Be alert to corruption risks facing Victoria's state government and local councils

The Independent Broad-based Anti-corruption Commission, IBAC, regularly assesses corruption risks and trends across Victorian state government and local councils. We consult widely to gauge areas most at risk of corruption and identify emerging risks. This helps direct corruption prevention activities strategically to prevent vital public services being undermined, official positions being misused, and public resources being stolen.
Here are the main findings from our latest research conducted in 2019/20.

55
Agencies consulted

1925
State and council employees surveyed

7736
Total allegations analysed

Transparency

There are opportunities for Victoria's public bodies to better demonstrate that decisions are fair and accountable through enhanced transparency.

Why is there limited transparency?
- limited oversight of activities by elected officials and lobbyists
- failure to declare and properly manage gifts, benefits and hospitality
- underreporting of suspected misconduct and corruption
- limited use of data analytics to understand and analyse corruption vulnerabilities, and minimal sharing of data publicly.

Ways to improve transparency:
- public registers of elected officials' interests
- public access to ministerial diaries
- public register of lobbying activity
- availability of post-separation employment information
- registers of awarded procurement contracts
- availability of government data and information on decisions made.

Well-known risks

There are enduring well-known corruption risks that state government agencies and councils struggle to prevent which create ongoing opportunities for corruption. State government and councils also need to develop their capability to identify emerging risks.

Well-known risks include:
- conflicts of interest
- delivery pressures
- recycling employees with histories of questionable conduct or performance
- unauthorised access and disclosure of information
- inadequate managerial accountability and oversight
- organised crime infiltration of public sector, and use of professional facilitators.
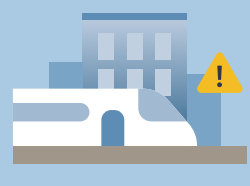
There are also activities which carry risk, such as:
- procurement
- major infrastructure projects
- land use planning
- governance of grant programs.

Emergencies and crisis

Corruption risks are heightened during times of emergencies and crisis. The need for rapid response, demands for public services, and remote working arrangements, can impact accountability and oversight. They also present new opportunities for corruption, specifically around information security.

Rapid growth

Over the long term, Victoria has the highest projected population growth in Australia – while COVID-19 has had a temporary impact on population figures, growth is anticipated to continue following the pandemic. Increasing populations create more demand for public services and associated development. Without appropriate governance and controls, this leads to:

- risks with using non-traditional funding mechanisms or delivery models to fund large infrastructure projects
- oversight and regulatory confusion in the overlap between the delivery of services by the public and private sector.

Influence

There is a risk elected officials and employees may be improperly influenced through donations, gifts, benefits and hospitality (declared or undeclared). This is most likely when interactions between donors, lobbyists and elected officials and employees occur in an environment where:

- there is a lack of transparency in decision making
- there is a lack of transparency in dealings between donors, lobbyists and elected officials and employees
- decision-makers may be compromised
- politically connected lobbyists exert undue influence
- proper procurement and contracting processes can be circumvented.

What can be done to reduce corruption risks?

Leaders have a clear responsibility to raise awareness of the harms of corruption, the importance of preventing it, and to ensure every employee understands their responsibilities through ongoing education and training.

Leaders and managers should increase and improve transparency around record keeping and decision making, and ensure this is available to employees, and where appropriate, the public.

Leaders and managers should provide regular, practical and accessible guidance on how employees can identify and report corruption.

Managers and risk and governance teams should regularly review processes and practices, and explain how they identify risks and apply effective control measures.

Integrity teams should develop predictive capabilities that identify emerging corruption risks.

Resources

IBAC
- Behaviours for organisational integrity
- Building integrity during times of crisis or emergency
- Conflicts of interest: myths, misconceptions and management
- Criminal associations
- Local government integrity frameworks review
- Preventing corruption in procurement
- Recruitment and employment

- State government integrity frameworks review
- Unauthorised access and disclosure of information held by local government
- Unauthorised access and disclosure of information held by the Victorian public sector

Victorian Public Sector Commission
- Conflict of interest guidance for organisations
- Engaging with Lobbyists: Guidance for Victorian public sector employees
- Gifts, benefits and hospitality resource suite
- Integrity guide for new board directors
- Maintaining integrity when working remotely
- Pre-employment screening of misconduct in the Victorian Public Service

For more information on corruption risks, trends and control measures, go to
www.ibac.vic.gov.au

All corruption risks highlighted have been impacted to some extent by the COVID-19 pandemic. While difficult to forecast, current indicators suggest the issues and trends identified will remain valid in the longer term.

ibac Independent broad-based anti-corruption commission