

Managing corruption risks

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As a senior executive you have an obligation to build a culture that has a zero tolerance towards corrupt conduct. It is your responsibility to always act in the public interest, and you must also monitor your workplace for evidence of corrupt conduct. You must ensure your staff know how to report corrupt conduct if they suspect it has occurred. There can be significant consequences for yourself and your agency if you participate in or witness corrupt conduct and fail to appropriately deal with it.

The **Independent Commission Against Corruption (ICAC)** must be notified if there is a reasonable suspicion that corrupt conduct is occurring. You must be aware of your agency's processes for dealing with allegations of corrupt conduct.

While it can take many forms, **corrupt conduct** occurs when:

- a public official improperly uses, or tries to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others
- a public official dishonestly exercises their official functions, or improperly exercises their official functions in a partial manner, breaches public trust or misuses information or material acquired during the course of his or her official functions
- a member of the public influences, or tries to influence, a public official to use their position in a way that affects the probity of the public official's exercise of functions
- a member of the public engages in conduct that could involve one of the matters set out in section 8(2A) of the ICAC Act where such conduct impairs, or could impair, public confidence in public administration.

The NSW community expects us to perform our duties with honesty and in the best interests of the public. Corrupt conduct can lead to inequity, wasted resources or public money and reputational damage for both the agency and the people involved.

Types of wrongdoing other than corrupt conduct can be dealt with by other oversight agencies including the **NSW Ombudsman**. Your agency will have processes to deal with different types of wrongdoing, and you should familiarise yourself with these.

Identifying corrupt conduct

Corrupt conduct can occur in many situations. It is more likely however where some of the following factors are present:

- policies and procedures are absent, unclear or not adequately enforced
- employee training is inadequate
- checks such as audits are lacking
- communication and reporting lines are unclear
- employee supervision and performance management are inadequate
- employees have high levels of discretion in their decision-making
- employees develop close relationships with external stakeholders
- accepted ethical standards are lacking
- the corporate culture condones rule breaking and short cuts.

If you identify any of these issues in your agency, you should work with your chief executive and governance teams to address these.

You must also understand both your delegations as well as the delegations of your employees. Many allegations of corruption reported to ICAC involve the misuse of delegated authority such as:

- an employee using delegated authority to make a decision for corrupt purposes
- an employee acting outside their delegation for corrupt purposes.

Managing the risk of corrupt conduct

As a senior executive you have obligations to manage corrupt conduct risks. You can do this by:

- understand your agency's policies and procedures that cover the use of delegated authority
- participate in training on identifying and managing corrupt conduct risks and the risk of serious misconduct
- properly supervise and manage your staff
- adhere to strong record keeping practices
- promote an ethical culture in your workplace
- ensure your staff know how to report wrongdoing if they witness it
- setting and enforcing delegations
- being transparent about your decision making process

- monitor complaints from the public, including your customers, clients and suppliers, for evidence of corrupt conduct
- treat reports of corrupt conduct seriously and in accordance with your agency's policies and processes.

You can use the resources from the Independent Commission Against Corruption to further understand how to manage corruption risks in your agency.

Corruption prevention advice

Advice on a range of corruption prevention topics including procurement, recruitment and supplier relationships.



Corruption prevention publications

Template policies and information on topics such as managing conflicts of interest, implementing fraud and corruption controls and conducting internal investigations.

