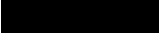


**From the Office of the Commissioner**Our ref: 

30 September 2020

Mr Steve McGhie MP  
Chair, Integrity and Oversight Committee  
Parliament of Victoria  
Spring Street  
East Melbourne VIC 3002

Dear Mr McGhie

**Submission to the Inquiry into the Education and Prevention Functions of Victoria's Integrity Agencies**

I refer to your letter dated 22 June 2020, advising that the Integrity and Oversight Committee's self-referenced *Inquiry into the Education and Prevention Functions of Victoria's Integrity Agencies* has commenced.

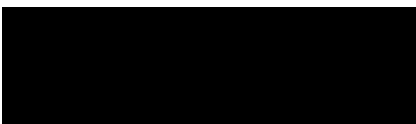
IBAC welcomes the opportunity to assist the Committee in this inquiry and has prepared the attached initial submission, in response to the inquiry's terms of reference.

This submission provides information related to terms of reference (1) and (2), focusing on the current legislative arrangements and prevention policies, practices and activities, including their application to IBAC's internal operations.

IBAC looks forward to further engaging with the Committee to help inform the inquiry's future-focused terms of reference (3) to (5), noting that IBAC has recently commenced a review of its current corruption prevention strategy. IBAC will be happy to share the review's findings and artefacts with the Committee following completion of this project, scheduled in December 2020.

Thank you once again for the opportunity to contribute to this important inquiry by the Committee to strengthen corruption prevention in Victoria.

Yours sincerely



**The Honourable Robert Redlich AM, QC**  
Commissioner

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# **Submission to the Integrity and Oversight Committee**

**Inquiry into the Education and Prevention Functions of Victoria's Integrity Agencies**

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**September 2020**

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## 1 INTRODUCTION

The Independent Broad-based Anti-corruption Commission (IBAC) is responsible for exposing and preventing public sector corruption and police misconduct in Victoria. IBAC was established under the *Independent Broad-based Anti-corruption Commission Act 2011* (IBAC Act) and has been fully operational since February 2013. IBAC's jurisdiction covers the whole of the Victorian public sector including Victoria Police, state government departments and agencies, local government, the judiciary and Parliament.

IBAC welcomes the opportunity to provide this submission to the Integrity and Oversight Committee's *Inquiry into the Education and Prevention Functions of Victoria's Integrity Agencies* to assist in promoting integrity and strengthening the prevention of misconduct and corruption in Victoria.

The Committee's terms of reference are to inquire into and report on:

- 1) The Victorian legislative framework with regard to the education and prevention functions of IBAC, the Office of the Victorian Information Commissioner (OVIC), the Victorian Inspectorate (VI) and the Victorian Ombudsman (VO).
- 2) The current policies, practices and activities of IBAC, OVIC, the VI and the VO regarding the exercise of their education and prevention functions – including their application to the integrity agencies themselves, public sector bodies and the Victorian community.
- 3) Best practice with respect to integrity agencies' education about, and prevention of, corruption and other misconduct, drawing on interstate and international experience.
- 4) Whether the exercise by IBAC, OVIC, the VI and the VO of their education and prevention functions throughout Victoria meets best practice.
- 5) What improvements can be made to integrity agency education and prevention functions and their exercise by IBAC, OVIC, the VI and the VO.

To assist the Committee in its inquiry, this initial IBAC submission provides information related to terms of reference (1) and (2), focusing on the current legislative arrangements and prevention policies, practices and activities, including their application to IBAC's internal operations. IBAC looks forward to further opportunities to engage with the Committee to help inform the inquiry's future-focused terms of reference (3) to (5).

Section 2 of this submission provides an overview of IBAC's legislated prevention and education functions and how these functions are delivered as part of our current corruption prevention strategy. It also flags some key issues related to the delivery and impact of IBAC's corruption prevention activities and identifies opportunities to enhance the approach to corruption prevention. Section 3 of this submission provides information on how IBAC builds its own integrity and the actions taken to prevent, expose and address internal corruption risks.

## 2 IBAC'S APPROACH TO PREVENTING PUBLIC SECTOR CORRUPTION AND POLICE MISCONDUCT

### 2.1 The legislative framework

IBAC has mandated prevention and education functions under section 15(5) of the IBAC Act to:

- examine systems and practices in the public sector and public sector legislation
- provide information to, consult with and make recommendations to, the public sector
- assist the public sector to increase capacity to prevent corrupt conduct and police personnel misconduct by providing advice, training and education services
- provide information and education services to the community about the detrimental effects of corruption on public administration and ways in which to assist in preventing corrupt conduct
- provide information and education services to members of police personnel and the community about police personnel conduct, including the detrimental effects of police personnel misconduct and ways in which to assist in preventing police personnel misconduct
- publish information on ways to prevent corrupt conduct and police personnel misconduct.

These functions complement and contribute to the fulfilment of IBAC's other core functions under section 15 of the IBAC Act to:

- identify, expose and investigate corrupt conduct and police personnel misconduct
- receive information, conduct research and collect intelligence, and
- report on, and make recommendations as a result of, the performance of its duties and functions.

In addition, IBAC has relevant research and education functions under section 55(2) of the *Public Interest Disclosures Act 2012*, including to:

- issue guidelines to support the making and handling of disclosures, and to help manage the welfare of disclosers
- provide information and education about the public interest disclosure scheme
- assist the public sector to increase its capacity to comply with the public interest disclosure scheme
- provide information to, consult with and make recommendations to the public sector on matters relevant to the operation of the public interest disclosure scheme, and

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- undertake research and collect, analyse and report on data and statistics relating to the public interest disclosure scheme.

### 2.2 Our corruption prevention strategy

In recognition of the breadth of IBAC's legislative functions, the scale and diversity of Victorian public sector entities within our jurisdiction, and our limited resources, IBAC developed a corruption prevention strategy in 2015 to support the most efficient and effective delivery of our prevention and education functions.

The strategy was informed by research and insights from consultation with external and internal stakeholders. In developing the strategy, the approaches of other Australian anti-corruption agencies were considered, based on a review conducted by the Australian Institute of Criminology. Research and analysis was also undertaken on key prevention activities including educating public sector organisations; promoting community education; strengthening individual skills and knowledge; influencing policy and legislation; changing organisational practices; and developing networks.

As a result of this research and consultation, the strategy provides that IBAC can make the greatest impact on preventing corruption and police misconduct by focusing on three prevention priorities and streams of activity:

- 1) engaging with the community and the public sector to improve understanding of corruption and its harms
- 2) encouraging reporting of corruption and helping to build the public sector's capacity to address reports of corruption, and
- 3) alerting organisations to the latest information and intelligence to stay ahead of corruption risks.

The strategy is summarised in the diagram at **Attachment A**.

Given the size and complexity of the Victorian public sector – comprising around 1,800 entities and more than 320,000 employees – and in line with this strategy, IBAC's primary role in corruption prevention is to work closely with public sector agencies and Victoria Police to inform, guide and influence their corruption prevention and integrity building efforts.

The strategy is also founded on a recognition that public sector bodies need to retain primary responsibility for ensuring the integrity and professional standing of their own organisations. Removal of that prime responsibility from any body carries with it the significant risk that maintenance of integrity and professional standards will cease to be a priority. Public sector leaders have an in-depth understanding of their organisations' structures, systems, resources, operating environments and risks, and are therefore best placed to implement appropriate integrity building and corruption prevention measures that best meet the needs of their agencies.

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In developing the strategy, IBAC was also concerned to ensure that our approach to prevention did not conflict with our critical functions to independently investigate and expose public sector corruption. Such conflicts could arise if IBAC became directly involved in developing and endorsing corruption prevention policies and systems for adoption by public sector agencies.

Recognising that a 'one size fits all' approach to building integrity and corruption resistance would fail to meet the specific needs of the many different public sector agencies in Victoria, IBAC's corruption prevention efforts are directed to raising awareness, sharing information and providing guidance on risks and possible mitigation measures, informed by our investigations, intelligence analysis, research and strategic reviews. Public sector agencies are then able to tailor IBAC's information and resources to their own circumstances.

As encompassed by the Committee's terms of reference for this inquiry, IBAC's prevention strategy also recognises that we are part of Victoria's overall integrity system, with public sector bodies, other integrity agencies, and community and private sector organisations, all playing critical roles in preventing public sector misconduct and corruption, and promoting integrity.

The key integrity roles and responsibilities in Victoria are summarised in a joint resource produced by IBAC, the VO and the Victorian Auditor General's Office (VAGO): [Safekeeping Integrity: A guide to the integrity system in Victoria](#). This resource is being updated to reflect recent legislative and other changes. In support of this guide, a [video on Victoria's integrity system](#) is also available on IBAC's website.

This submission provides information on IBAC's prevention priorities and activities in line with our current prevention strategy, with a focus on key activities undertaken between 2018 and September 2020. Further information about our work is available in our [annual reports](#) and other [publications](#) on [IBAC's website](#).

### 2.3 Engaging with the community and the public sector to improve understanding of corruption and its harms

IBAC's expository activities, including investigation outcomes, research and strategic intelligence analysis, are the foundation upon which our prevention work is built. This evidenced-based content, demonstrating the nature and impact of corruption and police misconduct, provides the platform to inform meaningful engagement with stakeholders and broader audiences.

IBAC utilises strategic communication and engagement approaches, supported by a broad range of information and resources to inform the community and public sector about what corruption is, the adverse impacts of corruption and police misconduct, common risks and red flags, how to prevent corruption and how to encourage reporting of corruption and police misconduct.

### **2.3.1 Building public sector capacity through IBAC's expository activities and outcomes**

IBAC helps build public sector resistance to corruption and development of appropriate integrity responses by analysing and researching public sector corruption and police misconduct risks and issues, and identifying ways for public sector agencies to build their capacity, particularly by enhancing their policies, systems and practices to prevent corruption.

Our investigations are integral to this work, highlighting systemic issues including corruption and police misconduct vulnerabilities in policies, systems and practices that facilitate corrupt conduct.

Through our investigations and pursuant to section 159 of the IBAC Act, IBAC makes recommendations to public sector agencies to improve policies, systems and practices to prevent corruption and police misconduct. Agencies are required to advise IBAC how they have actioned these recommendations. In 2019/20 IBAC made 46 recommendations to public sector agencies as a result of our investigations.

We undertake ongoing engagement with agencies to support the implementation of our recommendations, including seeking updates and additional details as required. We also provide information on the number and status of recommendations in our annual reports and publish investigation outcomes and agencies' responses to recommendations on our website, subject to the restrictions of section 159(2) of the IBAC Act. This informs the community about the actions agencies have advised they are taking and supports other public sector agencies to consider actions they can take to improve their own systems and practices.

### **2.3.2 Communication**

IBAC's communication reaches diverse audiences, including:

- the Victorian public sector, including state government, local government, Victoria Police and other public sector agency leaders and employees
- the Victorian community, including sectors that interact frequently with the Victorian public sector and Victoria Police, such as the legal and business sectors, as well as communities that can be more vulnerable to the adverse impacts of public sector corruption and police misconduct, such as Aboriginal and Torres Strait Islander communities, LGBTIQ communities and culturally and linguistically diverse communities
- key influencers in the fields of integrity and corruption prevention including academics, leading thinkers and expert commentators
- mainstream, specialist and social media
- other integrity and police and law enforcement oversight agencies.

We use a range of communication channels to reach our audiences, including:

- our website
- mainstream and social media with some 6,000 followers on Twitter and LinkedIn



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- a quarterly e-newsletter [IBAC Insights](#) which shares key corruption prevention insights with some 3,400 subscribers
- campaigns featuring advertising and other engagement strategies to communicate key messages and encourage reporting
- targeted promotion to public sector agencies and other sectors via emails, alerts and mail outs.

IBAC's first community education campaign, [When something's not right Report it](#), ran in 2016/17. In June 2019, we ran a second community education campaign, [Yes, it's corruption. Yes, I can do something about it](#). These campaigns helped to explain the role of IBAC, what public sector corruption is and how people can report it. The campaigns were informed by IBAC's research and focus groups suggesting most people are unsure of what to do when confronted with corruption.

While these community education campaigns were successful against agreed metrics, it is recognised that without sustained investment in campaigns over many years, it is difficult to change behaviour. The success of behavioural change programs, such as those to improve public health, workplace and road safety, has been founded on significant long term investments in evidence-based behaviour modification approaches. Given IBAC's limited resources, we do not anticipate being in a position to undertake sustained community education campaigns into the future.

However, data shows IBAC's engagement with the community via our main content channels continues to grow with:

- 161,902 unique visits to our website in 2019/20, a 58 per cent increase from 2018/19
- 3,480 [IBAC Insights](#) subscribers, up from 3,100 in 2018/19
- 3,084 Twitter followers, an increase of 23 per cent from 2018/19.

We have an ongoing program to improve the accessibility of our website content to reach more Victorians, and the majority of our content produced in the last few years is [WCAG compliant](#). This year we ran a search engine advertising campaign which reached hundreds of thousands of Victorians online, with around 15,000 clicking through to learn more. We also ran adverts in four community languages to make it easier for people searching in languages other than English to find IBAC content and translated materials. A significant amount of general information on our website is translated into the most used community languages in Victoria.

### 2.3.3 Stakeholder engagement

Stakeholder engagement is critical to the effective delivery of IBAC's corruption prevention strategy. Almost every IBAC investigation or review of an investigation by another agency, along with our research and strategic intelligence work, results in the identification of ways in which public sector agencies can strengthen integrity. Targeted stakeholder engagement plans support the release of IBAC's public reports and other resources, which assist the Victorian public sector, police and other key stakeholder groups to improve their

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understanding of corruption and police misconduct, and the ways it can be prevented. Sector specific engagement strategies are also developed to ensure information and resources are shared and utilised by the intended audience, such as the legal sector, local government and Victoria Police.

IBAC is developing and implementing new strategies to ensure our engagement and communication with vulnerable and diverse communities is more inclusive, accessible and responsive. For example, we are implementing an action plan to enhance communication and engagement with LGBTIQ communities, including regular meetings with the Commissioner for Gender and Sexuality, the Victorian Pride Lobby and other stakeholder representatives and forums.

Engagement with community representatives and stakeholders is also integral to informing our research work. For example, IBAC's audit of how Victoria Police handles complaints involving Aboriginal people has been supported by engagement with Aboriginal communities across Victoria, to hear their experiences of the police complaints system, and why they may not make complaints. This engagement, which is occurring through Regional Aboriginal Justice Advisory Committees (auspiced through the Department of Justice and Community Safety), has been delayed due to the public health emergency presented by COVID-19.

The nature of IBAC's engagement with a diverse range of public sector and community stakeholders is further reflected in the activities outlined below.

### ***Speaking engagements***

We deliver presentations to senior leaders and practitioners in state and local government agencies, Victoria Police, as well as other public sector audiences. We also present at a range of conferences, forums and other events. These engagements are used to promote the findings and lessons learned from IBAC's expository activities, including our investigations, research and strategic intelligence. In 2019/20, 50 presentations were delivered by IBAC staff. In response to the restrictions associated with the COVID-19 public health emergency, we have moved to online modes this year, participating in some 20 corruption prevention-focused speaking engagements between April and September 2020.

IBAC also initiates and hosts roundtables and forums, bringing together key community and public sector stakeholders to share information, raise awareness of key corruption and police misconduct issues and risks, and to inform improvements to policies and practices. For example, we convene biannual roundtables for legal sector stakeholders, including representatives from community legal centres, the Victorian Aboriginal Legal Service and Legal Aid.

### ***Events and activities in regional Victoria***

IBAC works to ensure our corruption prevention and engagement activities involve regional Victorians. At least two regional forums are held annually, most recently in Horsham and Geelong in 2019. Participant feedback on our 2019 forums was very positive – 100 per cent of attendees who completed the feedback surveys said they were very satisfied or satisfied

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with the forums, and strongly agreed or agreed that the forums provided useful integrity insights. IBAC collaborates with our integrity system partners – the VO, VAGO and the Local Government Inspectorate (LGI) – to deliver these forums. More than 50 public sector chief executive officers, managers, and senior staff in integrity roles attended the Geelong regional forum from state and local government agencies based in Geelong and surrounding areas.

Due to the COVID-19 public health emergency, IBAC's delivery of face-to-face forums in regional locations has been postponed until 2021. However, to ensure IBAC continues to engage with regionally-based public sector agencies, planning is underway to deliver a webinar later in 2020 which will focus on corruption vulnerabilities during times of crisis or emergency, and ways regionally-based public sector agencies can strengthen their prevention strategies.

As well as organising our own regional events, we also participate in forums convened by other agencies to raise awareness of corruption risks and prevention practice. For example, last year we presented at the Barwon South West Regional Procurement Excellence Network forum for procurement officers, coordinators and finance managers in Ballarat.

### ***Conferences and symposiums***

IBAC has organised and hosted major conferences and symposiums. In October 2019, we hosted the 7th Australian Public Sector Anti-Corruption Conference, Australia's leading anti-corruption conference, in partnership with state and federal integrity and anti-corruption agencies. The three-day event, featuring a mix of plenary sessions and workshops, was attended by over 500 delegates from across Victoria and other Australian and international jurisdictions. Feedback was overwhelmingly positive – 97 per cent of the attendees who completed the feedback survey reported being very satisfied or satisfied with the conference, and 94 per cent reported the conference equipped them with 'new insight into current corruption prevention approaches and methodologies available to them or their agency.'

### ***Contributing to the Victoria Police education program***

As part of our independent police oversight role, IBAC collaborates with Victoria Police through its established education and training programs to assist in promoting integrity and strengthening police ethical standards. Key programs include:

- The Foundation Development Recruit Training, delivered at the Victoria Police Academy for all new police recruits. IBAC delivers a fortnightly presentation that focuses on developing recruits' ethical decision-making through discussion of key themes such as the role and purpose of IBAC, police misconduct and corruption, officers' legislative obligation to report and the protections available to them, and potential challenges around making a report.
- The Police Manager Qualifying Program delivered through a degree offered by the University of Tasmania prepares eligible Senior Sergeants and Inspectors for promotion to a senior manager role in Victoria Police. The program includes a unit on Police Management Strategy and Engagement, with a focus on ethics, ethical decision-making and early intervention by senior supervisors. As part of this

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program, IBAC presents on our role and purpose, the behaviours that can mask or obscure police misconduct, and real life case studies that participants discuss and apply in ethical decision-making processes.

IBAC also develops content for promulgation via other Victoria Police communication channels and forums, such as information for regional and Professional Standards Command complaint investigators, and the induction manual for Victoria Police's public sector employees.

IBAC's Commissioner has also attended the Victoria Police Executive Command Forum, chaired by the Chief Commissioner of Police. This has enabled direct engagement with Victoria Police senior leadership about their critical role in upholding ethical standards, preventing police misconduct and promoting a culture of integrity.

Notwithstanding the impact of the COVID-19 public health emergency, IBAC continues to participate in education and training opportunities with Victoria Police using virtual platforms.

### **2.3.4 Engagement with Australian anti-corruption agencies**

Our prevention and education activities are supported by engagement with other Australian anti-corruption and police and law enforcement oversight agencies. We meet at least annually with our interstate counterparts via a corruption prevention practitioners' forum, to collaborate and share practice learnings across jurisdictions. We also undertake regular liaison with our counterpart agencies, on an issues basis, to strengthen our understanding of specific corruption risks and possible approaches to address those risks.

As part of our collaboration, in the last two years IBAC has led the issuing of two communiques from the heads of Australian anti-corruption agencies. In October 2019, Commissioners issued a statement, [Unmasking corruption in public institutions](#), which highlighted behaviours that can allow corruption to flourish and appropriate prevention strategies, including cultivating organisational cultures where employees feel safe and protected to speak up.

## **2.4 Encouraging reporting of corruption and helping to build the public sector's capacity to address reports**

### **2.4.1 Supporting the public interest disclosure (PID) scheme**

IBAC's role in implementing and raising awareness about the PID scheme is critical to encouraging reporting of public sector corruption and police misconduct. IBAC chairs the PID Consultative Group, which includes representatives from Victoria Police, the VO, the VI, the clerks of both houses of Parliament and the Judicial Commission of Victoria. This group supports consistent and coordinated implementation of the PID scheme, and the collection of data and evidence to inform reform opportunities.

IBAC also convenes an annual forum for PID Coordinators across public sector agencies to foster good practice in the management of PIDs and welfare support for disclosers. In June 2020, the annual forum was hosted online, attracted 171 attendees and involved a panel

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discussion with IBAC, the VO and the LGI. In addition, IBAC hosts two PID Community of Practice events each year and provides regular email updates to PID Coordinators and public sector employees who have an interest in the PID scheme.

In 2019, IBAC delivered a targeted program of engagement activities, tools and resources for the Victorian public sector to promote understanding and preparation for amendments to the Public Interest Disclosures Act, which took effect in January 2020. Key activities included:

- delivery of face-to-face and online information sessions to more than 400 PID Coordinators and state and local government employees
- delivery of new resources (including information sheets, FAQs, guidelines, videos, presentations and webinars), which were published on IBAC's website and sent to heads of agencies. Published information sheets included:
  - [Key changes in relation to public interest disclosures](#) (October 2019)
  - [Frequently asked questions about the Integrity and Accountability Legislation Amendment \(Public Interest Disclosures, Oversight and Independence\) Act 2019](#) (October 2019)
  - [Public interest disclosure procedures key issues to consider](#) (December 2019).

Other examples of PID engagement activities delivered in 2020 include:

- PID feedback meetings conducted by IBAC's CEO and Deputy Commissioner with senior leaders from over 20 state and local government agencies to hear about their experiences in implementing the PID scheme. The insights from these meetings are informing improvements to IBAC's processes, engagement and communication resources
- development of a new suite of resources for use by public sector agencies in their internal communications, including short animated videos, workplace posters, digital display banners and social media advertisements
- an updated e-learning module: *Managing Public Interest Disclosures in Victoria*. The module provides practical information on the PID system and how to manage a PID.

Further PID communication and engagement activities are being developed for rollout over the coming months, including additional case studies, process flowcharts and events.

### 2.4.2 Supporting public sector mandatory notifications

IBAC works with the public sector to promote awareness and support implementation of mandatory notification obligations under section 57 of the IBAC Act, requiring relevant principal officers of public bodies to report suspected corrupt conduct to IBAC.

Briefings, information sessions and resources are provided to public sector agencies to maintain awareness of, and compliance with, the mandatory notification obligation. When the requirements took effect in December 2016, IBAC ensured that all relevant principal officers were notified and supplied with guidance, supported by a series of information

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sessions. IBAC also published a [progress report](#) after the first 12 months of operation, which is available on our website.

Information on the mandatory notification obligation is routinely included as part of our ongoing engagement with and presentations to senior leaders in public sector agencies, such as the PID feedback meetings referred to above (section 2.4.1). Where particular concerns have been identified regarding delays in notification of relevant matters, targeted meetings are conducted by IBAC with the relevant agencies.

Recent analysis of mandatory notification data shows the number of notifications received in the 2019 calendar year increased by 24 per cent compared to 2018, particularly driven by an increase in notifications received from state government departments. A range of public sector bodies are reporting suspected corrupt conduct, with a total of 98 separate bodies having made at least one notification to IBAC from 2017 to 2019.

### **2.4.3 Reviewing investigations conducted by other agencies**

Where IBAC has referred complaints or notifications to public bodies for investigation, we perform an important role in reviewing select investigations undertaken by those bodies. Reviews undertaken by IBAC determine whether a matter has been investigated in a thorough, impartial and timely manner, and that findings are based on evidence and outcomes are reasonable. A matter may be selected for review because it is considered to be particularly serious in nature, indicative of systemic concerns, or is of public interest.

IBAC provides feedback to agencies on their investigations and recommends appropriate action to build their internal capacity to address and investigate reports of public sector corruption and police misconduct. IBAC shares learnings from these case reviews via public reports and other stakeholder engagement and communication activities.

IBAC reviewed 59 Victoria Police investigations during 2019/20, an increase of 31 per cent from 2018/19. In total, IBAC conducted 67 reviews of investigations by agencies. This was up from 56 last year.

By conducting reviews, IBAC aims to build public confidence in the ability of the public sector and Victoria Police to identify misconduct and corrupt conduct, and deal with it appropriately. Reviews are also a cost effective way to strengthen public sector and Victoria Police capacity to prevent corruption and misconduct. IBAC is committed to undertaking more reviews but current budget constraints limit our ability to do so.

## **2.5 Alerting organisations to the latest information and intelligence to stay ahead of corruption risks**

As stated earlier, through our expository activities which include investigations, research and strategic intelligence analysis, IBAC informs the public sector about corruption risks and helps build public sector capacity to respond to those risks.



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Our public reports and other resources help ensure agencies and the community are aware of corruption and police misconduct, what it involves, its adverse impacts, why corruption matters, and most importantly, what can be done to prevent it.

### 2.5.1 Producing special reports to expose and prevent corruption

Pursuant to section 162(1) of the IBAC Act, IBAC prepares and tables special reports to Parliament to assist in exposing and preventing corruption. These reports raise public sector and community awareness of corruption, the severity of its impacts and what action can be taken to prevent corruption and police misconduct.

In 2019/20, IBAC tabled two special reports:

- [\*Operation Betka\*](#) *an investigation into alleged corrupt conduct by a former contractor of the Department of Education and Training* (May 2020)
- [\*Corruption risks associated with procurement in local government\*](#) (September 2019).

In July 2020, IBAC tabled a special report on [\*Operation Gloucester\*](#), an investigation into improper evidentiary and disclosure practices in relation to the Victoria Police investigation of the murders of Sergeant Gary Silk and Senior Constable Rodney Miller.

IBAC utilises a range of settings, including VPS communities of practice and agency-specific forums, to share investigation outcomes and corruption vulnerabilities highlighted in special reports. The focus is on assisting agencies to strengthen their policies, systems and practices to prevent corrupt conduct and police misconduct. For example, following the tabling of the Operation Betka special report, IBAC presented to two whole-of-government procurement community of practice groups to discuss the corruption vulnerabilities highlighted in the report. Using a practical example, practitioners in procurement roles across state government were able to engage in meaningful discussion about the red flags for procurement corruption that were highlighted in the report. The report was also the subject of considerable media reporting, which assisted in highlighting issues raised in the investigation, including requirements to declare and properly manage conflicts of interest.

### 2.5.2 Producing other reports and resources to expose and prevent corruption

IBAC publishes other reports and resources to improve public sector understanding of corruption risks and how to respond to those risks. Many of these resources are informed by regular strategic assessments that examine public sector environments in Victoria, Australia and across internationally, to identify significant corruption and police misconduct risks and emerging trends. This strategic intelligence enables IBAC to target corruption and police misconduct ‘hot spots’, identifying priority issues or sectors and sharpening our prevention and education focus on areas that will have the greatest impact in raising awareness, addressing corruption risks and improving integrity in the Victorian public sector.

IBAC’s public reports have been catalysts for change in public sector policies, practices and systems in order to reduce corruption risks. As one example, following the release of IBAC’s report on [\*Corruption vulnerabilities associated with employment practices across the Victorian public sector\*](#) in October 2018, the Victorian Public Sector Commission (VPSC)

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issued the Victorian Public Service Executive Pre-employment Screening Policy as an initial step towards the development of a whole of Victorian public sector pre-employment screening policy. The policy was developed with the agreement of the Victorian Secretaries Board. Other examples of the impact of IBAC's public reports are outlined in section 2.6.1.

In 2019/20, IBAC released three research reports on priority corruption risks:

- [Unauthorised access and disclosure of information held by the Victorian public sector](#) (February 2020)
- [Managing corruption risks associated with conflicts of interest in the Victorian public sector](#) (October 2019)
- [Unauthorised access and disclosure of information held by Victoria Police](#) (September 2019).

In 2019/20, IBAC also published information resources on the following priority issues:

- [Corruption risks in the social housing sector](#) (December 2019)
- [Corruption risks associated with government-funded human services delivered by community organisations](#) (October 2019)
- [Conflicts of interest: myths, misconceptions and management](#) (October 2019)
- [Corruption risks associated with public sector boards](#) (September 2019).

In August 2020, IBAC produced guidance for state government and local government agencies on [Building integrity during times of crisis or emergency](#). These resources support agencies to understand the heightened risks that can arise during times of crisis and emergency, such as this year's bushfires and the COVID-19 pandemic, and the actions that can be taken to ensure corruption detection and prevention strategies remain effective and proportionate in these situations. IBAC worked closely with other integrity agencies to prepare, promote and distribute this information across the Victorian public sector. We also coordinated with the VPSC and supported the release of its complementary resources on [Maintaining integrity when working remotely](#).

IBAC also publishes investigation outcomes and, where appropriate, agency responses to help raise public sector and community awareness of the causes and adverse effects of corrupt conduct, and encourage reporting. We have recently commenced a project to prepare and table a public report in 2021, reviewing the key issues and themes from the recommendations made following investigations, and to promote the lessons learned from agencies' responses to help strengthen public sector capacity to prevent corruption.

We plan and support the release of IBAC's prevention resources with communication and engagement activities to maximise reach and impact. For example, the [Building integrity during times of crisis or emergency](#) resources were directly emailed to heads of state and local government agencies, and distributed to public sector practitioners via established communities of practice hosted by agencies such as the VPSC and LGPro. Insights were shared via IBAC's communication channels and discussed at relevant speaking engagements.



IBAC also partnered with the Institute of Public Administration Australia, Victoria (IPAA) to host a webinar in September 2020, where IBAC's CEO facilitated a panel discussion to hear perspectives on the topic from Victoria's key integrity agencies – the VO, VAGO and the VPSC.

### 2.5.3 Public examinations

Public examinations are an important tool for exposing and preventing corruption and police misconduct, and serve to inform and educate the community and public sector about the impact of corruption and police misconduct and how it can be prevented. Public examinations can also encourage credible complaints about corruption.

As an example, IBAC's public examinations in Operations Ord and Dunham:

- exposed weaknesses in Department of Education and Training systems and practices, and prompted the Department to undertake immediate action including strengthening financial controls and compliance
- resulted in IBAC acquiring further information and evidence regarding alleged corrupt conduct at the Department
- provided an impetus for the Victorian Secretaries Board to commit to a program of broader reform to strengthen integrity and prevent corruption.

Most recently, IBAC has held public examinations into allegations of serious corrupt conduct in relation to planning and property development decisions at City of Casey. These examinations were held in November/December 2019, and resumed in early March but were deferred due to the COVID-19 public health emergency. We intend to resume these hearings as soon as practical in line with public safety.

For the first time, during the first week of the second round of examinations, IBAC video-streamed the hearings online to make them more accessible to all Victorians. More than 9,000 people viewed the live stream during March. The examinations contributed to a 58 per cent increase in unique visitors to IBAC's website during 2019/20. The examinations received significant media coverage including front-page print, drive-time radio and evening TV news bulletins. IBAC's key messages were picked up in most reporting, particularly around the purpose and benefit of the examinations. Public examinations support our prevention focus by ensuring that our work is publicly accessible via a range of channels, and that the nature and impact of corruption is clearly communicated.

## 2.6 Issues and opportunities

### 2.6.1 The impact of prevention

As acknowledged in the 2017 IBAC Committee report, *A framework for monitoring the performance of IBAC*, measuring the impact of corruption prevention is difficult. Due to the inherent nature of corruption as a 'hidden crime', there is not accurate data or estimates on the extent of public sector corruption and therefore it is difficult to measure the impact of prevention efforts. It is also difficult to disaggregate the impact of IBAC's work from the efforts

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of other entities, including other integrity agencies and public sector bodies themselves. In addition, it takes cumulative work and time to see the full results and impacts of prevention efforts.

IBAC currently reports on its prevention and education performance against Budget Paper 3 (BP3) measures. Historically, IBAC has met or exceeded targets to deliver 90 corruption prevention initiatives per annum and to achieve an average satisfaction rating of 95 per cent for the corruption prevention initiatives delivered.

As set out in the following table, in 2019/20 targets were not met due to the COVID-19 public health emergency restrictions impacting on workplace and community activity and preventing a number of events and engagements from proceeding.

<i>Measure</i>	<i>Target</i>	<i>Result 2018/19</i>	<i>Result 2019/20</i>
Number of corruption prevention initiatives delivered (per annum)	90	99	75
Average satisfaction rating of corruption prevention initiatives delivered by IBAC	95%	99%	93%

IBAC recognises that these BP3 measures are activity and output focused and do not reflect the outcomes or impact of IBAC's prevention efforts. We are currently undertaking a review of our BP3 measures, including examining how we may better measure the impact of our prevention and education work.

Notwithstanding these measurement difficulties, there are many case study examples that demonstrate the practical impact of IBAC's prevention efforts over time.

For example in 2016, following public examinations, IBAC tabled a special report on Operation Ord, an investigation into the conduct of officers of the Department of Education and Training in connection with 'banker schools'. As a result of this investigation and recommendations, the Department undertook a major reform program to overhaul its integrity strategy and made changes to strengthen financial controls and compliance, policies and systems in areas that were identified as deficient by IBAC's investigation.

Actions were also taken at a whole-of-government level in response to Operation Ord to strengthen integrity. The Victorian Secretaries Board committed to a program of reform to improve corruption prevention and integrity across the Victorian public service, including measures to support ethical leadership, improve probity in public procurement, and strengthen policy around the management of conflicts of interest, and gifts, benefits and hospitality.

In another example of the impact of our work, IBAC published a research report on Victorian government suppliers' perceptions of corruption in 2016. The report highlighted the importance of suppliers being aware of how to report suspected corrupt conduct of public officers and other suppliers, as well as the standards expected of public officers including requirements around conflicts of interest, impartiality, and gifts, benefits and hospitality. Informed by this report, the Victorian Government Purchasing Board (VGPB) introduced a

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code of conduct for suppliers to state government, effective from July 2017. The code captures integrity and other expectations of suppliers and must be acknowledged by all state government suppliers. Publicity also served to highlight the corruption risks associated with procurement and helped to raise awareness across the business and supplier communities, and the public sector about how to recognise and report corruption.

Local Government Victoria (LGV) is now considering the development of a code of conduct for suppliers to Victorian councils, consistent with the VGPB's supplier code of conduct, as a result of a recommendation made in IBAC's 2019 [Special report on corruption risks associated with procurement in local government](#).

As previously mentioned, IBAC is commencing work on a public report reviewing the key issues and themes arising from recommendations made as a result of investigations. The report will feature good practices arising from public sector agencies' responses to recommendations, to help share learnings and build public sector capacity to prevent corruption and misconduct.

### 2.6.2 Stakeholder expectations

Recent IBAC research, strategic assessments and stakeholder surveys have reinforced the importance of IBAC's corruption prevention and education work, and have also highlighted stakeholder expectations that IBAC increase its role in corruption prevention while safeguarding its independence.

In early 2020, IBAC commissioned independent research to assess public sector perceptions of IBAC's corruption prevention activities. Twenty-five external stakeholders were interviewed from state government, local government, integrity agencies, Victoria Police, the legal sector and academia.

The key findings included that:

- IBAC has significantly improved its corruption prevention engagement and communication and is perceived to be doing well to prevent and expose public sector corruption.
- Stakeholders provided positive feedback on IBAC's public reports and valued the insights and guidance provided, but would like more specific advice and recommendations on how to prevent corruption, as well as tailored information for different workplace settings.
- Stakeholders would like more regular face-to-face engagement and direct lines of communication with IBAC, including meetings, forums and presentations.
- Now that IBAC has established itself as an effective investigator, it should place greater emphasis and resources on corruption prevention and education in both the public sector and broader community.

These findings continue to inform our prevention work but present real challenges given IBAC's current budget and competing priorities for resource allocation.

### **2.6.3 IBAC's role in public sector education**

As outlined in this submission, IBAC contributes content and resources to support the delivery of integrity-related education programs that are run across the public sector and Victoria Police, as well as universities, conferences and other forums. Examples include IBAC presentations to programs delivered by IPAA, such as public sector week and the Senior Executive Integrity and Ethical Leadership Program (IELP), and presentations to LGPro's CEO and Councillor forums.

As outlined in section 2.3.3, IBAC's contribution to police education and training programs is coordinated and delivered through Victoria Police's well-established education programs and infrastructure, including the Victoria Police Academy.

However, IBAC recognises that gaps and consistency issues exist across the public sector in relation to integrity-related education and training. This reflects the size and diversity of the Victorian public sector, with relevant programs provided by a range of bodies and public sector agencies themselves, to educate employees on public sector standards and codes of conduct, and obligations to comply with agencies' policies and procedures.

IBAC does not have the capacity to develop and deliver education and training courses for the public sector. IBAC supports the work of the VO's Public Sector Education Program (PSEP) in providing integrity-related workshops for the public sector on issues such as conflicts of interest and good complaints handling, on a cost-recovery basis (noting that the VO is not currently funded to provide such programs free of charge).

The COVID-19 operating environment has shifted expectations to support more flexible, remote and/or online delivery options (as now being offered by some interstate integrity agencies, such as the NSW ICAC). However dedicated investment and expertise would be required to fully optimise the quality and impact of online integrity education in the Victorian context.

### **2.6.4 Working in partnership with other Victorian integrity agencies**

IBAC's work to prevent corruption and build integrity across the Victorian public sector is amplified through collaboration and coordination with our partner integrity agencies including the VO, VAGO, VPSC, LGI and OVIC.

This submission has included a number of examples of how IBAC partners with other integrity agencies to deliver our prevention and education activities, including resources and events. Given our complementary roles within Victoria's integrity system, a collaborative approach is important to support clear and consistent messaging around preventing corruption and misconduct, and promoting integrity across the public sector. It also enhances effectiveness and efficiency by sharing each agency's collateral and resources through multiple channels to improve reach and impact.

As all of Victoria's integrity agencies have limited resources, there are clear advantages in further sharing of information, greater leveraging of resources, reducing duplication and maximising impact through joint and complementary prevention and education efforts across the public sector. IBAC is committed to building stronger partnerships with other integrity agencies and is exploring opportunities to work more closely together as part of our future corruption prevention strategy.

### **2.6.5 Reviewing and developing IBAC's corruption prevention strategy**

While IBAC's current prevention strategy has been effective at focusing IBAC's corruption prevention and education efforts, it is now five years old and reflects an approach tailored to IBAC's stage of organisational development in 2015, and the research evidence and public sector operating environment at that time.

Over the past five years, there have been significant changes in the Victorian public sector, Victoria's integrity system and in IBAC's operating model, resourcing, capabilities, caseload and data holdings. A stronger evidence base has increased our understanding of emerging corruption and police misconduct risks and there are insights from new approaches to prevention in anti-corruption and other settings.

In light of these developments, IBAC has recently commenced a review of its prevention strategy to identify opportunities to strengthen our organisation-wide approach to corruption prevention, align with IBAC's corporate objectives and strategic directions, reflect contemporary best practice in prevention, and identify new opportunities for IBAC to fulfil its legislated prevention and education functions in the most effective and efficient way, within budget constraints.

The project will:

- analyse the key literature and research findings since 2015, focusing on what works in corruption prevention and building on IBAC's evidence base (research reports, strategic assessments and stakeholder surveys)
- analyse prevention strategies adopted by other anti-corruption and integrity agencies in Australia and internationally (as relevant) to identify best practice approaches
- analyse best practice prevention strategies in other settings and their applicability to IBAC's role in preventing corruption and police misconduct
- consult with key internal and external stakeholders.

Scheduled for completion in December 2020, the review project will develop a proposed new corruption prevention strategy and provide a roadmap for implementation, which will feed into IBAC's next corporate strategy in 2021. IBAC is working to ensure the review project informs, and is informed by, the Committee's inquiry.

### **2.6.6 Budgetary considerations**

IBAC is acutely aware of the budgetary pressures currently facing the Victorian public sector, which have been exacerbated by the health, economic and social consequences of the COVID-19 pandemic. These pressures may result in agencies reprioritising resources to ensure

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maintenance of vital frontline services and potentially reducing investment in 'back of house' corporate governance and integrity activities. This would make IBAC's role in corruption prevention and education even more critical. However, as the Committee is aware, IBAC is itself experiencing serious constraints on its operations due to its current budgetary position.

While IBAC continues to identify ways to more effectively and efficiently deliver for the Victorian community, there has been significant growth in IBAC's workload since 2013 and our core budget has not been indexed. This has meant we are already significantly constrained in our activities and must make difficult decisions on where to commit limited resources to fulfil both our legislated expository and prevention functions.

IBAC has also assumed a range of new legislative and compliance functions over recent years that were not originally budgeted for, and there are high and increasing expectations from key stakeholders and the Victorian community for expanded oversight of police and more investigations and prevention activities. These expectations have been made clear through IBAC's engagement with stakeholders, public discussion and advocacy, as well as the IBAC Committee's 2017 report on its *Inquiry into the external oversight of police corruption and misconduct in Victoria*.

While IBAC is committed to ensuring it delivers its remit for the Victorian community, as the Committee has been previously advised, without additional funding from 2021 onwards, IBAC will not be able to maintain current services and its capacity to expose and prevent corruption will be significantly impacted.

### 3 IBAC'S INTERNAL APPROACH TO CORRUPTION PREVENTION

The Committee's second term of reference for this inquiry includes consideration of how IBAC and the other integrity agencies apply corruption prevention and education policies and practices within their own agency.

IBAC has internal policies and practices to manage the risk of fraud and corruption. These cover a range of areas, including risk and integrity management; ethical culture and leadership; training and awareness; and detection mechanisms.

#### 3.1 Risk and integrity management

IBAC has a comprehensive risk management framework, including a suite of policies, supporting guidelines, tools and an enterprise-wide governance, risk and compliance system. The framework comprises strategic and divisional risk registers, which include a number of risks around internal fraud and employee misconduct. These risks have identified controls and risk treatments and are reviewed annually.

IBAC also has a comprehensive incident reporting framework, with employees required to report a wide range of incidents covering security, information management, property and assets.

IBAC has a suite of integrity-related policies, including policies covering conflicts of interest and private interests, gifts, benefits and hospitality, and fraud and corruption control. IBAC employees are required to declare they have no conflict prior to commencing an investigation or complaint assessment, as well as any recruitment or procurement activity where they are a panel member or chair. Senior executives and employees with a financial delegation above \$20,000 are also required to declare their private interests on an annual basis, in line with the VGPB requirements.

IBAC employees are required to declare any private interests that could give rise to a conflict, whether real or perceived, and must attest annually that they have read and understood IBAC's conflict of interest policy and declared any relevant private interests, including associations and relationships.

IBAC undertakes thorough background probity checks and has an ongoing security vetting process for all employees, with IBAC officers required to obtain and maintain negative vetting 1 clearance through the Australian Government Security Vetting Agency. This includes advising of any change of circumstances that may affect their security clearance and completing an annual declaration process to confirm no change of circumstances. IBAC is implementing periodic probity re-checks for all employees on a biennial basis.

The probity checks, combined with security vetting, are a key part of IBAC's fraud and corruption prevention strategy, helping to identify any behavioural patterns, risk factors or



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vulnerabilities that could be of ongoing concern. IBAC takes a stringent approach to the probity process, expecting the highest standards of ethical behaviour and conduct.

In addition, IBAC has stringent procurement and recruitment processes and controls to minimise the risk of corrupt conduct, including segregation of duties, instruments of delegation for finance and recruitment, and an extensive procurement framework which is aligned with the VGPB procurement framework. The latter includes regular reviews of our policies and guidelines, which are supplemented with annual training. All procurement activities in excess of \$30,000 are reviewed by a dedicated independent internal procurement expert to ensure proper process has been followed.

Serious non-compliance with integrity policies, such as untruthful disclosure or non-compliance with an agreed conflict of interest management plan, may result in disciplinary action in accordance with IBAC's Managing Misconduct policy, which reflects the *Victorian Public Service Workplace Agreement 2016*.

### 3.2 Ethical culture and leadership

As within any organisation, sound implementation of IBAC's risk and integrity management policies and practices is dependent on fostering an ethical culture and leadership, supported by a core set of values and the *Victorian Public Sector Code of Conduct for Special Bodies*. IBAC creates and maintains our culture through strong leadership, and through policies and practices, including strict background probity checks, testing alignment with the IBAC values during the recruitment process and a robust induction process, including legal and security briefings that establish clear protocols for the standards of behaviour expected of our employees.

### 3.3 Training and awareness

IBAC supports new employees with a legal and security briefing, along with quarterly corporate induction training covering elements of risk and integrity. In addition to policy and procedure documents, staff are provided with guidelines, training and awareness sessions, as well as regular online updates and communication from the CEO and executive team. Recent examples include appropriate workplace behaviour training for all staff, contract management training and awareness sessions with managers regarding changes to the conflict of interest and gifts, benefits and hospitality policies and processes.

IBAC previously had detailed online learning modules for procurement, conflict of interest and risk, however due to a change in provider, we are now looking to re-establish suitable online training programs. In the interim, policies and information are provided in the on-boarding pack, via the intranet and the quarterly corporate induction program.

### 3.4 Detection mechanisms

IBAC has a range of corruption detection mechanisms in place, including employment screening, payroll review processes, financial reconciliation processes and reporting, as well



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as a risk based annual assurance program. This includes a range of assurance activities, such as audits of credit card transactions and portable asset audits, performed on a regular basis and reported quarterly through a risk and assurance report. Exceptions detected are initially raised with the employee involved and their direct supervisor. Any high risk exceptions are escalated and reported to the Executive Committee, along with advice on the corrective action taken.

As set out in our annual reports, IBAC has an internal audit program, with audits conducted at least four times a year by an independent auditor, including at least one financial audit, and is subject to a further annual audit of its financial accounts by VAGO. IBAC's finances, audit reports and risk reports are also reviewed by the Audit and Risk Management Committee, which comprises independent members. The Audit and Risk Management Committee monitors IBAC's implementation of audit actions.

### 3.5 Planned enhancements

IBAC is reviewing its fraud and corruption prevention policy in October 2020 to further strengthen our processes. This includes enhancing guidance for staff around reporting possible breaches and potentially corrupt behaviour, and implementation of a fraud and corruption control plan.

Later this year, IBAC will strengthen internal reporting of conflict of interest management, with the commencement of quarterly reports on open and high risk conflicts and the implementation of electronic registers to streamline the reporting and management of conflicts and gifts, benefits and hospitality.

In October 2020, IBAC will further review its assurance program to strengthen controls and implement a number of new spot checks of contracts, conflict of interest declarations, recruitment documentation and pre-employment screening to ensure processes are being followed and applied in a consistent way.

Between January and March 2021, IBAC will review its risk and integrity training and awareness program to ensure training and guidance material is targeted, practical and effectively delivered throughout 2020/21. This is planned to include training in relation to risk management, conflict of interest, gift, benefits and hospitality, fraud control and corruption prevention, and ethics.

4 ATTACHMENT A

