

# Insights and learnings on integrity

Corruption Prevention and Integrity Conference

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Auditor-General

**VAGO**

## Networks of trust

*Trust is central to the critical jobs we have as public servants, if we are to do them well.*

*Our job – to serve the public interest – requires us to be guardians of trust and actively seek to build it with our whole community*

*Chris Eccles*

*In Australia the number of Australians who trust government fell below 50 per cent for the first time in 2014 and was just 37 per cent this year.*

# Breaking trust

## Central Goldfields

*...many issues appeared during the period. These include council's lack of internal controls, inadequate policies and procedures, and an overall lack of respect for compliance.*

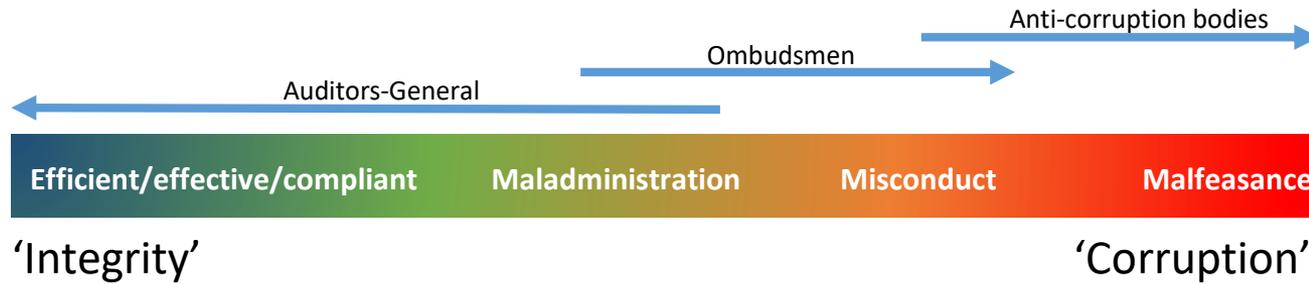
LG Inspectorate

## Alpine resorts – Mt Buller and Mt Stirling

*Perhaps most striking is that the senior public sector employees and the Board Chair gave evidence that they were unaware of their obligations with respect to public sector policies, directives and legislation, and frequently acted inconsistently with their own internal policies.*

Victorian Ombudsman

# Integrity is more than acting honestly and ethically

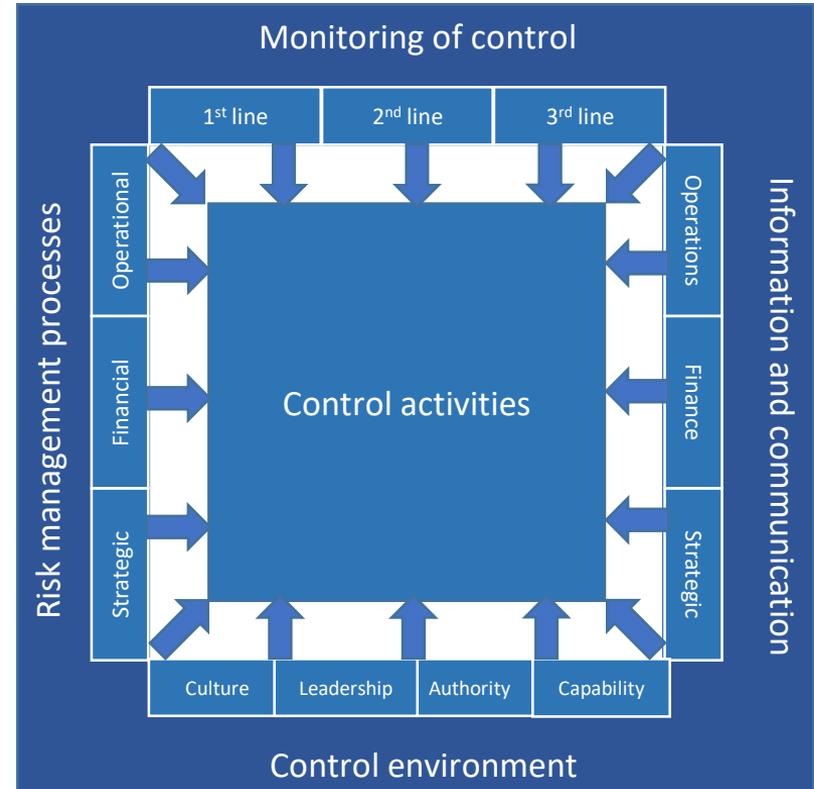


## Integrity systems

- Promoting a culture of integrity requires coherent efforts to define expected standards of conduct, provide guidance and incentives, as well as monitor them in daily practice to ensure compliance.
- It also calls for pro-active efforts ... to anticipate risks to integrity, identify sources of corruption and apply tailored countermeasures.
- Transparency is increasingly used as an instrument to foster accountability and control in relation to government functioning and processes to reinforce public trust.

# Control frameworks

- Efficient and effective operations
- Reliable financial reporting
- Compliance with laws



Adapted from the COSO Internal Control Framework

# The control environment: principles

- entity demonstrates commitment to integrity and ethical values
- governing body demonstrates independence from management and exercises oversight of the design and performance of internal control
- management establishes structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives
- entity demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives
- individuals held accountable for their internal control responsibilities in the pursuit of objectives

## Too much of a good thing?

- The proliferation of oversight agencies and a vigorous media are making public servants and politicians alike timid and risk averse. While sunlight is a good protector against corruption, too much of it can be blinding.
- While each individually might be a good thing in their own right, together, and in combination with the media cycle, they breed a timidity and an often undesirable risk aversion amongst both elected officials and public officials.
- ...it's also true that too much light is blinding and it leaves you uncertain about where you are and where you're going. And I think we're in that sort of moment where we are somewhat blinded.

Yehudi Blacher

# Any questions?

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