

Mandatory notifications progress report

1 December 2016 – 30 November 2017

www.ibac.vic.gov.au

In 2016, the Victorian Parliament introduced legislation that made mandatory the notification of suspected corrupt conduct to IBAC, by Relevant Principal Officers (heads of Victorian government departments, agencies and council CEOs). This report provides a brief overview of the mandatory notification regime in Victoria, after its first 12 months of operation.

Background

Since 1 December 2016, Relevant Principal Officers have been required under section 57 of the *Independent Broad-based Anti-corruption Commission Act 2011* (IBAC Act), to mandatorily notify IBAC of suspected corrupt conduct.

Corrupt conduct, as defined in the IBAC Act must constitute an indictable offence against any Act, or the common law offence of attempt to pervert the course of justice, bribery of a public official, perverting the course of justice and misconduct in public office.

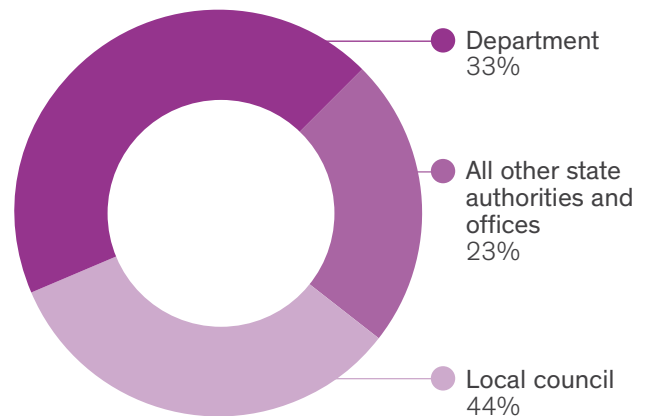
Relevant Principal Officers must have reasonable grounds to suspect that corrupt conduct is occurring or has occurred before notifying IBAC. This means making an assessment of whether there is a real possibility that corrupt conduct is, or may be, involved.

Number of mandatory notifications received by IBAC

From 1 December 2016 to 30 November 2017, IBAC received 109 mandatory notifications. These comprised 48 (44 per cent) from local councils and 61 (56 per cent) from state government agencies.

The number of mandatory notifications represents a small fraction (approximately five per cent) of the 2211 complaints received by IBAC in the period.

FIGURE 1: MANDATORY NOTIFICATIONS BY SECTOR

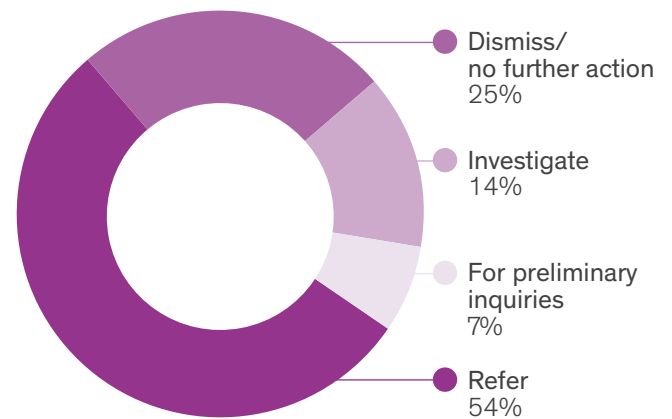


Number of allegations processed

Within the 109 mandatory notifications IBAC received, 295 allegations were assessed. Of the 295 allegations, 158 (54 per cent) were referred to agencies to handle internally or to another body such as the Victorian Ombudsman, 75 (25 per cent) resulted in no further action or were dismissed for various reasons including lack of evidence. The remaining 62 allegations (21 per cent) were retained by IBAC for preliminary inquiry or investigation. A total of 26 allegations were designated as protected disclosures.

Typically IBAC refers and dismisses a high percentage of the overall complaint notifications it receives. With mandatory notifications a much higher percentage of allegations (21 per cent) were retained by IBAC for preliminary inquiry or investigation. Mandatory notifications now make up a significant share of the total number of allegations investigated by IBAC.

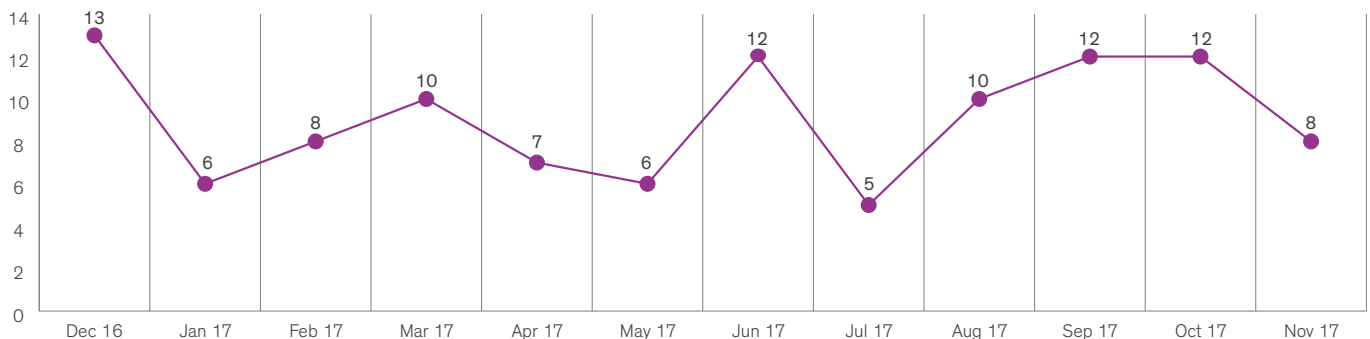
FIGURE 2: OUTCOME OF MANDATORY NOTIFICATION ASSESSMENT



Monthly trends in reporting

To date IBAC has received an average of nine notifications per month ranging from a peak of 13 notifications on commencement in December 2016 to five notifications in July 2017.

FIGURE 3: NUMBER OF MANDATORY NOTIFICATIONS RECEIVED PER MONTH



Key insights on mandatory notifications so far

The responsibility to comply with section 57 of the IBAC Act rests with Relevant Principal Officers. IBAC has engaged with state government departments, agencies and local councils to support the introduction and implementation of section 57 of the IBAC Act.

In mid-2017 IBAC surveyed a sample of Relevant Principal Officers on implementation of the new mandatory notification requirement. Of the 80 responses received, high levels of satisfaction with the support and resources provided by IBAC were reported.

However, some Relevant Principal Officers reported that determining what level of corrupt conduct should be reported under the IBAC Act can be a challenge.

Another reported challenge for Relevant Principal Officers is how they balance discreetly gathering sufficient information to form a reasonable suspicion that corrupt conduct is in fact occurring, or has occurred, and reporting the matter to IBAC in a timely fashion.

Some Relevant Principal Officers also highlighted challenges with raising awareness inside their own organisations, particularly where large government organisations are concerned.

'The challenge has been in determining what is reportable.'

CEO local council

'Communicating policies and procedures across multiple sites and ensuring full awareness and understanding of them is the key challenge.'

CEO, state government authority

As part of the assessment process, IBAC determines the most appropriate course of action for each individual case. Many notifications have been referred back to agencies or to other agencies such as the Victorian Ombudsman to handle due to the allegations not meeting IBAC's threshold for investigation. A number of notifications have also been dismissed due to a lack of evidence to support a Relevant Principal Officer's 'reasonable suspicion'.

Mandatory notifications are an important ingredient in the Victorian public sector's shared responsibility and commitment to identify and address integrity vulnerabilities, and will add to IBAC's information and intelligence holdings. This information will help build a better picture of corruption risk in Victoria which can, in turn, help prevent corruption from occurring.

Based upon the experiences of other Australian state anti-corruption bodies, IBAC expects that both the quantity and quality of mandatory notifications will improve over time.

Further information and resources

Public sector leaders play a key role in building corruption resistance in Victoria's public sector. This includes promoting integrity across the sector, and in taking action where wrongdoing is uncovered.

IBAC provides a range of resources on its website to help Relevant Principal Officers understand and meet mandatory notifications requirements, including Directions and FAQs. The website also includes updated information on the threshold for reporting corrupt conduct, forming a reasonable suspicion, and when to report corrupt conduct to IBAC. We also have a number of new case studies that demonstrate how IBAC has been handling mandatory notifications.

Throughout 2017/18 IBAC will continue to engage with state government departments, agencies and councils to support compliance and to provide ongoing information, updates, resources and support.

If you would like further information or advice, please contact IBAC on 1300 735 135.

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IBAC is Victoria's anti-corruption agency responsible for preventing and exposing public sector corruption and police misconduct. We do this by:

- investigating serious corruption and police misconduct
- informing the public sector, police and the community about the risks and impacts of corruption and police misconduct, and ways in which it can be prevented.

To report corruption now, visit www.ibac.vic.gov.au or call **1300 735 135**.

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