted documentation defining the obligations and boundaries of the parties to any human source management relationship, particularly in relation to the management of high risk human sources.	Medium	8.7		<name, position, dept>	<Date>

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No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
15	Policy Direction in Relation to Compromise & Corruption Despite one of the key premises for the development of human source management policy being to mitigate risks posed to the safety of the human source, there is currently no policy in place that provides guidance in circumstances where a Member believes that the safety of a human source has been compromised.	<u>Recommendation 15:</u> That Victoria Police human source management policy be amended so as to provide direction in relation to the actions that a Member should take if he / she becomes aware that the identity and / or safety of a human source has been compromised, including in circumstances where a human source may be considered to be at immediate risk.	High	8.8		<name, position, dept>	<Date>
16	Policy Direction in Relation to Compromise & Corruption Despite one of the key premises for the development of human source management policy being to mitigate risks posed to the professional integrity of the handler and other Police, there is currently no policy that provides appropriate / adequate guidance in circumstances where a Member believes that another Member involved in a handler – human source relationship has, in the context of that relationship, acted in a manner that calls into question their professional integrity.	<u>Recommendation 16:</u> That Victoria Police human source management policy be amended so as to provide direction in relation to the actions that a Member should take if he / she forms the view that another Member involved in a handler – human source relationship has, in the context of that relationship, acted in a manner that calls into question their professional integrity.	Medium	8.8		<name, position, dept>	<Date>
17	Policy Direction in Relation to Compromise & Corruption Despite one of the key premises for the development of human source management policy being to mitigate risks posed to the professional integrity of the handler and other Police, there is currently no policy that provides appropriate / adequate guidance in circumstances where a Member receives	<u>Recommendation 17:</u> That Victoria Police human source management policy be amended so as to provide direction in relation to the actions that a Member should take if he / she receives information from a human source that calls into question the professional integrity of another Member.	Medium	8.8		<name, position, dept>	<Date>

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No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
	information from a human source that calls into question the professional integrity of another Member.						
18	Audit & Governance The audit capability currently in place around Victoria Police human source management processes is deficient and in any case not being adhered to. This represents a critical gap in the human source management framework, and magnifies the risks inherent in the management of human sources.	Recommendation 18: That the Assistant Commissioner Intelligence & Covert Support Department cause a robust human source management audit capability to be developed, supported by policy, that is independent of the human source management framework and has the necessary authority to undertake regular and rigorous audits of all aspects of human source management processes, including face-to-face interviews with human sources where considered necessary.	High	8.9		<name, position, dept>	<Date>
19	Audit & Governance The audit capability currently in place around Victoria Police human source management processes is deficient and in any case not being adhered to. A critical component of any new audit capability should be a designated central point having oversight responsibility for human source management audit and governance and the organisational authority to direct any necessary remedial action.	Recommendation 19: That the Assistant Commissioner Intelligence & Covert Support Department cause a process to be developed whereby the outcomes of all human source management audits and any related governance issues are routinely reported to a designated central point having the organisational authority to direct any necessary remedial action.	Medium	8.9		<name, position, dept>	<Date>
20	Interpose The human source management policy has not been updated so as to incorporate and reflect the changes to human source management processes brought about the move to Interpose.	Recommendation 20: That Victoria Police human source management policy be updated so as to reflect the current use of Interpose as the primary tool for the recording and monitoring of human source management	Low	8.10		<name, position, dept>	<Date>

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No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
21	Interpose Functionality limitations within Interpose have adversely impacted on the ability to readily record and determine compliance with some of the controls intended to mitigate risks in the handler – human source relationship, which has in turn created difficulties for any audit capability. Further, part of this recommendation in terms of 'the controller to ensure that the human source risk assessment is reviewed monthly' can be considered to be a dependency for the effective implementation of Recommendation 4.	<u>Recommendation 21:</u> That the Interpose human source management module be upgraded so as to include functionality that requires the user to 'tick' or place a notation in a designated field in order to record compliance with key controls, including [REDACTED] (2) the handler to ensure that following any meeting with a human source the controller is briefed as per the contact report, (3) the controller to ensure that the human source risk assessment is reviewed monthly, and (4) the controller to ensure that the relationship between police and the human source and the information gained is reviewed monthly.	Medium	8.10		<name, position, dept>	<Date>
22	Interpose There is a critical deficiency with the Interpose audit trail capabilities in that the actual printing of documents, including human source management records, is not captured by the Interpose Audit Log.	<u>Recommendation 22:</u> That Interpose functionality be reviewed in order to address the risks posed by the inability of the Interpose Audit Log to capture details relating to the use of the print function.	High	8.10		<name, position, dept>	<Date>
23	Interpose The critical deficiency identified in relation to the actual printing of documents from Interpose not being captured by the Interpose Audit Log is compounded by the fact that Interpose treats the	<u>Recommendation 23:</u> That Interpose formatting protocols be reviewed in order to address the risks posed by the present situation wherein information such as user details and access time / date details are not reproduced on	Low	8.10		<name, position, dept>	<Date>

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No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
	electronic version of some human source management documentation as one document, regardless of how long that document is. This can result in the situation where an electronic document that is printed and so converted into a multi-page hardcopy document will only have the details of the person accessing the document on the bottom of the last page. Accordingly, if this page is removed there will be no notation on the document to indicate who accessed the document and exactly when that access occurred.	every page of a printed document.					
24	Interpose There is no policy guidance in relation to the circumstances under which it is considered appropriate to print a document stored within the Interpose human source management module, and the actions that need to be taken in terms of handling, storage, destruction, etc.	Recommendation 24: That Victoria Police human source management policy be amended so as to provide direction in relation to when it is appropriate to print documents stored within the Interpose human source management module, and what actions are required to be taken with any such printed documents in terms of handling, storage, destruction, etc.	Medium	8.10		<name, position, dept>	<Date>
25	Interpose Some documentation stored within the Interpose human source management module includes the notation 'SECRET', which does not comply with Victoria Police policy. Further, other sensitive documentation stored within the Interpose human source management module, such as contact reports, have no security notation on them at all, including when viewed in electronic form.	Recommendation 25: That human source management data stored on Interpose include a security classification notation wherever appropriate, and that any such security classification notations reflect the Victoria Police security classification levels unless the data in question is of a type that requires national security classification.	Low	8.10		<name, position, dept>	<Date>

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No.	Findings	Recommendation	Risk	Ref.	Authority	Responsibility	Due Date
26	Human Source Management Policy Structure The separation of the elements of the VPM dealing with management of human sources into 'mandatory' Policy Rules and 'not mandatory' Procedures and Guidelines is artificial and unhelpful, particularly as the bulk of what is articulated in the Procedures and Guidelines is in fact mandatory.	<u>Recommendation 26:</u> That the Victoria Police human source management policy be reviewed and redrafted in order to address the difficulties posed by having the policy separated into 'mandatory' Policy Rules and 'not mandatory' <i>requirements on their own</i> Procedures and Guidelines, particularly in terms of the implications of having actual mandatory elements of the policy articulated within the Procedures and Guidelines.	Low	8.11		<name, position, dept>	<Date>

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3. INTRODUCTION

The interactions between police officers and human sources, or informers, have always been problematic. However, the expectations that the community has of police and the accountabilities that legislation imposes on police have only increased in recent years. Nowhere is this more true than in terms of the issues around the management of human sources.

Her Majesty's Inspectorate of Constabulary in the United Kingdom has observed that:

'in the context of a potential lack of integrity, the use of sources is possibly the highest risk area in the work of the modern police service. Any loss of public or judicial confidence in this sensitive and controversial area may well undermine its future effectiveness in criminal investigations'. ('Police Integrity: Securing and Maintaining Public Confidence', June 1999.)

Closer to home, the Office of Police Integrity (OPI) in its 2007–2008 Annual Report (p. 17) noted that:

'while present day police have more investigative tools and methods available to them than their forebears, access to reliable information or first-hand accounts about criminal activities remains a fundamental part of current policing methodology. Sources of the most potentially valuable information about criminal activity are often individuals associated with criminals or engaged in criminal activity themselves. ... Along with the benefits, however, there are significant risks. Histories of police corruption are replete with examples that demonstrate the dangers inherent in the relationship between a police member and the person providing the information. ... Recent examples in (the Victorian) jurisdiction emphasise the need for a strong regulatory and accountability framework for the police management of human sources.'

In recent years Victoria Police has been active in its response to the inherent risks associated with human sources. In 2004 the Corporate Management Review Division (CMRD) conducted an audit of the then Informer Management Unit (now the Human Source Management Unit), with 22 recommendations being made. In 2005 CMRD conducted a review of the Dedicated Source Unit (now the Source Development Unit), with 12 recommendations being made. In 2007 the OPI conducted an own motion investigation of Victoria Police Human Source Management, resulting in 6 recommendations being made. Human source management is currently one of the major strategic risks identified by Victoria Police.

However, as the OPI has articulated, the management of human sources will always represent a dichotomy for law enforcement agencies – the risks must be balanced against the potential rewards. Accordingly, at a time when Victoria Police is considering the merits of initiating a deliberate strategy intended to significantly increase the number of registered human sources available to the organisation, it is opportune that CMRD has undertaken an audit of human source management practices across the organisation.

In the course of undertaking this audit, CMRD has reviewed 95 human source management files, going back as far as 01/01/2009, and undertaken interviews with 11 registered human sources (see Appendix D). Throughout the audit process, CMRD has received advice, assistance, and cooperation from a range of personnel across the organisation. In particular, CMRD wishes to acknowledge the support of the following work units –

- Human Source Management Unit,
- Source Development Unit,
- Operation Windmill pilot.

In organising the face-to-face meetings with human sources, CMRD was also reliant upon the active cooperation of a range of personnel across the Regions and the Crime Department. In the main, this cooperation was of the highest calibre and reflects well on the professionalism of those handlers and controllers who readily made themselves available.

4. AUDIT OBJECTIVES

The objectives of the audit are as follows:

1. Determine and document human source management business processes,
2. Identify and review key controls,
3. Assess the effectiveness of identified controls,
4. Determine the levels of compliance with Victoria Police policy,
5. Determine the effectiveness of Victoria Police policy,
6. Identify opportunities for improvement to human source management processes.

The human source management practices of the Ethical Standards Department are specifically outside the scope of this audit.

5. BUSINESS PROCESSES

Victoria Police human source management business processes are documented on the 'Business Process Flow Charts' at Appendix A.

6. KEY CONTROLS

Victoria Police human source management business process controls are documented at (1) the 'Business Process Flow Charts' at Appendix A and (2) the 'Audit Findings Matrix' at Appendix B.

On the Audit Findings Matrix the controls have been grouped in terms of –

- Registration,
- Contact With Human Sources,
- Supervision / Management,
- Rewards, and
- Deactivation.

The Audit Findings Matrix is intended to graphically illustrate the audit findings arrived at in relation to each control as assessed against each of the randomly selected and examined human source management files. Accordingly, this matrix provides a concise snapshot of the organisation-wide application of the controls under consideration, and identifies what CMRD considers to be systemic deficiencies in the levels of compliance with some of these controls.

It should be noted that there were constraints imposed on the assessment of a number of these controls by virtue of limitations in the functionality of the Interpose human source management module. These constraints have adversely impacted on the ability to record some actions taken in the course of the management of human sources and the attendant ability for such actions to be subjected to audit. Where CMRD has identified such difficulties, the following notation has been made – *'the degree of compliance with this control was unable to be readily determined from the information available on Interpose records, as there is no prompt or field requiring notation...'*. This issue is discussed further at page 40.

7. EFFECTIVENESS OF CONTROLS & COMPLIANCE WITH POLICY

Both the effectiveness of identified controls and compliance with policy are documented at (1) the 'Audit Findings Matrix' at Appendix B and (2) the 'Audit Findings Synopsis' at Appendix C.

8. ASSESSMENT OF POLICIES & PROCESSES

CMRD acknowledges that, as the Chief Commissioner has stated in his introduction to the Victoria Police Manual (VPM), *'the VPM cannot provide specific rules or guidelines to address every situation'*. However, a number of the recommendations arrived at in the course of this audit are predicated on the view that where policy is intended to address areas considered to be of particularly high risk, it may well be appropriate for such policy to be more prescriptive than might otherwise be the case.

The majority of the issues identified in the course of this audit can be traced back to (1) the substandard level of supervision being applied around the handler – human source relationship and attendant processes, and (2) the lack of a robust human source management audit capability.

CMRD has not identified any examples of apparent criminal behaviour per se, however the issues identified must give rise to concerns regarding the efficacy of the controls presently in place to mitigate the risk of criminality / corruption.

8.1 Application of 'Human Source' & 'Community Contact' Definitions

The VPM - Policy Rules: Human Sources defines a human source as –

'an identified person who develops or maintains a relationship with another person/s for the purpose of providing information to Victoria Police with an expectation that their identity will be protected, and:

- *Actively seeks out further intelligence or information on direction, request or tasking of police;*
- *May receive reward, reimbursement or any other benefit;*
- *There exists a threat or potential of danger or harm to a person as a result of the relationship between the Human Source and Victoria Police, or;*
- *Are used as part of any approved undercover police operation.'*

The VPM – Policy Rules: Human Sources defines a community contact as –

‘an identified person who, through the course of their day to day activities provides information to Victoria Police with an expectation that their identity will be protected. Community Contacts must not be requested or tasked to actively gather intelligence nor should be considered for reward or benefit. They are generally community minded citizens.’

Despite the clearly articulated intent of this definition, it is apparent that persons other than ‘community minded citizens’ have been inappropriately registered as community contacts. This situation is further confused by the following advice provided in the Victoria Police Human Source Management Practice Guide –

‘sources subject to the process of cultivation and recruitment should be registered as a status of community contact in accordance with the human source policy. This will alleviate the requirement for an Acknowledgement of Responsibilities and Risk Assessment within nominated timeframes. Where the potential source is recruited and providing information, the status will change to that of a Human Source ...’.

Regardless, there have been four instances identified where persons who arguably met the definition of a human source have been registered as community contacts, apparently based primarily on the rationale that they would not be tasked or make any application for reward. This includes one instance where a person was deregistered as a human source and immediately reregistered as a community contact. Of most concern in such instances, it appears that there has been no consideration given to any risks that might be posed to such persons if, for example, a target or an associate of a target became aware that the person was providing information to Police.

That is, such community contacts have apparently been assessed and registered as community contacts solely on the basis of the policy guidelines for a community contact, and without apparent consideration of any elements of the human source definition that may have been applicable. In particular, the requirement that a person must be registered as a human source in circumstances where he / she –

‘develops or maintains a relationship with another person/s for the purpose of providing information to Victoria Police with an expectation that their identity will be protected, and ... there exists a threat or potential of danger or harm to a

person as a result of the relationship between the Human Source and Victoria Police'.

This is compounded by the VPM – Procedures and Guidelines advice that *'it is not necessary to complete a risk assessment'* for community contacts.

A key determinant for assessing whether a given individual is more appropriately registered and managed as a community contact or a human source should be the level of risk posed to that individual if a third party, such as a criminal associate, becomes aware that that person is providing information to police. This should be the case, regardless of whether that person is actually being tasked to seek out such information or not. Such a determinant can only be properly assessed and documented by way of a risk assessment process undertaken prior to any decision that might be made to register the individual as either a community contact or a human source.

RECOMMENDATION 1

That Victoria Police human source management policy be amended so as to require that all identified persons providing information to Victoria Police *'with an expectation that their identity will be protected'* must be the subject of a risk assessment process in the first instance in order to determine (amongst other considerations) whether they are required to be registered as a human source or a community contact.

Accepted/Rejected

Date: __/__/__

The policy advice in relation to community contacts is further diluted by virtue of wording within the VPM – Procedures and Guidelines such as *'community contacts may be registered in order to protect their confidentiality...'* and *'where a Member believes it is necessary to protect the identity of a community contact they may submit a source registration application...'*

Further, CMRD has been advised that the position currently taken by the Human Source Management Unit (HSMU) is that community contacts are only required to be registered as a matter of course where the information provided by a given community contact is to be relied upon in an affidavit for a warrant. In such circumstances, it becomes necessary to register the community contact in order to obtain and use a source code so as to protect the identity of that community contact.

The present ambiguity around the need to register a person deemed to be a community contact is unsatisfactory. This ambiguity is compounded by the fact that there is no requirement for the Member determining the persons status as a community contact to

document any objective test (such as a risk assessment process) in the course of deciding that the person is a community contact and not a human source. Further, this approach to the management of community contacts, wherein they do not need to be registered and so may not be captured on any organisational database or subjected to any organisational oversight, appears to be at odds with the spirit of one of the guiding principles of human source management. As detailed in the Human Source Management Practice Guide, '*sources do not belong to individual officers – they are resources to be deployed for the benefit of the Victoria Police*'.

RECOMMENDATION 2

That Victoria Police human source management policy be amended so as to require that a person who does not meet the definition of a human source but does meet the definition of a community contact must be registered as a community contact.

Accepted/Rejected

Date: __/__/__

8.2 Risk Assessments

The Australian and New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) defines risk as '*the effect of uncertainty on objectives*'. Risk management involves managing in a way that can achieve an appropriate balance between realising opportunities and minimising losses.

CMRD is of the view that there is no more critical element of the human source management framework than a robust and incisive risk management process, intended to protect all parties to a relationship between Police and a human source. At the core of the risk management process is the risk assessment, which should provide the basis for a range of informed decisions and actions to be taken in order to mitigate the identified risks. The Victoria Police Human Source Management Practice Guide states that –

'The purpose of a risk assessment is for the controller to advise the local source registrar of the plan for managing identified risks. The local source registrar will not authorise conduct and use of a source without evidence that the risks have been considered and that a plan for their management exists. The handler is responsible for bringing to the controller's attention any concerns about the personal circumstances of the source in so far as they may affect:

- *The validity of the risk assessment,*
- *The proper conduct of the source registration and management,*
- *The safety and welfare of the source.'*

According to the Australian and New Zealand Risk Management Standard, risk management should be *'dynamic, iterative and responsive to change'*. Accordingly, risk assessments should –

- Ensure that controls are effective and efficient in both design and operation,
- Analyse and apply lessons from events, changes, trends, successes, and failures over time,
- Detect changes to external and internal context, including changes to risk criteria and the risks themselves, and
- Identify emerging risks.

This thinking is reflected in VPM - Policy Rules: Human Sources – 9 and VPM – Procedures and Guidelines: Human Sources – 2, which require that the controller ensures the human source risk assessment is reviewed monthly. This policy position is further reinforced in current human source management training courses, which teach that the *'review of the risk assessment should be part of the controller's regular review of the source relationship'*.

Despite this, there are two key deficiencies that have been identified in the risk assessment process as applied to many of the human source management files examined. Firstly, some 38 (40.4 %) of the risk assessments examined lacked the necessary level of incisive analysis, with many appearing to have been heavily reliant on a 'pro forma' or 'cut and paste' approach. This deficiency has been compounded in some instances by an apparent lack of input from a controller (with this view having been arrived at on the basis that there were no controller's details or sign-off on such risk assessments). Secondly, some 77 (81.9 %) of the human source management files examined provided no evidence of any review of the initial risk assessment having been undertaken since registration of the human source. This proved true even where the human source had been registered over an extended period of time and / or where there had clearly been significant changes to aspects of the risk/s identified. This despite the Victoria Police Human Source Management Guide requiring that *'the activity log should also note any periodic risk assessment reviews of the file...'*. It is apparent that these deficiencies must undermine the credibility and relevance of the risk assessments in question.

RECOMMENDATION 3

That the Human Source Management Unit develop a process whereby risk assessments provided in support of registration are critically examined in order to determine (1) the degree of rigour applied to the risk assessment process, and (2) whether the analysis within the risk assessment indicates that the person in question is more appropriately registered as a human source or a community contact.

Accepted/Rejected

Date: __/__/__

RECOMMENDATION 4

That the Human Source Management Unit develop a process whereby they are able to routinely identify human source management files where the controller has failed to regularly review the attendant risk assessment/s, and so cause remedial action to be taken.

Accepted/Rejected

Date: __/__/__

(Recommendation 4 should be read and considered in conjunction with Recommendation 21, which recommends an Interpose functionality upgrade that would require the user to 'tick' or place a notation in a designated field in order to record compliance with key controls including '*the controller to ensure that the human source risk assessment is reviewed monthly*'.)

8.3 Intrusive Supervision

The most critical group of controls that Victoria Police can place around the handler – human source relationship are those pertaining to supervision. Not simply the sometimes benign type of supervision generally applied in more routine contexts, but rather that type of supervision referred to as 'intrusive supervision'.

The application of intrusive supervision forms part of the syllabus for all human source management training above the level 1 course. However, current policy does not incorporate a definition or explanation of the term.

The concept of intrusive supervision has previously been defined and explained in draft VPM 202-6 Intrusive Supervision. However, this draft policy was never ratified and promulgated. This draft Policy required supervisors to:

- *understand the higher organisational expectations required of the High Risk Work Unit,*
- *be out in the field in high risk situations with employees, or be ready to deploy to employees at short notice,*
- *support and mentor staff to encourage a high level of performance,*
- *know where employees are at all times,*
- *have knowledge of what duties each employee is performing,*
- *be in regular contact with employees, and*
- *manage performance at a superior level'.*

However, VPM 202-6 was only intended to be applied to *'supervisors and employees working within high risk work units ... as determined by the State Surveillance Unit Review Steering Committee'*. Unfortunately, any application of an intrusive supervision policy on such a narrow basis would in effect fail to recognise the organisation-wide application of the human source management policy.

RECOMMENDATION 5

That Victoria Police human source management policy be amended so as to (1) define the term *'intrusive supervision'* and (2) broaden its application to personnel other than *'supervisors and employees working within high risk work units ...'*, in particular all personnel involved in the handling of registered human sources and the supervision of handler – human source relationships.

Accepted/Rejected

Date: __/__/__

8.4 Supervision of the Handler – Human Source Relationship

The issues identified around the supervision of the handler – human source relationship are considered in the context of the key roles around which the human source management framework and policy have been constructed, being that of (1) the handler, (2) the controller, (3) the work unit manager / supervisor, and (4) the local source registrar.

8.4.1 Handler –

Pursuant to VPM – Policy Rules, Human Sources: 4 Managing and Protecting Human Sources, the accountabilities of the handler are described as being that of a *'member who has primary responsibility for contact with the human source and for the initial evaluation of information supplied by that source'*.

It is noteworthy that Victoria Police policy does not articulate the key responsibilities of the handler role, such as human source registration and risk assessments, operational management of the human source, effective management and guidance of the relationship with the human source, preparation of contact reports and sanitised intelligence products, preparation of comprehensive risk assessments in consultation with the controller, and briefing the controller in relation to all incidents / developments associated with the human source.

Further, despite the Victoria Police Human Source Management Practice Guide requiring that *'all source handlers, controllers, and local source registrars must be trained to agency standards'*, human source management policy does not detail the necessary specialist training required before a Member can perform the role of a handler.

RECOMMENDATION 6

That Victoria Police human source management policy be amended so as to provide direction in relation to the responsibilities and minimum level of training required of Members undertaking the role of a human source handler.

Accepted/Rejected

Date: __/__/__

8.4.2 Controller –

Pursuant to VPM – Policy Rules, Human Sources: 4 Managing and Protecting Human Sources, the accountabilities of the controller are described as ^{PII} [REDACTED] *who has direct supervision of a handler. They must maintain a source management file...*

It is noteworthy that Victoria Police policy does not articulate the key responsibilities of the controller role, such as oversight and assistance with human source registration and risk assessments, active and intrusive supervision of the handler – human source relationship, provision of advice and guidance to handlers, assisting the handler in the preparation of comprehensive risk assessments, assisting in the planning and execution of meetings with the human source, ^{PII} [REDACTED]

^{PII} [REDACTED] conducting a monthly review of the handler / human source relationship and endorsing same on the source management file, ^{PII} [REDACTED]

^{PII} [REDACTED] to ensure the acknowledgement of responsibilities is completed, ^{PII} [REDACTED]

^{PII} [REDACTED] and supervising the sanitising and dissemination of intelligence product.

Further, despite the Victoria Police Human Source Management Practice Guide requiring that ‘all source handlers, controllers, and local source registrars must be trained to agency standards’, human source management policy does not detail the necessary specialist training required before a Member can perform the role of a controller.

RECOMMENDATION 7

That Victoria Police human source management policy be amended so as to provide direction in relation to the responsibilities and minimum level of training required of Members undertaking the role of a human source controller.

Accepted/Rejected

Date: __/__/__

8.4.3 Work Unit Manager / Supervisor –

Pursuant to VPM – Policy Rules: / Procedures and Guidelines: Human Sources, the minimal responsibilities expressly required of a work unit manager / supervisor are largely restricted to

tasks around the initial receipt of a source registration application. This has contributed to a significant 'supervision gap' between the controller ^{PII} [REDACTED] and the local source registrar ^{PII} [REDACTED], wherein the transfer of human source related information too often bypasses ^{PII} [REDACTED] having line-control responsibilities for a given handler or controller. This supervision gap can be exacerbated by the competing demands of the ^{PII} [REDACTED] rank / role and the 'organisational distance' between the ranks of ^{PII} [REDACTED]

In the course of assessing a source registration application, the work unit manager / supervisor is required to (1) assess the suitability of the human source and allocate a controller, handler and co-handler, (2) evaluate any risks identified in the preliminary risk assessment and consider risk management strategies, and (3) consider operational priorities and duty of care issues. A work unit manager / supervisor could only be expected to apply the necessary rigour to such tasks, particularly if the human source in question presents as a high risk, if such work unit manager / supervisor has at least a basic level of human source management training and / or experience.

Prior to a planned meeting between a handler and a human source occurring, the work unit manager / supervisor or controller is required to approve the meeting. The flexibility around this requirement can give rise to a situation where a given handler may seek approval to meet with a particular human source from a number of different supervisors over time, with the attendant risk of a breakdown in the necessary level of intrusive supervision. And this risk may be further compounded where the work unit manager / supervisor has little or no knowledge of the human source in question, is inexperienced in the management of human sources, or is unable to access the human source management file held on Interpose.

RECOMMENDATION 8

That Victoria Police human source management policy be amended so as to (1) provide direction in relation to the human source management responsibilities of work unit managers / supervisors and (2) increase the necessary level of coordination between controllers and work unit managers / supervisors charged with supervising a given handler.

Accepted/Rejected

Date: __/__/__

8.4.4 Local Source Registrar –

Pursuant to VPM – Policy Rules, Human Sources: 4 Managing and Protecting Human Sources, the requirements of the local source registrar (LSR) role include '*responsibility for the approval of human source registrations at a local level and supervision of source related operations*'. Policy does not define what a '*source related operation*' is or what obligations

are required to be fulfilled in terms of any supervision. Further, pursuant to VPM – Policy Rules, Human Sources: 9 Audit and Compliance, the LSR is required to *‘conduct yearly audits of source management files (and) procedural, ethical and value audits for all active sources they have registration responsibility for’*. CMRD has been able to identify little evidence to indicate that such audits are actually being completed. Indeed 6 of the LSRs spoken to in the course of this audit indicated that they do not undertake such audits.

Further, the policy around auditing by LSRs is deficient in three key respects –

- (1) the policy requires an LSR to undertake *‘yearly audits’* of *‘active sources’*. However, given the short-term nature of the majority of human source registrations, a strict interpretation of this policy could lead to human sources who have been registered and deregistered inside a 12 month timeframe being overlooked in any such audit process;
- (2) the policy requires an LSR to undertake audits of human source management files and associated matters that they themselves have direct responsibility for, which gives rise to an obvious conflict of interest; and
- (3) the policy does not require an LSR to actually report the findings of the audit process to any third party.

The issues around the auditing of human source management records are discussed further at page 36.)

It appears that, in reality, the responsibilities of the LSR are largely limited to maintenance of the local source registrar file (now on Interpose) and associated essentially administrative duties, coupled with a less than robust audit role. Again, despite the Victoria Police Human Source Management Practice Guide requiring that *‘all source handlers, controllers, and local source registrars must be trained to agency standards’*, human source management policy does not detail any necessary specialist training required before a Member can perform the role of an LSR.

The Victoria Police Human Source Management Practice Guide makes it clear that *‘the system of handling sources depends for its effectiveness upon a partnership of integrity and support between the Local Source Registrar, Controller and Handlers’*. However, as discussed above, there is a significant ‘supervision gap’ between the controller and the LSR, which is exacerbated by the competing demands of the ^{PII} rank / role and the ‘organisational distance’ between the ranks of ^{PII}.

In terms of the Regions, the single most effective initiative to reduce this organisational distance and so close the attendant supervision gap is likely to be the devolving of LSR responsibilities, other than the audit responsibilities, to the ^{PII} rank. The LSR

responsibilities, other than the audit responsibilities, within the Crime Department and the Intelligence & Covert Support Department should remain unchanged due to the structure of these departments and the higher risk human sources they routinely deal with. (The issue of where audit responsibilities should best reside is dealt with separately.) The case for such a change to the LSR role within the Regions becomes even more compelling when the implications of a significantly increased number of registered human sources is considered.

Following discussions with a senior representative of Project AIM, CMRD has formed the view that the LSR responsibilities, other than the current audit responsibilities, could be readily incorporated into the role of the ^{PII} [REDACTED]

RECOMMENDATION 9

That Victoria Police human source management policy be amended so as to define the term *'source related operation'* and provide direction in relation to the local source registrar's *'responsibility for ... supervision of source related operations'*.

Accepted/Rejected

Date: __/__/__

RECOMMENDATION 10

That within the Regions the responsibilities of the local source registrar, other than the current audit responsibilities, be devolved to the ^{PII} [REDACTED]

Accepted/Rejected

Date: __/__/__

8.5 Reliance On Telephone Contact

A high level of reliance on telephone contact in interactions between Police and human sources has been identified in two discrete areas of the human source management process – (1) interactions between handlers and human sources and (2) deactivation debriefs between controllers and human sources. The very nature of these types of interactions gives rise to the potential for any attendant reliance on telephone contact at the expense of face-to-face communication to complicate and possibly compromise the effective application of the intrusive supervision principles described above.

Firstly, in relation to the interactions between handlers and human sources, some 44 (46.8 %) of the files reviewed revealed an apparent preference for telephone communication rather than face-to-face meetings. In the case of 17 of these files, almost all communication between handler and human source was via telephone. It is apparent that many of these communications are not consistent with initial telephone contact simply being utilised to set

up a face-to-face meeting, but rather indicative of a reliance on telephone communication to facilitate both the maintenance of the relationship and the exchange of information. Further, Interpose records indicate that handlers are often failing to seek authorisation from controllers or supervisors prior to initiating such telephone communication.

Secondly, in terms of the policy requirement for the controller, as part of the deactivation process, to [REDACTED], there were 9 instances identified (37.5 % of the files that had been deactivated) where this debriefing took place via telephone rather than face-to-face. Further, some 5 of these instances (20.8 % of the files that had been deactivated) involved the handler actually undertaking the debriefing via telephone with the human source, rather than the controller.

There will always be operational constraints that can restrict the ability to undertake face-to-face meetings, and it is not suggested that telephone communication with human sources should be discouraged per se. However, a reliance on telephone communication with a human source over face-to-face meetings can readily give rise to a situation where a number of the controls intended to mitigate the risks around the handler – human source relationship are rendered redundant. Such controls include (1) handler to obtain approval for attendance at planned meeting with human source, (2) handler to ensure that meeting with human source occurs with co-handler present, and (3) [REDACTED]

[REDACTED] Further, the Victoria Police Human Source Management Practice Guide states that –

‘authority to meet or contact a source rests with the controller. They should impose as many or as few conditions as appropriate... Great care should be taken when setting meeting / contact conditions to ensure proper standards of integrity are maintained’.

In essence, where there is a reliance on telephone communication at the expense of face-to-face meetings, the opportunities for controllers and / or co-handlers to apply oversight (and indeed corroboration) and ensure transparency are reduced, and the importance of intrusive supervision is increased. This is an issue that should rightly be considered in the risk assessment process and as part of any audit regime. If this position is accepted, it follows that this issue should also be the subject of discussion and analysis in relevant human source management training courses.

RECOMMENDATION 11

That Victoria Police human source management training courses incorporate discussion and analysis of the risks and implications of relying on telephone communication with human sources at the expense of face-to-face meetings, with particular consideration of the problems posed for the application of intrusive supervision strategies.

Accepted/Rejected

Date: __/__/__

8.6 Deficiencies With Briefing Of Controllers & Checking Of Contact Reports

CMRD is of the view that a lack of compliance with some controls around the handler – human source relationship may have been inadvertently exacerbated by the move from the paper-based human source management system to the electronic Interpose system (further discussed at pages 39 to 43). Certainly, this has been identified as an issue in relation to the requirement for the handler to ensure that following any meeting with a human source the controller is briefed as per the contact report. It appears that a practice has arisen in many areas across Victoria Police wherein the handler simply forwards the contact report to the controller via Interpose, and the controller then checks the contact report without the benefit of an actual briefing.

Further, of the Interpose human source management files examined, there were 46 files (48.9 %) where controllers did not check such contact reports until days, weeks, or even months after they had been submitted. Indeed, of these 46 files there were 30 files (31.0 %) where controllers have apparently never checked some contact reports, including whole blocks of contact reports.

Such practices have obvious implications for the efficacy of any intrusive supervision that might be applied to the handler – human source relationship. CMRD considers that these issues should be the subject of discussion and analysis in relevant human source management training courses.

RECOMMENDATION 12

That Victoria Police human source management training courses reiterate the importance of (1) both the handler and the controller taking steps to ensure that the controller is verbally briefed by the handler as soon as practicable after contact with a human source and in addition to the submission of any contact report resulting from that contact, and (2) the controller checking the content of contact reports as soon as practicable after the submission of such contact reports by the handler.

Accepted/Rejected

Date: __/__/__

(Recommendation 12 should be read and considered in conjunction with Recommendation 21, which recommends an Interpose functionality upgrade that would require the user to 'tick' or place a notation in a designated field in order to record compliance with key controls including *'the handler to ensure that following any meeting with a human source the controller is briefed as per the contact report'*.)

8.7 Human Source Management Framework

If the Victoria Police human source management framework were to be assessed on the basis of VPM human source management policy alone, it would likely lead to the view that this framework is constructed around two discrete tiers – (1) human sources and (2) community contacts. The only mention of high risk human sources and the Source Development Unit (SDU) in the VPM is one sentence advising that *'if a risk assessment identifies a source as high risk, the Source Development Unit must be contacted for operational advice and assistance'*. However, if such an assessment were to be made on the basis of observation of the actual processes applied to the management of human sources within Victoria Police, it would likely lead to the view that human source management is in practice constructed around three tiers – (1) high risk human sources, (2) human sources other than high risk sources, and (3) community contacts. If this position is accepted, Victoria Police presently has a disconnect between human source management policy and human source management practice.

This view is given further weight when one examines the Standard Operating Procedures (SOPs) of the SDU, who are charged the management of designated high risk human sources and the targeted recruiting of human sources in the ^{PII} [REDACTED] environments. These SOPs reveal a level of detailed guidance in relation to the management of human sources that is far more comprehensive than anything provided by the VPM. As might be expected, they articulate a much more sophisticated approach to the management of human sources than that applied in any other area of Victoria Police. These SOPs also differ from the VPM in at least two key respects – (1) no requirement for a handler to obtain authorisation from a controller or work unit manager / supervisor prior to attendance at a planned meeting with a human source, and (2) differing requirements in relation to the compilation and submission of contact reports.

RECOMMENDATION 13

That the Victoria Police human source management framework, and supporting policy, be reconfigured from a two tier (human sources and community contacts) model to a three tier (high risk human sources, human sources other than high risk sources, and community contacts) model.

Accepted/Rejected

Date: __/__/__

The fact that the human source management framework can be considered to operate on a three-tier basis, and the disconnect with policy that this has given rise to, is also reflected in a number of the views expressed by stakeholders interviewed as part of this audit process. In essence, these stakeholders have indicated that there may be a case for greater rigour being applied to the recruiting and assessing of high risk human sources, with suggested improvements including –

- the application of a psychological assessment process to high risk potential human sources in order to (1) assist in determining suitability or otherwise for registration and (2) identify issues relevant to the risk assessment process that might otherwise be missed, and
- the use of formally drafted documentation intended to clearly and unambiguously define the obligations and boundaries of the parties to any relationship between a human source and Victoria Police.

In terms of the merits of this last point, CMRD notes that one of the most contentious areas required to be negotiate in the course of this audit was the question of whether there was any obligation on Police to advise a registered human source of their status as a registered human source. It is apparent that there are two very distinct points of view in relation to this. The VPM is silent on the issue. However, the Intelligence & Covert Support Department intranet sites states that –

‘There is NO requirement to officially tell a human source they are registered. They do not need to know the ‘ins & outs’ of the registration / reward / AOR / deactivation process and only need to know they are assisting us in providing information and we have certain processes in how we do this’.

Further, the ‘Human Source Management Practice Guide’ advises that –

‘A source does not need to have it reinforced that they are an informer, or as viewed in their general circles, a dog or a rat. They will already be experiencing mental anguish about their activities without the handlers adding to the issue.’

RECOMMENDATION 14

That the Assistant Commissioner Intelligence & Covert Support Department consider the merits of adopting such tools as (1) psychological assessments and (2) formally drafted documentation defining the obligations and boundaries of the parties to any human source management relationship, particularly in relation to the management of high risk human sources.

Accepted/Rejected

Date: __/__/__

CMRD has also examined elements of Operation Windmill, the dedicated human source management pilot that has been running in Region 1 Division 3 since September 2009. It is apparent that there are a range of views in relation to the benefits that may have accrued to local human source management as a result of the Operation Windmill 'experiment'. In CMRD's estimation, there are some very instructive learnings to be taken from this pilot. Particularly in terms of the type of model that might be applied at the local level (ie in terms of human sources other than high-risk human sources) as a key enabler for Victoria Police in developing the necessary capacity to manage the proposed significantly increased numbers of registered human sources. For example, the Windmill operating model may provide Victoria Police with possible responses to the likely need to build capacity in terms of –

- an increase in the number and / or accessibility of personnel trained in the Human Source Management [REDACTED] courses,
- the development of exemplars of human source management expertise within the Regions,
- an increase in the provision of necessary resources such as [REDACTED] PII [REDACTED] PII [REDACTED]
- an increase in demand for office space and equipment such as safes in order to provide the necessary levels of security around the management of human sources,
- robust oversight / 'intrusive supervision' of personnel undertaking the management of human sources,
- an enhanced ability to adhere to the tenets of the 'sterile corridor' philosophy where required.

8.8 Policy Direction in Relation to Compromise & Corruption

A key premise for the development of the human source management policy in its current form was the mitigation of risks inherent in any human source – handler relationship. In particular, the risks posed to (1) the safety of the human source, and (2) the professional integrity of the handler and other Police involved in the management of the relationship.

It can be reasonably assumed that routine or readily identifiable risks, including most risks around managing the safety of a human source and the appropriateness of Police interactions with the human source, should usually be reported on and addressed through the risk assessment review process. In addition, the Victoria Police Human Source Management Practice Guide states that –

‘where a source makes an allegation of corruption or provides intelligence which suggests that a member of the Victoria Police is corrupt, this intelligence shall be immediately documented by way of an information report and forwarded through the chain of command to the Ethical Standards Department for investigation’.

However, the VPM human source management policy is silent on this issue. Further, the advice provided in the Practice Guide may, in some circumstances, prove to be deficient and counterproductive. Particularly in terms of an allegation being *‘documented by way of an information report and forwarded through the chain of command’* where this may cause the subject of the allegation to be directly or indirectly alerted.

It is of particular concern that the VPM does not explicitly deal with the actions that a Member should take if confronted with circumstances where they believe that either the safety of a human source or the professional integrity of another Member may have been compromised. Certainly, if the safety of a human source has been compromised, any response by Police may well be time critical. Further, it is likely that such risks will only be compounded with any significant increase in the number of registered human sources, and the attendant increased levels of involvement by relatively inexperienced Members.

RECOMMENDATION 15

That Victoria Police human source management policy be amended so as to provide direction in relation to the actions that a Member should take if he / she becomes aware that the identity and / or safety of a human source has been compromised, including in circumstances where a human source may be considered to be at immediate risk.

Accepted/Rejected

Date: __/__/__

RECOMMENDATION 16

That Victoria Police human source management policy be amended so as to provide direction in relation to the actions that a Member should take if he / she forms the view that another Member involved in a handler – human source relationship has, in the context of that relationship, acted in a manner that calls into question their professional integrity.

Accepted/Rejected

Date: __/__/__

RECOMMENDATION 17

That Victoria Police human source management policy be amended so as to provide direction in relation to the actions that a Member should take if he / she receives information from a human source that calls into question the professional integrity of another Member.

Accepted/Rejected

Date: __/__/__

8.9 Audit and Governance

The key controls for the mitigation of risk within Victoria Police human source management processes are discussed and considered in detail at Appendices B and C. With the exception of the identified deficiencies inherent in the current 'supervision gap' between controllers and local source registrars, these controls are of themselves adequate. However, in order for Victoria Police to be confident that these controls are being complied with, and inversely to identify at the earliest opportunity when these controls are not being complied with, there needs to be a robust audit capability testing and reporting on such compliance.

Unfortunately, the audit capability presently in place is fragmented at best, with elements of this capability detailed in (1) the VPM, and (2) the HSMU Standard Operating Procedures.

The VPM – Policy Rules: Human Sources – 9 Audit and Compliance states –

- *'Controllers must complete a monthly review of the source relationship, risk assessment and information gained and record it in the local source management file.'*
- *The Local Source Registrar must conduct:*
 - *yearly audits of source management files*
 - *procedural, ethical and value audits for all active sources they have registration responsibility for.'*

The HSMU Standard Operating Procedures at 2.2.11 Audit of Human Source Files states –

'The HSMU will conduct regular audits of the Human Source Interpose database...

The audit process is to ensure that the policy is being complied with in relation to how sources are being managed and how Members are complying with reporting processes. The audits will also ensure that only sources that are actively being utilised will remain as active sources.

Audits will also be done against all active and inactive sources. This will involve audits being done on sources where the HSMU have not received any intelligence (SCRs / IRs) for a 3 month period.

*Full audits will be conducted on all de-activated sources. Where the audits indicate missing documentation / product, chasers will be sent.**

CMRD has identified that, in effect, none of these audit responsibilities are being fulfilled.

In relation to the so called audit responsibilities placed on the controller by the VPM, as detailed above, these responsibilities are more correctly characterised as controls, and this thinking is reflected in the methodology applied in the course of this audit. Regardless, the level of compliance with the requirement for the controller to ensure that the risk assessment is reviewed monthly has been assessed as being so low that this lack of compliance presents as a systemic problem across Victoria Police (refer Appendices B and C). And the level of compliance with the requirement for the controller to ensure that the handler – human source relationship and the information gained are reviewed monthly has been assessed as also falling well short of what is required (refer Appendices B and C).

In terms of the audit responsibilities placed on the LSRs, due to the related functional limitations of Interpose in combination with the fact that the VPM does not require the LSRs to actually report on such audit results, CMRD has been unable to conclusively gauge the level of compliance with these responsibilities. However, the anecdotal evidence suggests that very few LSRs fulfil these responsibilities. Certainly, while CMRD has not canvassed every LSR in relation to this issue, 6 of the LSRs spoken to in the course of this audit acknowledged that they do not undertake such audits. This failing is compounded by the inherent deficiencies in the Audit and Compliance components of the VPM human source management policy, as discussed at page 28 above.

In relation to the audit responsibilities detailed in the HSMU SOPs, CMRD has been advised that as a consequence of the competing priorities flowing from an onerous work unit charter – in particular the HSMU's organisational training obligations, any such audits are only undertaken on an ad hoc basis, and usually as a consequence of a 'by-exception' issue having been identified. It should be noted that while this situation obviously constitutes another critical gap in the existing audit capability, CMRD accepts the position put by the HSMU that they do not have the resources to undertake a routine and robust auditing function while still meeting their other core functions. Accordingly, CMRD believes that no criticism should be levelled at individuals working within the HSMU in relation to this issue. Rather, the audit

gaps identified should be construed as systemic deficiencies, and solutions sought on that basis.

In short, there is presently no effective audit capability regularly operating around Victoria Police human source management processes. This represents a critical gap in the Victoria Police human source management framework, and must be considered to magnify the risks inherent in the management of human sources.

It is vital that a robust audit capability be developed to measure and report on the levels of compliance with Victoria Police human source management policy. Such an audit capability is necessary not only to provide a level of assurance to the Victoria Police executive in relation to such compliance. Additionally, given that Victoria Police is at a point where it is considering significantly increasing the number of registered human sources, a robust audit capability may give the organisation the confidence to maintain a policy position that is not unduly onerous on operational Members. This, in turn, would likely facilitate and support the increased levels of human source recruitment being sought.

Accordingly, those charged with the development of any such audit capability should ensure that –

- any person tasked with undertaking an audit should be independent of the human source management files the subject of such audit, and ideally independent of the human source management framework itself,
- the audit outcomes and any related governance issues are reported to, considered by, and - where remedial action may be necessary – directed from, a designated central point having the organisational authority to ensure that any such remedial action occurs,
- any audit capability routinely examines files pertaining to both human sources and community contacts.

RECOMMENDATION 18

That the Assistant Commissioner Intelligence & Covert Support Department cause a robust human source management audit capability to be developed, supported by policy, that is independent of the human source management framework and has the necessary authority to undertake regular and rigorous audits of all aspects of human source management processes, including face-to-face interviews with human sources where considered necessary.

Accepted/Rejected

Date: __/__/__

RECOMMENDATION 19

That the Assistant Commissioner Intelligence & Covert Support Department cause a process to be developed whereby the outcomes of all human source management audits and any related governance issues are routinely reported to a designated central point having the organisational authority to direct any necessary remedial action.

Accepted/Rejected

Date: __/__/__

8.10 Interpose

Interpose is the name given to the Victoria Police investigation case management and intelligence system. The Interpose security framework provides the ability to share information across the organisation, and with other law enforcement agencies where necessary, while protecting such information from being accessed by persons having no requirement to see it. Interpose has been used for the management of all registered human sources and community contacts across the State since March 2009.

It is apparent that Interpose has provided the organisation with a platform from which to take a quantum leap forward in terms of the security of documentation around the management of human sources. However, significant problems have been identified in two key areas. Firstly, a failure to have human source management policy updated so as to incorporate and reflect the changes to relevant processes brought about by the move to Interpose. Secondly, a number of functional limitations within Interpose that adversely impact on the ability to record actions taken in the course of the management of human sources and the attendant ability for such actions to be subjected to audit.

In terms of the failure to have human source management policy updated, CMRD has identified a number of discrepancies between the functionality now provided by Interpose and policy references within the VPM that still refer, explicitly or implicitly, to actions required under the previous paper-based system. These discrepancies include –

- VPM – Policy Rules: 4 Managing and Protecting Human Sources, requires that a Controller *‘must maintain a source management file...’* and a Local Source Registrar *‘must maintain a local source management file...’*.
- VPM – Policy Rules: 4 Document Security, requires that *‘all Human Source documentation must be kept securely in lockable storage facilities with restricted access’*.
- VPM – Policy Procedures & Guidelines: 1 Registration, requires that *‘if an application is approved the Local Source Registrar will contact the HSMU for*

allocation of a Source code, notify the Work Unit Manager / Supervisor, Controller and Handler of the code and record it on the Source Registration Form' and 'once registration has been approved and a source code allocated, the Controller is to create a source management file and record the code in the file'.

- VPM – Policy Procedures & Guidelines: 3 Managing Human Sources, requires that *'Local Source Registrars are responsible for providing and maintaining secure lockable storage facilities for keeping local source management files'.*
- VPM – Policy Procedures & Guidelines: 4 Contact with Human Sources, requires that following a briefing from the Handler *'the Controller is to attach the report to the Source Management File and complete the Activity Log' and 'forward an electronic copy of the report to the HSMU'.*
- VPM – Policy Procedures & Guidelines: 7 Status of Human Sources, requires that *'once deactivation is approved the Controller must ensure that the source management file is delivered to the Local Source Registrar' and 'the Local Source Registrar is to ensure the safe delivery of the source management file, local source management file, ... to the HSMU'.*

RECOMMENDATION 20

That Victoria Police human source management policy be updated so as to reflect the current use of Interpose as the primary tool for the recording and monitoring of human source management documentation.

Accepted/Rejected

Date: __/__/__

Further, functionality limitations within Interpose have adversely impacted on the ability to readily record and determine compliance with some of the controls intended to mitigate risks in the handler – human source relationship. Such controls include the requirement for –

- PII [REDACTED]
- the handler to ensure that following any meeting with a human source the controller is briefed as per the contact report,
- the controller to ensure that the human source risk assessment is reviewed monthly, and
- the controller to ensure that the relationship between police and the human source and the information gained is reviewed monthly.

All of these controls can be considered to form part of the intrusive supervision elements of the human source management framework. They are also the very controls that have been

assessed as having the lowest levels of compliance in terms of this audit (refer Appendices B and C).

It is unfortunate, then, that the degree of compliance with these controls is actually difficult to readily determine from the information available on Interpose records. This is a consequence of there being no prompt or field requiring notation in relation to these controls, with the only way that compliance can be documented being by way of inclusion in a narrative field. This creates a situation where the data in question must be 'pulled by' the auditor rather than being 'pushed to' the auditor (or indeed any supervisor attempting to monitor the same issues at a local level). As a consequence, the auditing of these controls is particularly difficult, with the only way to determine compliance or otherwise being to search through all of the possible contact reports and / or narrative fields where there may be a comment indicating that the required action has been performed. This situation must also give rise to similar difficulties for supervisors at the local level.

RECOMMENDATION 21

That the Interpose human source management module be upgraded so as to include functionality that requires the user to 'tick' or place a notation in a designated field in order to record compliance with key controls, including (1) the controller to attend human source meetings a minimum of every three months, (2) the handler to ensure that following any meeting with a human source the controller is briefed as per the contact report, (3) the controller to ensure that the human source risk assessment is reviewed monthly, and (4) the controller to ensure that the relationship between police and the human source and the information gained is reviewed monthly.

Accepted/Rejected

Date: __/__/__

(Recommendation 21 should be read and considered in conjunction with both Recommendation 4 and Recommendation 12.)

A number of deficiencies have also been identified with the audit trail capabilities of Interpose generally. There are a large number of user actions that are automatically captured by the Interpose Audit Log, which then provides the basis for an audit trail should one be needed. However, the actual printing of documents, including human source management records, is not captured by the Interpose Audit Log. In relation to human source management records, a person having authorised access to a given human source management file on Interpose is able to access a screen called a 'Full Response Report' which essentially provides all of the information / documentation contained within that file. That entire document is then able to be printed without this action causing any entry to be made in the Interpose Audit Log. That is, there will be no record of this print action having occurred.

This deficiency is compounded by the fact that Interpose treats the electronic version of a Full Response Report, no matter how long, as one page. As a result, a Full Response Report only has the particulars of the person accessing the document on the bottom of the document. Consequently, when a Full Response Report is printed and so converted into a multi-page hardcopy document of potentially hundreds of pages, only the bottom of the last page will contain the particulars of the person accessing the document. (Although the print date only will appear as part of the print generated footer.) Accordingly, if the last page of the document were to be removed, there would be no notation on the remainder of the document to indicate who accessed the document at the time of printing and exactly when that access occurred. In short, in such circumstances there would be no record in the Interpose Audit Log of the document having been printed, and no reference on the printed document as to who printed the document or exactly when it was printed.

This situation is unsatisfactory. If such a document is printed for an illegitimate purpose or is printed for a legitimate purpose but is later used for an illegitimate purpose, the ability for that document to be traced back to the person who printed it is severely compromised. CMRD is of the view that this situation bears similarities to issues identified in the course of a recent investigation into a serious breach of information security protocols related to a particular high-risk work unit within Victoria Police.

Further, there is no policy position in relation to the circumstances under which it is considered appropriate to print a document stored within the Interpose human source management module, such as a 'Full Response Report', and the actions that need to be taken with any such hardcopy document in terms of handling, storage, destruction, etc.

RECOMMENDATION 22

That Interpose functionality be reviewed in order to address the risks posed by the inability of the Interpose Audit Log to capture details relating to the use of the print function.

Accepted/Rejected

Date: __/__/__

RECOMMENDATION 23

That Interpose formatting protocols be reviewed in order to address the risks posed by the present situation wherein information such as user details and access time / date details are not reproduced on every page of a printed document.

Accepted/Rejected

Date: __/__/__

RECOMMENDATION 24

That Victoria Police human source management policy be amended so as to provide direction in relation to when it is appropriate to print documents stored within the Interpose human source management module, and what actions are required to be taken with any such printed documents in terms of handling, storage, destruction, etc.

Accepted/Rejected

Date: __/__/__

The 'Full Response Report' referred to above includes the notation 'SECRET' on the top of the first page and the bottom of the last page. This notation does not comply with Victoria Police policy, as per VPM – Policy Rules: Security Classified Information – 2, Security Classified Levels, which states that –

'... information deemed to be of a sensitive nature and to require restricted access should be security classified. The following non-national security classification levels apply to Victoria Police information: In Confidence, Protected, and Highly Protected. The security classification levels of Restricted, Confidential, Secret, and Top Secret apply only to national security classified information, and must be used in that context'

CMRD has been advised that Victoria Police IT systems do not meet the necessary security standards to store data that is security classified above the level of 'Protected'. However, sensitive documentation stored within the Interpose human source management module, such as contact reports, have no security classification notation on them at all, including when viewed in electronic form.

RECOMMENDATION 25

That human source management data stored on Interpose include a security classification notation wherever appropriate, and that any such security classification notations reflect the Victoria Police security classification levels unless the data in question is of a type that requires national security classification.

Accepted/Rejected

Date: __/__/__

8.11 Human Source Management Policy Structure

The separation of the elements of the VPM dealing with the management of human sources into Policy Rules described as 'mandatory' and Procedures and Guidelines described as 'not mandatory requirements on their own', is artificial and unhelpful. Indeed, the bulk of what is articulated in the Procedures and Guidelines is in fact mandatory, other than those sections

that have been rendered redundant with the move from a paper-based system to the Interpose system. As a consequence, a reader new to this policy could erroneously form the view that a mandatory element of the policy articulated within the Procedures and Guidelines component can appropriately be considered to be not mandatory. CMRD understands that in the course of the recent redrafting of the VPM, the HSMU expressed concerns to Corporate Policy in relation to the proposed structural changes to the human source management policy and the likely difficulties posed. Unfortunately, these concerns appear to have not been acted upon.

Further, any reader attempting to obtain a comprehensive understanding of the policy must access a copy of each document simultaneously (which would generally require both documents to be printed) and then move from document to document in order to negotiate the intricacies of the policy. The CMRD auditors who undertook the audit the subject of this report needed to regularly refer to these policy documents throughout their work, and found the experience confusing and frustrating. This assessment was echoed by numerous other Members that the auditors spoke with in the course of this audit.

RECOMMENDATION 26

That the Victoria Police human source management policy be reviewed and redrafted in order to address the difficulties posed by having the policy separated into 'mandatory' Policy Rules and 'not mandatory requirements on their own' Procedures and Guidelines, particularly in terms of the implications of having actual mandatory elements of the policy articulated within the Procedures and Guidelines.

Accepted/Rejected

Date: __/__/__

8.12 Office of Police Integrity Outstanding Recommendations

CMRD considers that, given the focus of this audit, it would be remiss not to comment on the yet to be implemented recommendations made by the Office of Police Integrity (OPI) in its Annual Report 2007-08 (p. 19) –

Police often use the information obtained by Human Sources as the basis for applying for search warrants. While the OPI audit found the majority of warrant applications specified the source of information upon which the application relied, a significant proportion of applications had no information regarding the source of information. Some applications referred to an 'anonymous' or 'confidential' source and a few referred to 'non-registered informer'. Each warrant application had been approved by an Officer of the rank of Inspector or, less commonly, Superintendent. ... OPI corruption prevention researchers

undertook an extensive analysis of relevant policies and practices in other jurisdictions, which has been provided to Victoria Police. It forms the basis of the following recommendations:

- *Basic training about Human Source management should be compulsory for all operational police,*
- *Supervisors and operational police in high-risk policing areas, such as drug investigations, or other areas that regularly use covert human sources should undergo specialised training,*
- *Supervisors in high-risk policing areas should adopt an intrusive management style and actively monitor their staff, to minimise the risks of exposing the identity of covert human sources and protect police who work with them from their corrupting influences.*
- *Every warrant application should identify the source of information upon which the application is made, either by naming a person or referring to the registered number of a covert or confidential source,*
- *Access to registration numbers should be available online, 24 hours a day,*
- *Professional Development Committees should conduct regular audits of warrant applications to ensure the Victoria Police Human Source policy is being properly adhered to.'*

Two of these recommendations in particular have not yet been implemented, being that (1) *'every warrant application should identify the source of information upon which the application is made, either by naming a person or referring to the registered number of a covert or confidential source'* and (2) *'Professional Development Committees should conduct regular audits of warrant applications to ensure the Victoria Police Human Source policy is being properly adhered to'*. Albeit, that this second recommendation appears to have misinterpreted the intended function of Professional Development Committees and that the intended audit function could be better incorporated into any new audit capability that might be developed out of Recommendations 18 and 19.

There is significant anecdotal evidence to support the view that many affidavits for search warrants, reliant on information received from both registered and unregistered human sources and community contacts, are being couched in deliberately ambiguously terms in order to (1) incorporate intelligence from an unregistered human source or community contact without revealing the identity of that person and / or (2) incorporate intelligence from a registered human source or community contact without providing the source number for that person. In relation to the second point, CMRD understands that this approach is generally

borne out of a concern that if a given source code appears in multiple search warrant affidavits, there is a risk that the registered human source in question may be identified by cross-referencing the information contained in those affidavits in order to determine the individual/s who could have had access to each of the pieces of information provided.

CMRD understands that while there are some Officers who are refusing to approve search warrant applications where the supporting affidavit fails to either identify the source/s of information relied upon or provide a source code for such source/s, this standard is not consistently applied across Victoria Police. Indeed, such Officers may even be in the minority. Further, this problem may have been inadvertently exacerbated by the fact that while the Human Source Management Practice Guide, which is a restricted document, states that *'in all cases where information from a human source is to be used in a search warrant application, that person must be registered in accordance with policy and the unique identifier used for reference to the person in an affidavit'*, this requirement is not replicated in the VPM.

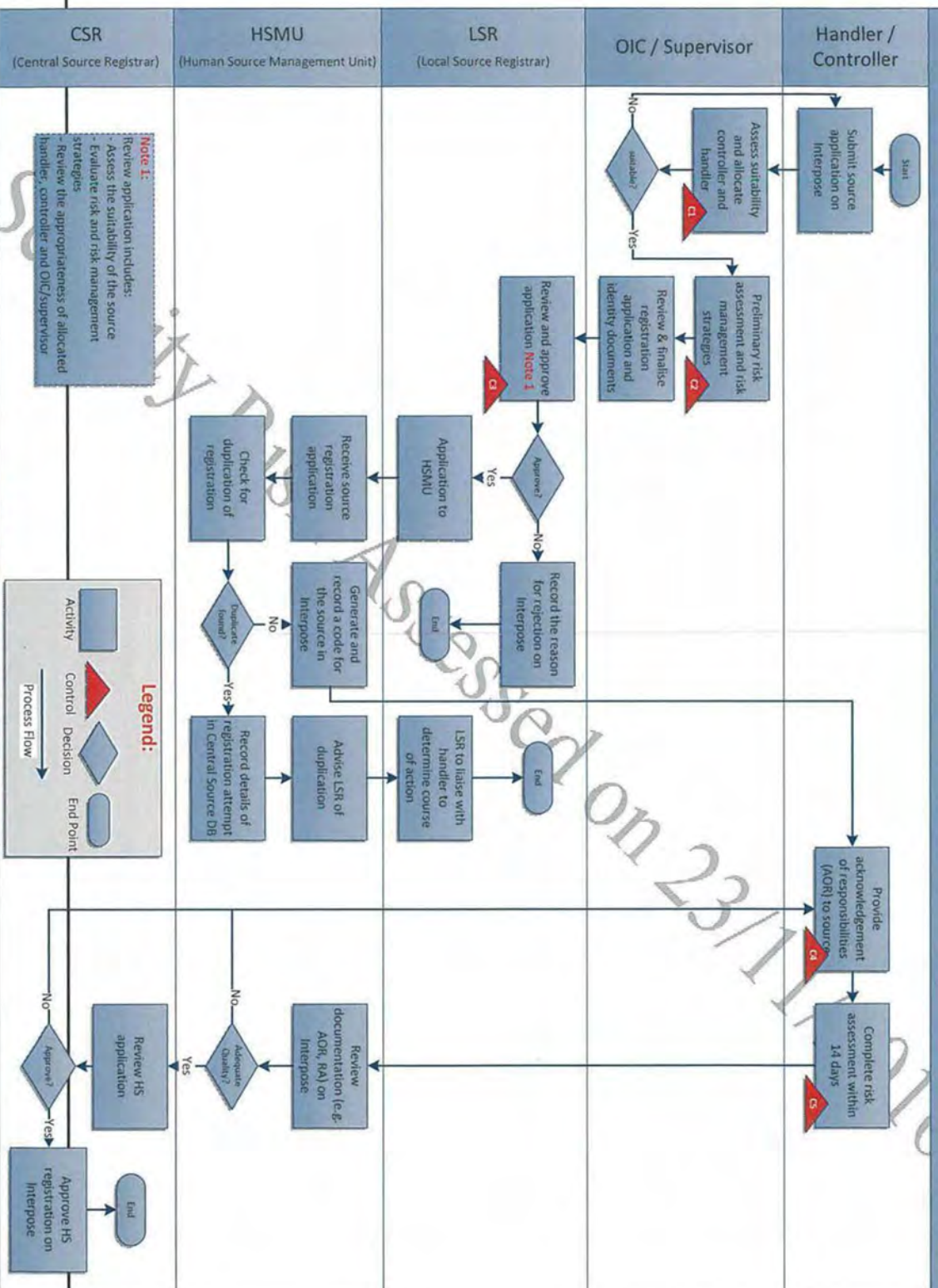
Despite this situation, the OPI subsequently noted in its Annual Report 2008-09 (p. 17) that –

'These recommendations were supported at the time by Victoria Police Human Source Management Unit. I have recently been made aware that Victoria Police have adopted most of these recommendations.'

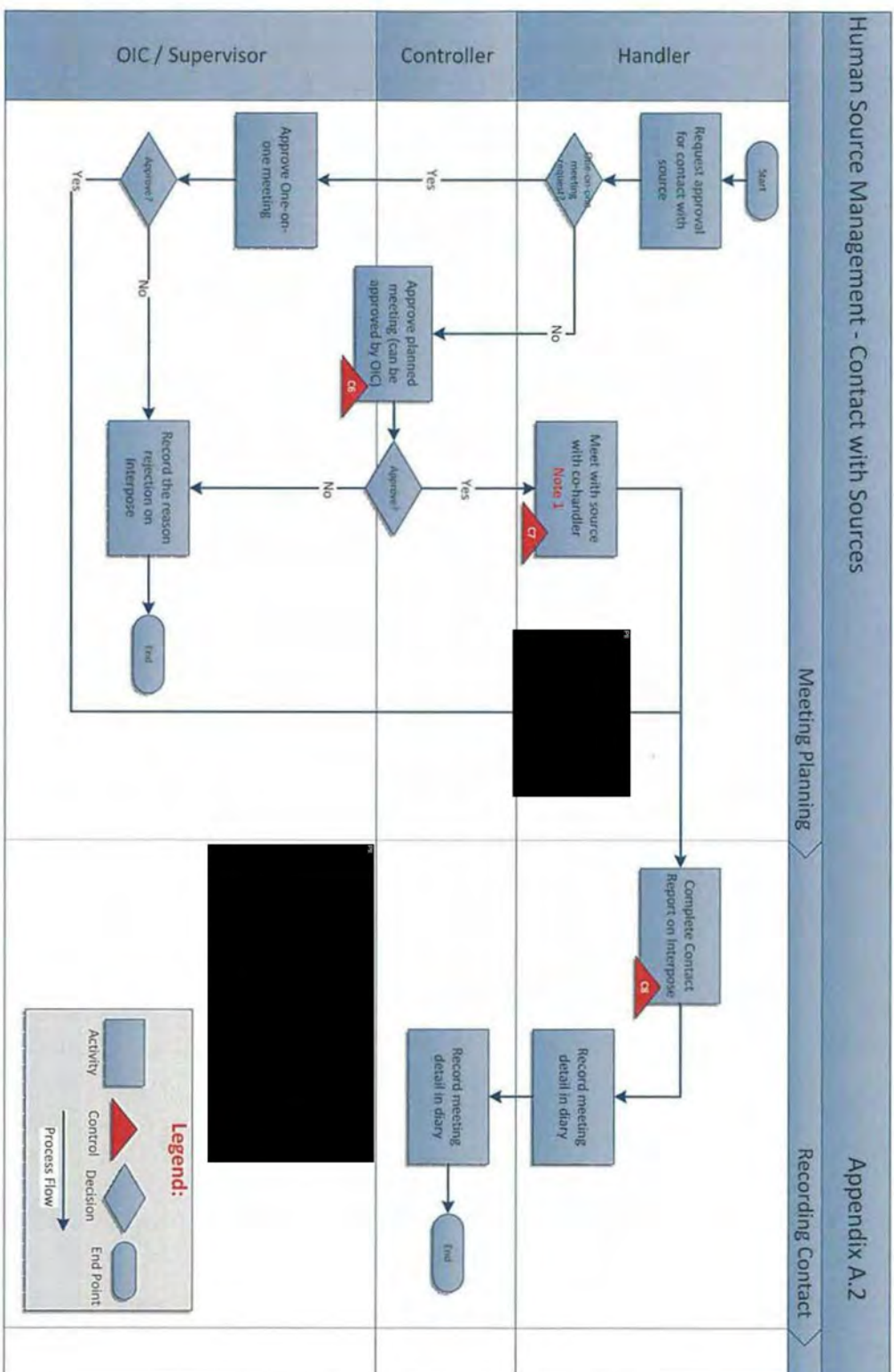
CMRD considers that this situation should be brought to the attention of the Assistant Commissioner Intelligence & Covert Support Department for his information, consideration and direction in relation to any further action that may be required.

Human Source Management - Registration

Appendix A.1



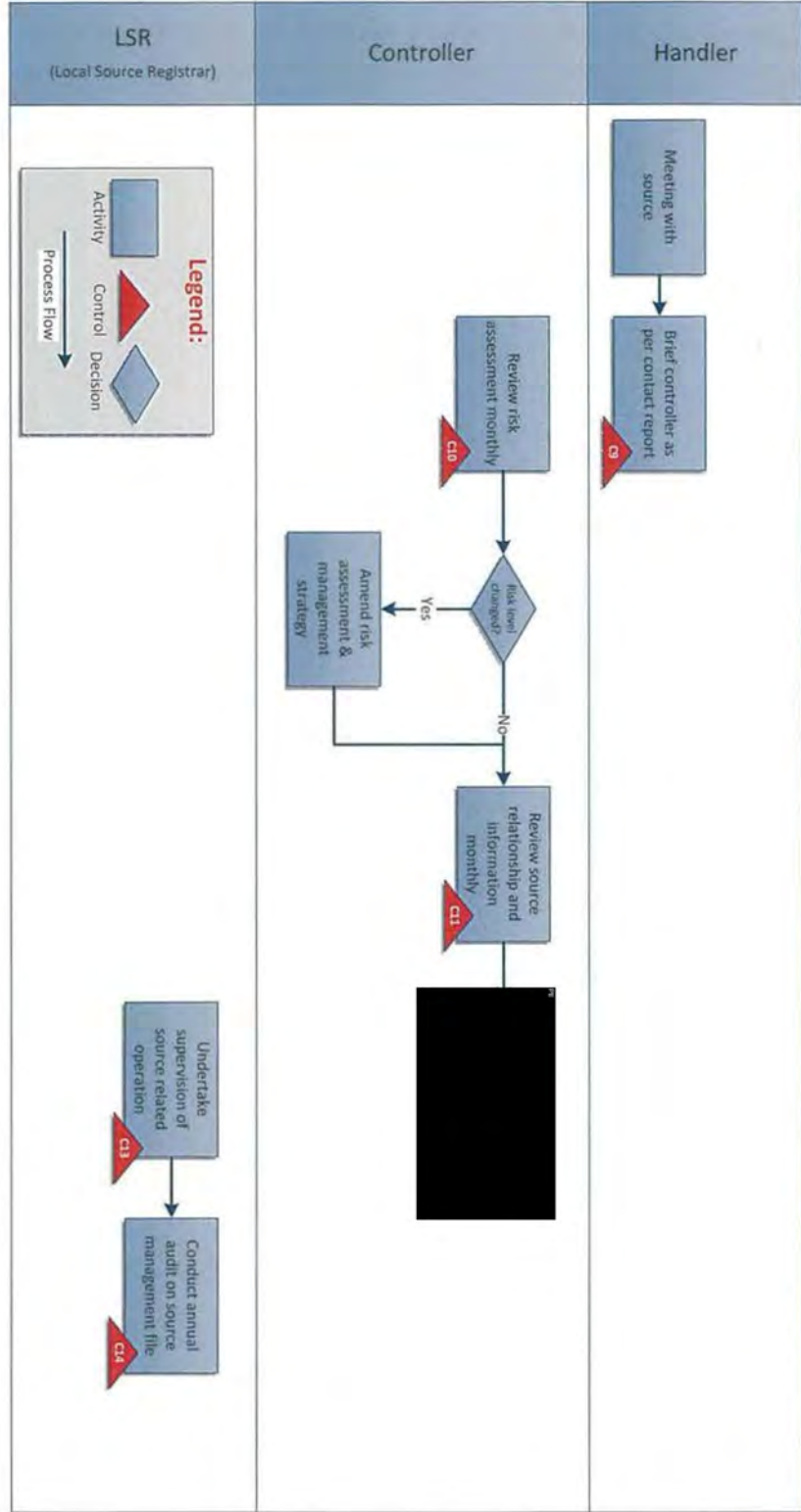
AUDIT - PROTECTED



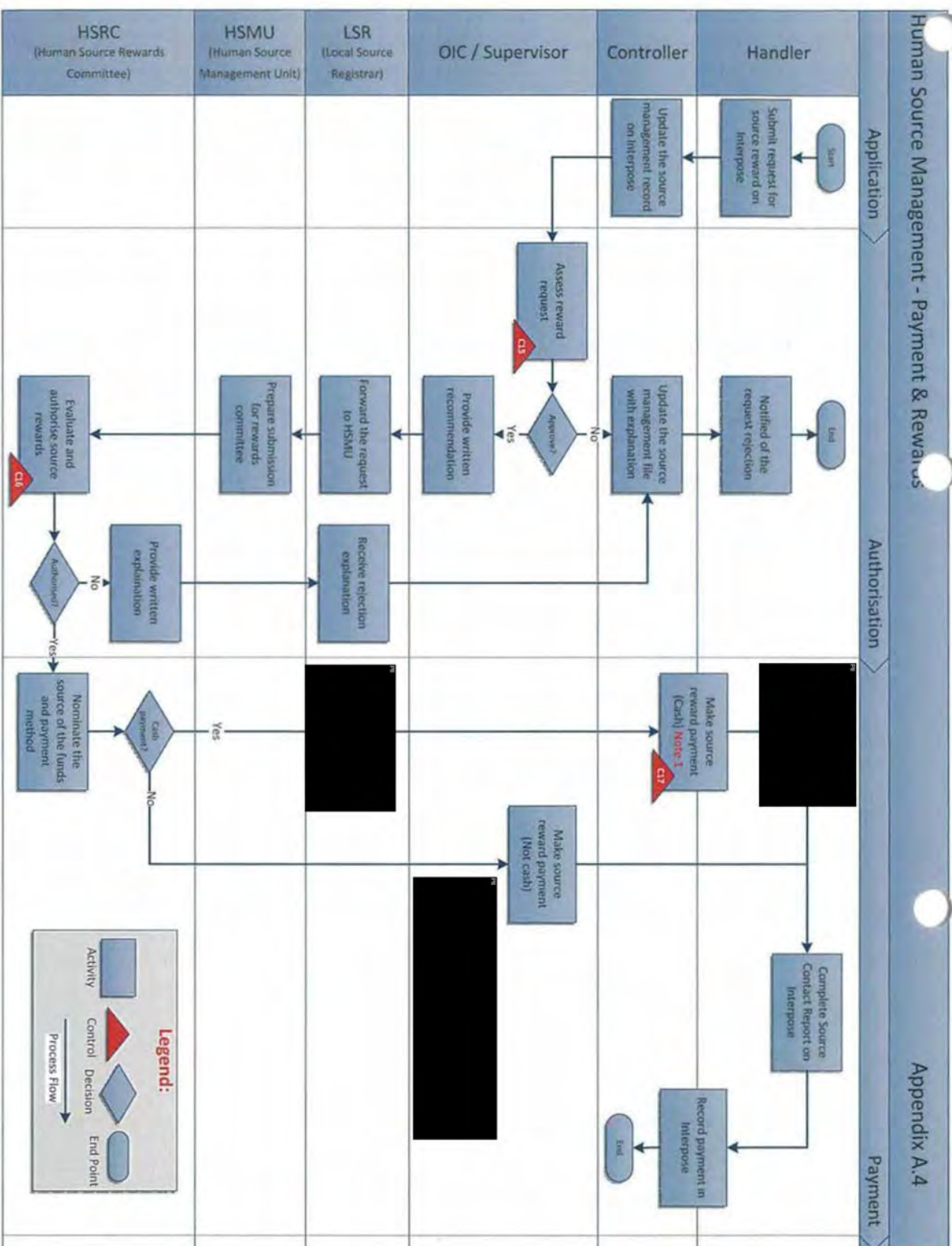
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Human Source Management – Supervision Management

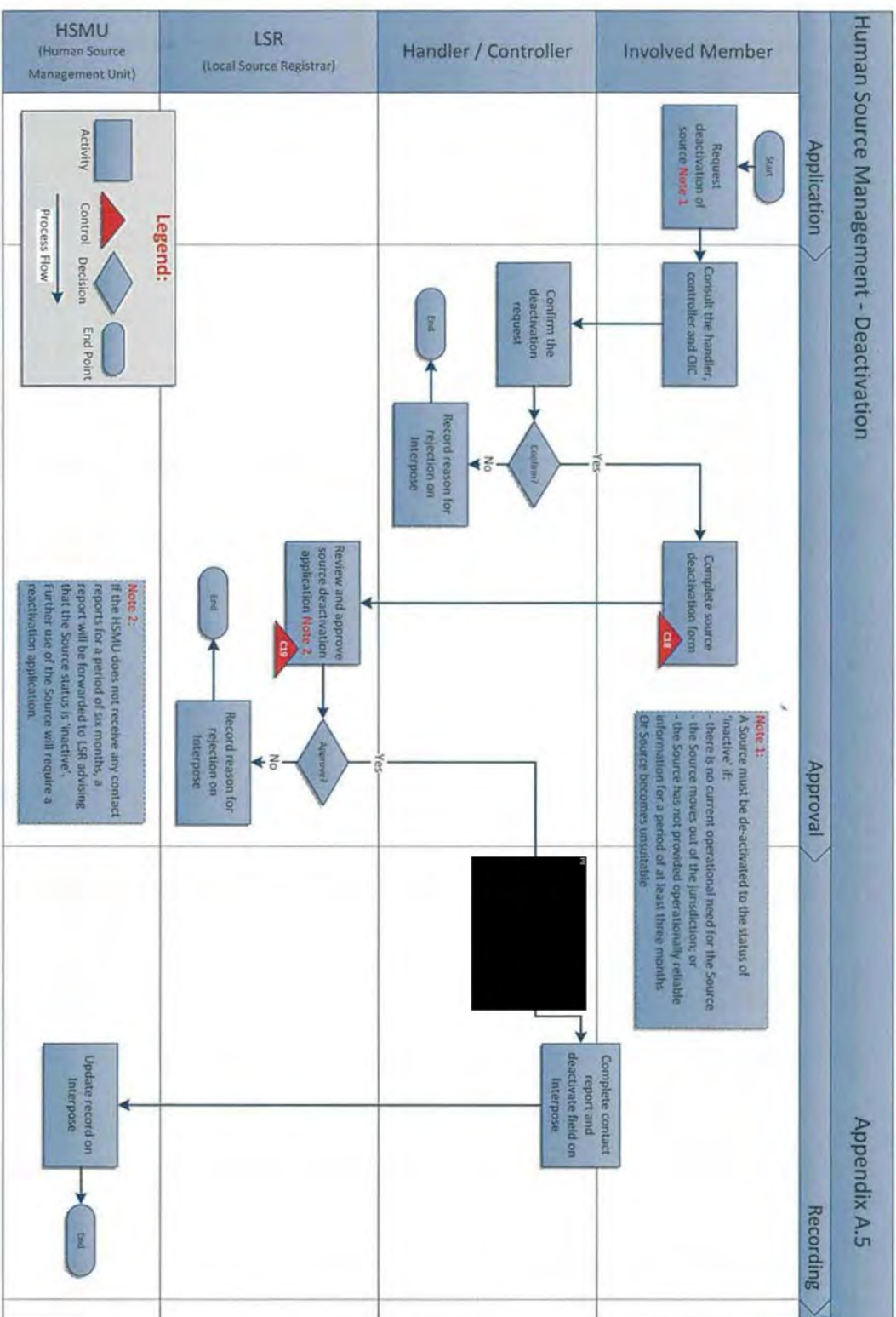
Appendix A.3



AUDIT - PROTECTED



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AUDIT - PROTECTED

HUMAN SOURCE MANAGEMENT AUDIT FINDINGS MATRIX

Rating Key																																																				
Close to Standard																																																				
Not Applicable																																																				
Standards to be reviewed																																																				
Assessment Parameters		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49		
1. Registration																																																				
2. Subprocess to evaluate risk & develop strategies																																																				
3. Subprocess to review & approve/reject HS App																																																				
4. Subprocess to ensure provision of HS App																																																				
5. Subprocess to ensure provision of Risk Assess within 14 days from approval																																																				
6. Subprocess to ensure provision of Risk Assess within 14 days from approval																																																				
7. Subprocess to ensure provision of Risk Assess within 14 days from approval																																																				
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18. Subprocess to ensure provision of Risk Assess within 14 days from approval																																																				
19. Subprocess to ensure provision of Risk Assess within 14 days from approval																																																				
20. Subprocess to ensure provision of Risk Assess within 14 days from approval																																																				

AUDIT - PROTECTED

AUDIT - PROTECTED

AUDIT FINDINGS SYNOPSIS

APPENDIX C

The information documented in the Audit Findings Matrix at Appendix B has been further consolidated into the following synopsis for each of the controls, in order to provide an overall audit finding for each control. The controls governing the management of human sources within Victoria Police are found within the Victoria Police Manual Policy Rules and the Victoria Police Manual Procedures and Guidelines. These provide the compliance standards against which this audit has been measured. Again, these controls have been grouped in terms of Registration, Contact with Human Sources, Supervision / Management, Rewards, and Deactivation.

This process has been necessarily subjective. However, in order to ensure a level of consistency, CMRD has applied the following formula in arriving at the audit ratings. Where a given control has been assessed as being 'unsatisfactory' or 'close to standard' across 30% or more of the files examined (excluding any files considered to have been 'not applicable' or 'unable to readily be determined' in terms of that control), compliance with that control has been rated as unsatisfactory overall. Where the application of this formula has indicated that less than 30% of the files examined have been assessed as 'unsatisfactory' or 'close to standard', compliance with that control has been rated as satisfactory overall.

Registration –

1. Work Unit Manager / Supervisor to assess suitability of proposed human source and allocate controller and handler.

(As per VPM - Policy Rules: Human Sources – 3 / VPM – Procedures and Guidelines: Human Sources – 1.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed with 92 files deemed to be satisfactory, and only 3 files deemed to be unsatisfactory.

2. Work Unit Manager / Supervisor to evaluate preliminary risk assessment and risk management strategies.

(As per VPM – Procedures and Guidelines: Human Sources – 1.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (1 file was deemed not applicable), with 69 files deemed to be

satisfactory, 5 files deemed to be close to standard, and 20 files deemed to be unsatisfactory.

3. Local Source Registrar to review and approve application.

(As per VPM - Policy Rules: Human Sources – 4 / VPM – Procedures and Guidelines: Human Sources – 1.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (1 file was deemed not applicable), with 90 files deemed to be satisfactory, and only 4 files deemed to be unsatisfactory.

4. Handler to ensure timely provision of Acknowledgement of Responsibilities (AOR) Form.

(As per VPM – Procedures and Guidelines: Human Sources – 1.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (1 file was deemed not applicable), with 67 files deemed to be satisfactory, 5 files deemed to be close to standard, and 22 files deemed to be unsatisfactory.

5. Handler to ensure provision of risk assessment within 14 days of registration.

(As per VPM - Policy Rules: Human Sources – 3 / VPM – Procedures and Guidelines: Human Sources – 2.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (1 file was deemed not applicable), with 68 files deemed to be satisfactory, 4 files deemed to be close to standard, and 22 files deemed to be unsatisfactory.

Contact with Human Sources –

6. Handler to obtain approval from work unit manager / supervisor / controller for attendance at planned meeting with human source.

(As per VPM - Policy Rules – Human Sources – 5.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (9 files were deemed not applicable and 17 files deemed unable to be

readily determined), with 66 files deemed to be satisfactory, 1 file deemed to be close to standard, and 2 files deemed to be unsatisfactory.

However, it was noted that there was a surprisingly high level of telephone contact between handlers and human sources, with instances of telephone contact being the primary or indeed only contact recorded between handlers and human sources (which has in part contributed to the number of files reviewed that were considered to be not applicable in relation to an examination of this control). The Victoria Police Manual does not require any form of approval from a supervisor in relation to telephone contact, which has the potential to undermine the capacity for 'intrusive supervision'.

7. Handler to ensure that meeting with human source occurs with [REDACTED]

(As per VPM - Policy Rules – Human Sources – 5.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed. (6 files were deemed not applicable and 1 file was deemed unable to be readily determined), with 84 files deemed to be satisfactory, 1 file deemed to be close to standard, and 3 files deemed to be unsatisfactory.

However, as discussed above, it was noted that there was a surprising level of telephone contact with human sources, with instances of telephone contact being the primary or indeed only contact recorded between handlers and human sources.

(*In exceptional circumstances, where a one-on-one meeting between a handler and a human source is deemed necessary, these arrangements must be authorised by the officer in charge / supervisor and [REDACTED]

[REDACTED] All other above elements must be complied with. (As per VPM - Policy Rules: Human Sources – 5.)

8. Handler to ensure completion of contact report as soon as practicable.

(As per VPM - Policy Rules – Human Sources – 5.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (8 files were deemed not applicable), with 74 files deemed to be satisfactory, 11 files deemed to be close to standard, and 2 file deemed to be unsatisfactory.

Supervision / Management –

Human source management training reinforces the need for supervisors to adopt an intrusive supervision approach to handler - human source relationships they have responsibility for. The concept of intrusive supervision is discussed further at page 24.

9. Handler to ensure that controller is briefed as per contact report.

(As per VPM - Policy Rules: Human Sources – 5 / VPM – Procedures and Guidelines: Human Sources – 4.)

The degree of compliance with this control was assessed as unsatisfactory across the 95 files reviewed (7 files were deemed not applicable), with 38 files deemed to be satisfactory, 15 files deemed to be close to standard and 35 files deemed to be unsatisfactory.

10. Controller to ensure that human source risk assessment is reviewed monthly.

(As per VPM - Policy Rules: Human Sources – 9 / VPM – Procedures and Guidelines: Human Sources – 2.)

The degree of compliance with this control was assessed as unsatisfactory across the 95 files reviewed (12 files were deemed not applicable), with 6 files deemed to be satisfactory, 16 files deemed to be close to standard, and 61 files deemed to be unsatisfactory.

11. Controller to ensure that the relationship between police and the human source and the information gained is reviewed monthly.

(As per VPM - Policy Rules: Human Sources – 9.)

The degree of compliance with this control was assessed as unsatisfactory across the 95 files reviewed (13 files were deemed not applicable), 41 were deemed to be satisfactory, 22 were deemed to be close to standard and 19 were deemed to be unsatisfactory.

12. Controller [REDACTED]

(As per VPM - Policy Rules: Human Sources – 5.)

The degree of compliance with this control was assessed as unsatisfactory across the 95 files reviewed (19 files were deemed not applicable), 35 were deemed to be satisfactory, 20 were deemed to be close to standard and 21 deemed as unsatisfactory.

13. Local Source Registrar to undertake supervision of source related operations.

(As per VPM - Policy Rules: Human Sources – 4.)

The degree of compliance with this control was assessed as unsatisfactory across the 95 files reviewed (9 files were deemed not applicable), with 30 files deemed to be satisfactory, 20 files deemed to be close to standard and 36 files deemed to be unsatisfactory.

14. Local Source Registrar to conduct [REDACTED] audits of source management files and procedural, ethical and value audits for all active sources they have responsibility for.

(As per VPM - Policy Rules: Human Sources – 9.)

The degree of compliance with this control was assessed as unable to be readily determined from the information available on Interpose records, as there is no prompt or field requiring notation and the only way that compliance can be noted is by way of inclusion in the narrative field.

Rewards –

It should be noted that although 95 human source management files were reviewed only 38 of these files involved application of the reward process.

15. Work Unit Manager / Supervisor to assess human source reward application.

(VPM – Procedures and Guidelines: Human Sources – 5.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (57 files were deemed not applicable), of the 38 files that involved a reward application all 38 were deemed to be satisfactory.

16. Human Source Rewards Committee to evaluate and authorise human source reward.

(VPM – Procedures and Guidelines: Human Sources – 5.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (59 files were deemed not applicable and 1 was deemed unable to be readily determined), of the 35 files that involved the rewards committee all 35 were deemed to be satisfactory.

17. Controller & Handler ^{PII} [REDACTED]

(VPM – Policy Rules: Human Sources – 6.)

The degree of compliance with this control was assessed as satisfactory across the 95 files reviewed (66 files were deemed not applicable and 2 were deemed unable to be readily determined), with 26 files deemed to be satisfactory and 1 file deemed to be close to standard.

Deactivation –

It should be noted that although 95 human source management files were reviewed, these files were predominantly active files. Only 24 of these files contained documentation pertaining to the deactivation of human sources.

Any Member involved in the operational management of a source may recommend the deactivation of a human source to the local source registrar. (VPM – Procedures and Guidelines: Human Sources – 7.)

18. Relevant Member (as above) to complete human source deactivation form and forward to local source registrar.

(VPM – Procedures and Guidelines: Human Sources – 7.)

The degree of compliance with this control was assessed as satisfactory across the 24 files reviewed containing deactivation documentation, with 22 files deemed to be satisfactory, 1 file deemed to be close to standard, and 1 file deemed to be unsatisfactory.

19. Local Source Registrar to review and approve source deactivation application.

(VPM – Procedures and Guidelines: Human Sources – 7.)

The degree of compliance with this control was assessed as satisfactory across the 24 files reviewed containing deactivation documentation, with 23 files deemed to be satisfactory and 1 file deemed to be unsatisfactory.

20. Controller [REDACTED]

(VPM – Procedures and Guidelines: Human Sources – 7.)

The degree of compliance with this control was assessed as unsatisfactory across the 24 files reviewed containing deactivation documentation (an additional 2 were deemed to be not applicable), with 8 files deemed to be satisfactory, 3 files deemed to be close to standard, and 11 files deemed to be unsatisfactory.

METHODOLOGY

APPENDIX D

The CMRD Audit of Victoria Police Human Source Management Practices has involved the following –

- Background reading and review, including relevant Victoria Police policy documentation, the Victoria Police Human Source Management Unit Standard Operating Procedures, the Victoria Police Source Development Unit Standard Operating Procedures, the Victoria Police Human Source Management Practice Guide, the Victoria Police Operation Windmill Internal Assessment and Issues Faced (01/09/09 – 28/02/10) Report, CMRD 2005 evaluation of the Dedicated Source Unit pilot, CMRD 2007 Human Source Management Unit (Controller File Management Specific) Compliance Audit, Victoria Police training notes on the use of the Interpose human source management module, the South Australian Police Special Purpose Manual General Order 8430 Human Source Management, the ACPO Manual of Minimum Standards For Covert Human Intelligence Sources, the Victorian Ombudsman's interim report and second interim report in relation to the Victoria Police Ceja Taskforce, relevant extracts of the Office of Police Integrity Annual Report 2006 – 2007, and various other relevant academic literature.
- The undertaking of a series of semi-structured key stakeholder interviews with the following persons –

	Stakeholder	Position
1.	Assistant Commissioner Pope	A/C Covert and Support Division
2.	Assistant Commissioner Moloney	A/C Crime
3.	Superintendent Mark Porter	Central Source Register
4.	Superintendent Tony Biggin	OIC Covert Support Services (SDU)
5.	Superintendent Paul Hollowood	Supt Crime
6.	Superintendent Murray Fraser	Conducted review of HS payments
7.	Superintendent Craig Howard	AIM Project
8.	Inspector ^{PII}	In Charge SDU
9.	Inspector ^{PII}	Former OIC HSMU
10.	Inspector Greg Bowd	Inspector HSMU
11.	Inspector Doug Fryer	Drug Taskforce
12.	Inspector ^{PII}	Former SDU Controller
13.	Senior Sergeant ^{PII}	OIC HSMU
14.	Senior Sergeant ^{PII}	Controller SDU
15.	Senior Sergeants ^{PII} and Silva	Drug Taskforce
16.	Sergeant ^{PII}	HSMU Supervisor
17.	Sergeant ^{PII}	Operation Windmill controller
18.	PAO4 ^{PII}	HSMU Analyst and administrator
19.	Federal Agent ^{PII}	Manager, ACC Covert Human Source Unit

- The mapping and documenting of human source management processes and key controls.
- The examination of 95 human source management files stored on the Interpose human source management module (Audit Phase 1), with such examination focussing on 20 key controls and going back as far as 01/01/2009.
- The face-to-face interview of 11 registered human sources (Audit Phase 2) utilising a set series of questions, with such human sources also previously had their human source management files examined as part of Audit Phase 1.

In terms of meeting the stipulated Audit Objectives, the following procedures were carried out:

Objectives of Review	Procedures
1. Determine and document Human Source Management business processes.	▪ Review processes as documented in the Victoria Police Manual; ▪ Interview key stakeholders associated with Human Source Management processes; and ▪ Document processes identified in business process flow charts.
2. Identify and review key controls.	▪ Review policy and business process flowcharts to identify key controls; and ▪ Document key controls identified.
3. Assess the effectiveness of identified controls.	▪ Assess random and representative samples in relation to identified key controls via examination of Interpose human source management files and face-to-face interviews; and ▪ Review examination results in order to identify any significant gaps and/or exceptions.
4. Determine the levels of compliance with Victoria Police policy.	▪ Assess random and representative samples in relation to identified key controls via examination of Interpose human source management files and face-to-face interviews; and ▪ Review examination results in order to identify any significant gaps and/or exceptions.
5. Determine the effectiveness of Victoria Police human source management policy.	▪ Review Victoria Police human source management policy; ▪ Review associated guidelines, practice

Objectives of Review	Procedures
	guides, local instructions, and standard operating procedures; Analyse the application of Victoria Police policy in the context of any significant gaps and/or exceptions previously identified.
6. Identify opportunities for improvement to human source management processes.	Review and analyse any significant gaps and/or exceptions previously identified in processes and key controls in order to identify and report on areas that can be improved upon.

In terms of the audit process proper, there were two specific phases, Audit Phase 1 and Audit phase 2.

Audit Phase 1 involved the desk top audit of Interpose human source files. At the commencement of this phase Victoria Police had [PII] active registered human sources and [PII] active registered community contacts. The process to test these files involved an examination of 20 key controls identified through a review policy and business process flowcharts. These controls were divided into five categories being:

- (1) Registration,
 - (2) Contact with Human Sources,
 - (3) Supervision / Management,
 - (4) Rewards, and
 - (5) Deactivation.
- (Refer Appendix A 1- 5)

Ninety five (95) human source files were then selected from the active Interpose records. The files were selected from all represented areas of the organisation based primarily on proportionate representation to reflect an organisational perspective. Given that the Source Development Unit deals exclusively with high risk human sources all of their active files were examined. Additionally, all active files relating to the human source management pilot in Region 1, Division 3 (Operation Windmill) were examined, given that it was a new concept. The breakdown of work areas subjected to examination is as follows:

Source Development Unit	-	[PII]
Operation Windmill, Region 1, Division 3	-	[PII]

Crime Department
 Region 1
 Region 2
 Region 3
 Region 4
 Region 5
 Security Intelligence Group

-
-
-
-
-
-

PII
 [REDACTED]

Total

95

Each of the 95 files was examined against the 20 key controls, resulting in a total of 1900 separate examinations. (Refer Appendix B).

Audit Phase 2 involved the interviewing of 11 selected human sources (from a chosen sample of 12 human sources), again from a diverse range of work areas to achieve an organisational perspective. The break down of work areas and numbers of persons spoken to is as follows:

Source Development Unit
 Crime Department
 Operation Windmill
 Region 1
 Region 2
 Region 3
 Region 4
 Region 5

-
-
-
-
-
-

PII
 [REDACTED]
 PII
 [REDACTED]
 Not Completed *
 PII
 [REDACTED]

Total

11

* Note: Region 2 interview was not achievable due to factors outside auditors control.

The interview of each human source involved initial notification of the respective Local Source Registrar followed by contact with the relevant controller and where applicable the handler. Methodology and the security of the interview were then planned specific to the relevant file. [REDACTED]

[REDACTED] conducted the interviews, in each instance in [REDACTED]

[REDACTED] The semi-structured interview format involved a set of questions relevant to the

audit (Refer Appendix E). Each interview was ^{P/I} [REDACTED] subject to an Interpose contact report. All interviews were conducted without incident and all received positive feedback from the human sources relating to Victoria Police expressing an interest in their welfare. Additionally, Audit Phase 2 reflected a high standard of field craft and operational compliance by all staff involved.

Security Risk Assessed on 23/11/2016

FIELD INTERVIEW QUESTIONNAIRE

APPENDIX E

Interviews With Selected Human Sources**Interview Reference Number:****Date:** / /2010**Start Time:****Finish Time:****Present:**General

- Does the Human source know that he/she is a registered Human Source?
- What has been explained to the Human Source in relation to the Police – Human Source relationship: how the relationship should work / what the Human Source can do & cannot do? (AOR)
- How long has the Human Source been assisting police?
- How long has the Human Source been a registered Humans Source?
- Has source been a registered Human Source previously?
- Motivation for being a registered Human Source?

Payments.

- Confirmation that payments have been received.

- Confirmation that correct amounts have been received.
- How have payments been received?

Supervision/Management

- Does the Human Source normally meet with the same Police Members, or do the Police Members change from time to time?
- Has the Human Source met with the Supervisor / Boss / [REDACTED] of the usual Handlers?
- Is there always at least one Handler / police person of the same sex as the Human Source at all meetings (and total of two police) ?
- How often meet with Handlers / Police?
- Are communications normally via telephone or person-to-person?