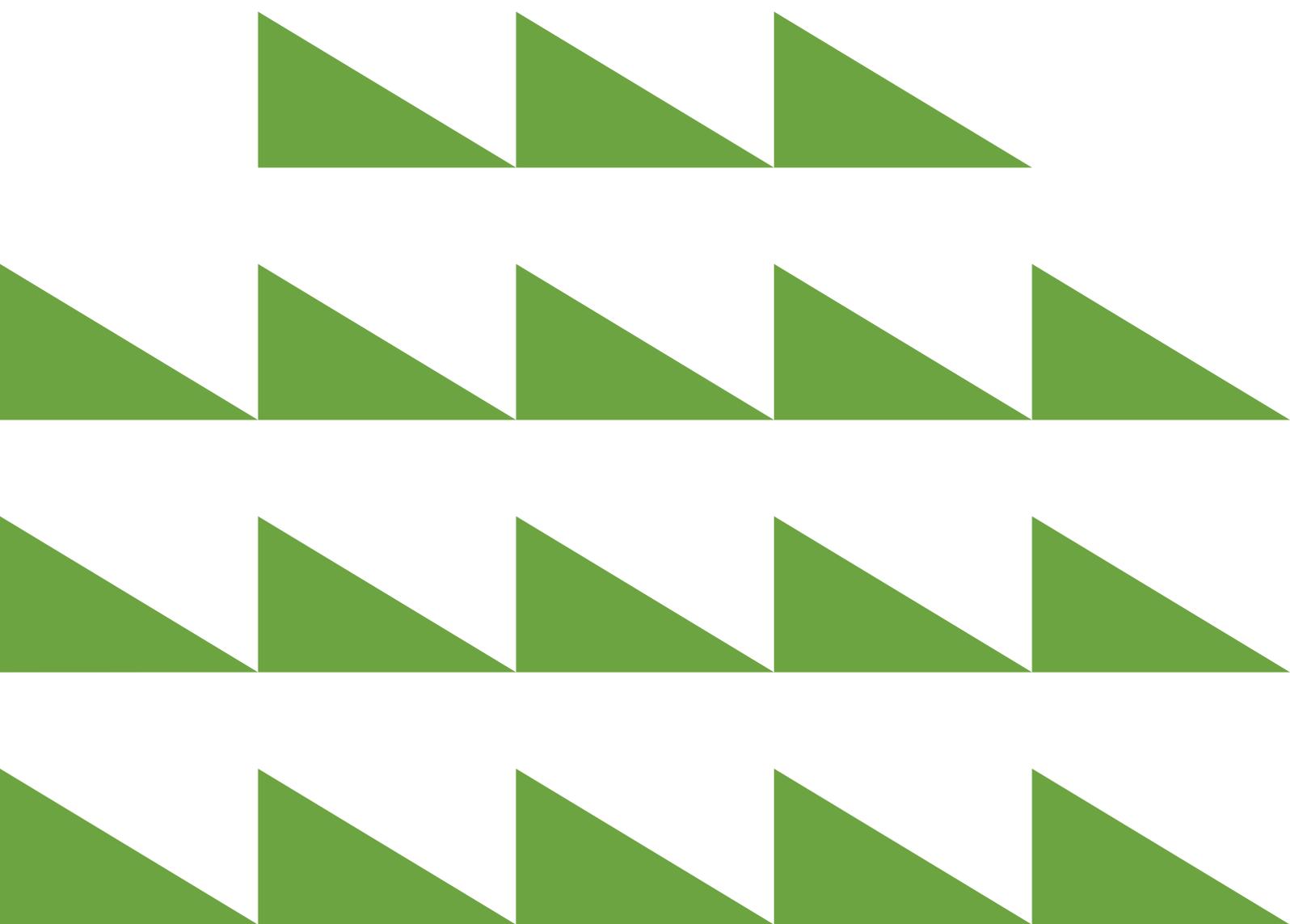


Corruption and integrity: Perceptions of Victorian local government employees

June 2021



Authorised and published by the
Independent Broad-based Anti-corruption Commission,
Level 1, 459 Collins Street, Melbourne.

June 2021

If you need this information in an accessible format,
please call 1300 735 135 or email
communications@ibac.vic.gov.au.

This document may also be found in formats on our
website www.ibac.vic.gov.au

ISBN 978-1-922349-12-5 (print)

ISBN 978-1-922349-11-8 (online)

© State of Victoria 2021
(Independent Broad-based Anti-corruption Commission)



You are free to re-use this work under a Creative Commons Attribution 4.0 licence, provided you credit the State of Victoria (Independent Broad-based Anti-corruption Commission) as author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any branding, including Government logos.

Contents

1	Introduction	2
1.1	Methodology and limitations	3
1.2	Respondent demographics	4
1.3	Key findings	5
2	Perceptions of corruption and misconduct risks	6
2.1	Corruption and misconduct behaviours	6
2.2	Organisational functions and activities	9
3	Corruption resistance	11
3.1	Ethical health and vulnerability to corruption	11
3.2	Reporting corruption and misconduct	14
3.3	Integrity initiatives	17
4	Perceptions over time	18
5	Conclusion	19

1 Introduction

Integrity in local government is important to all Victorians. Victorians place their trust in councils to appropriately maintain billions of dollars' worth of infrastructure and assets,¹ and ensure that development, resources and services provide maximum value and benefit for the community. The community expects people working in local government to perform their duties fairly and honestly. When misconduct or corrupt activities are not identified or left unchecked, public money and resources are wasted. Misconduct and corruption also damage the reputation of the local government sector and more broadly, can undermine trust in government.

Based on the findings of surveys conducted in 2016 and 2019, this report provides an overview of council employees' perceptions of corruption and integrity. A separate report on Victorian public sector employees' perceptions of corruption and integrity is available on the IBAC website.

Employees' perceptions of organisational behaviours, ethical culture and areas of risk provide insight into possible gaps and weaknesses in corruption prevention controls. They also indicate where employees believe councils should increase or focus efforts to reduce corruption risks and vulnerabilities. While in some cases the behaviours described may amount to misconduct rather than corruption, the perceptions of respondents are relevant to understanding the overall ethical culture and risk profile of councils.

The most discernible difference between the previous survey's findings and those from 2019, is that respondents now perceive councillor conduct to be an area of increasing corruption risk. Otherwise, the results in both surveys indicate similar perceptions of corruption risks and barriers to reporting corruption. While perceptions of councils' ethical culture have improved, respondents still expressed a desire for increased training and education about appropriate workplace behaviour, professional conduct and corruption risks.

The 2019 survey results highlight the important role of leaders in setting the example and tone for integrity, and provide insight into the differences of opinion across managerial levels and roles/work areas, particularly around perceived risks and views of organisational health and ethical culture.

Victoria is in a period of significant growth and investment in infrastructure development, which can present additional misconduct and corruption risks. The COVID-19 pandemic is also having an unprecedented impact on social and work environments. The need for an immediate response to emergencies, coupled with remote work arrangements and pressing demands on local government, presents new opportunities and risks for corruption. Further, emergency relief and recovery environments also create increased opportunities for corruption due to increased funding² and associated pressure to deliver services. This is particularly the case for local government, which is primarily responsible for the on-the-ground response to incidents. Accordingly, Victorian councils need to remain alert to corruption and misconduct risks and have effective strategies to minimise those risks.

¹ Municipal Association of Victoria Annual Report 2018/19.

² Natural disasters such as storms, floods and bushfires are estimated to cost Australia an average of \$1.14 billion each year, and place state and territory governments under immense pressure.

VICTORIAN LOCAL GOVERNMENT

The Victorian local government sector consists of 79 councils and employs over 50,000 people,³ spending more than \$7 billion on service delivery and \$2 billion on infrastructure annually and managing more than \$70 billion in public assets.⁴

1.1 Methodology and limitations

In late 2019, IBAC issued an online survey to the 79 Victorian council CEOs for distribution to their employees.⁵ The survey was designed to inform IBAC's understanding of council employees' perceptions of corruption, and to inform prevention initiatives that improve the sector's resistance to corruption. The survey included questions about the organisation's corruption risks and ability to resist corruption, as well as employee demographic details, in order to analyse how these factors potentially influenced perceptions. IBAC received 695 responses from Victorian council employees.

The survey's sample size should be considered when applying the findings to local government more broadly. While the sample size is relatively small, the results do provide a level of insight of perceived corruption and misconduct risks within the local government workforce.

The responses were compared against relevant data from a survey IBAC conducted in 2016. In terms of limitations around comparison of responses, it is noted that the 2016 survey was part of wider research to gauge local government employees' understanding of what constitutes corruption, areas perceived as highest corruption risk, attitudes to reporting, and perceptions of integrity and corruption prevention. This meant that the questions in the 2016 and 2019 surveys differ.

The analysis is based on perceptions prior to COVID-19 and does not include views about corruption risks that may have emerged or become more prominent for employees during the COVID-19 pandemic.⁶ Also, responses were submitted prior to changes to the *Public Interest Disclosures Act 2012* (PID Act) taking effect in January 2020.

³ Australian Bureau of Statistics, *Employment and Earnings, Public Sector, Australia*, (Viewed 12 February 2020), <www.abs.gov.au/statistics/labour/employment-and-unemployment/employment-and-earnings-public-sector-australia/latest-release>.

⁴ Know Your Council, *Local Government in Victoria*, (Viewed 12 February 2020), <knowyourcouncil.vic.gov.au/guide-to-councils/how-councils-work/local-government-in-victoria>.

⁵ Due to the anonymity afforded to survey respondents, it is not known if any councillors or mayors participated in the survey.

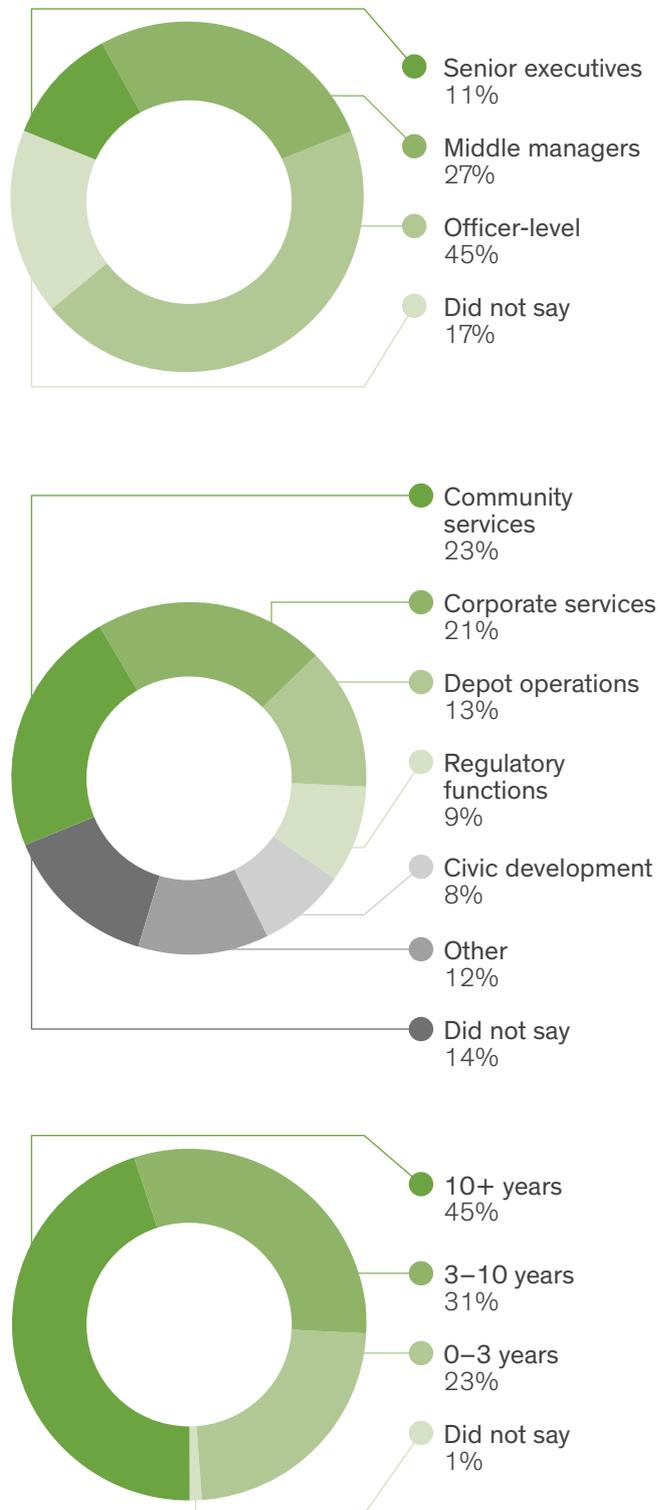
⁶ In 2020, IBAC published two resources on building integrity during times of crisis or emergency. The resources outline the key corruption risks facing Victorian state and local government agencies during emergencies and crisis situations (including COVID-19), the associated warning signs or 'red flags', and suggested prevention measures to help minimise risk. For more information, go to <www.ibac.vic.gov.au/publications-and-resources/article/information-sheet-building-integrity-during-times-of-crisis-or-emergency>.

1.2 Respondent demographics

Figure 1 provides a breakdown of the 2019 respondents in terms of managerial level, roles/work areas, and length of experience in local government. There was particularly strong engagement from those who worked in community services and corporate services. Respondents were generally very experienced within local government, with close to half having 10 or more years of experience, and almost a third between three and 10 years.

This level of representation reduced limitations around comparative analysis of responses to the 2016 survey and provided additional assurance about both quantitative and qualitative findings.

FIGURE 1 – DEMOGRAPHICS OF 2019 SURVEY RESPONDENTS (N=695)



1.3 Key Findings

- The following types of **improper behaviours**⁷ were identified by respondents as being at greatest risk of occurring in the workplace:



nepotism in recruitment, particularly with decision-making and subversion of processes



favouritism and undeclared conflicts of interest in awarding contracts



bullying



non-compliance with processes and delegations



failure to address inappropriate behaviour or report corrupt conduct



misuse of information, including unauthorised access to and disclosure of information.

- The **business activities**⁸ identified by respondents as being most vulnerable to potential corrupt conduct were:



procurement



human resources



licensing, permits and approvals.

Additionally, respondents identified activities outside of work⁹ as an area of vulnerability.

- Respondents perceive improper conduct by councillors to be an increasing corruption risk,¹⁰ particularly when interacting with property developers, business owners and constituents. Further, there is a perception that councillors' political interests may influence decision-making.
- Perceptions about ethical culture in councils improved slightly between 2016 and 2019.
- Respondents at the senior executive level have more favourable views towards organisational culture and integrity compared to those in middle management and at the officer-level.
- Respondents' knowledge about mechanisms for reporting corruption increased between 2016 and 2019.
- While respondents have confidence their councils will treat reports of corruption and misconduct seriously, barriers to reporting still exist, including concerns around confidentiality and fear of detrimental action.¹¹
- Respondents believe senior executives and middle managers who engage in improper behaviour are more likely to be protected from consequences because of their seniority and influence.
- Respondents identified training and education as key integrity initiatives councils could undertake to prevent corruption, suggesting these initiatives be primarily targeted at councillors, managers and senior executives to improve culture and trust across their councils.

⁷ Behaviour that is not in accordance with accepted workplace standards and/or values.

⁸ Activities or functions performed within council, but not limited to a specific team. For example, procurement can be carried out by any area of a council, including a finance and procurement team.

⁹ These include personal and off-duty activities that conflict with the professional responsibilities of local government, whether as an employee or councillor.

¹⁰ This issue was not prevalent in the responses to the 2016 survey.

¹¹ Detrimental action is an adverse action taken against a discloser in reprisal for having reported alleged misconduct or corruption, including harassment or discrimination.

2 Perceptions of corruption and misconduct risks

Survey respondents were asked to identify the most significant corruption risks that could adversely impact the integrity of their council as well as the public sector more broadly, and to discuss why these risks were significant. Respondents were also presented with lists of corrupt behaviours and activities and asked to rate the risk or likelihood of each behaviour occurring within their council, and for corruption to occur in each business activity.

The list of behaviours included:

- favouritism or nepotism
- breach of professional boundaries
- inaction
- misuse of resources
- collusion
- bribery and inducements
- fraud
- theft
- extortion.

The list of activities carried out by councils comprised:

- human resources
- corporate services
- financial management
- asset management
- information and records management
- procurement
- official licensing
- permits
- approvals.

Activities outside of work were also included in the list.

2.1 Corruption and misconduct behaviours

As shown in Figure 2, the four corrupt behaviours considered to be at greatest risk of occurring in the workplace in 2019 were favouritism or nepotism, breach of professional boundaries, inaction and misuse of resources.

WHAT IS CORRUPTION AND MISCONDUCT?

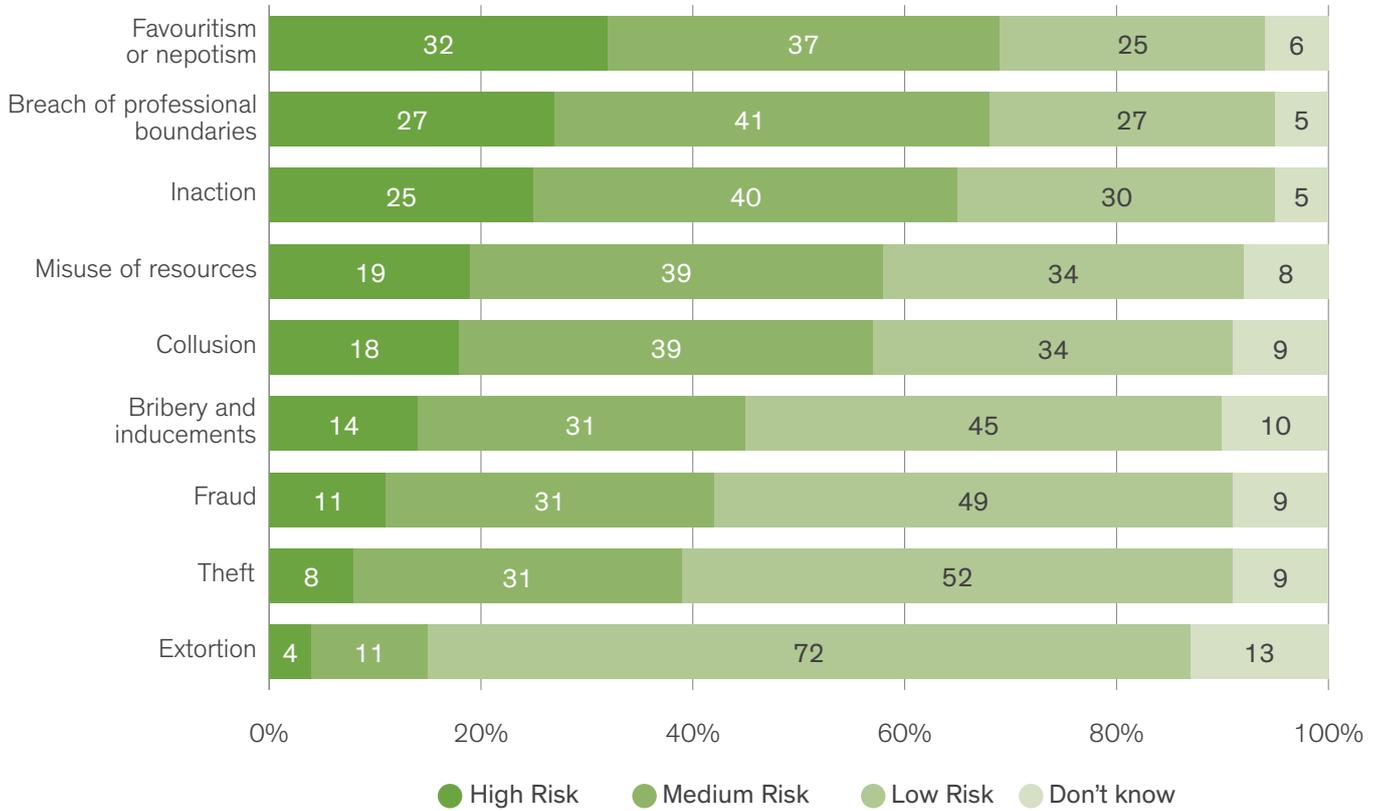
Corruption and misconduct in local government can take many forms, such as:

- committing fraud or theft
- taking or offering bribes
- employing or engaging friends or family as contractors without proper process
- awarding contracts to suppliers in return for personal benefit.

All public sector employees at every level have a responsibility to model the values as expressed in the Victorian Public Sector Code of Conduct and to comply with their agency's policies and probity standards.¹²

¹² IBAC 2017, Public Sector corruption hurts all Victorians (Information sheet, August 2017).

FIGURE 2: PERCEIVED LEVEL OF RISK OF CORRUPTION BEHAVIOURS OCCURRING IN THE WORKPLACE (N=695)



In comments and responses to open-ended questions, respondents provided specific examples of the corrupt behaviours or integrity issues perceived to be at the highest risk of occurring. The most common were:

- nepotism in recruitment, particularly with decision-making and subversion of processes
- favouritism and undeclared conflicts of interest in awarding contracts
- bullying
- non-compliance with processes and delegations
- failure to address inappropriate behaviour or reports of corrupt conduct
- misuse of information, including unauthorised access to and disclosure of information.

For some respondents in regional councils, there is a perception that the size and population of the region, coupled with the closeness of the community, increases the risk of conflicts of interest, nepotism and favouritism both in the workplace and in decision-making with external stakeholders.

The results also suggest a perception that senior executives and middle managers who engage in improper behaviour are more likely to be protected from consequences due to their seniority and influence. This is discussed further in section 3.2 on *Reporting corruption and misconduct*.

2 Perceptions of corruption and misconduct risks

The majority of high-risk behaviours identified in the 2019 survey are consistent with those identified in 2016, suggesting that perceptions of prevalence remained the same over the three-year period. However, concerns associated with councillor conduct emerged as a newly identified area of risk in 2019.

While respondents were not explicitly asked about councillors in 2019, they frequently expressed concern regarding councillors, particularly due to the elected nature of their roles, their level of seniority and personal interests in the community.

There are considerable differences between the responsibilities and functions of councillors and council employees. Councillors are elected to represent their constituents and make decisions for their communities on issues such as social services and infrastructure needs. Council employees are charged with implementing the decisions made, including the development and delivery of those services and infrastructure.

Councillors' established interests and loyalties within their communities increase the risk of conflicts of interest arising when interacting with property developers, business owners and constituents, and respondents perceive this may improperly influence decisions. A conflict is not corrupt merely because it exists; rather, conflicts of interest often become problematic when they are not appropriately identified (concealed or only partially revealed), declared or managed. Respondents also have concerns about how some councillors interact with council staff and officers, particularly adhering to procedure and working within defined professional boundaries.

'[There is] no separation between Councillors and Officers. Councillors can enter office, access desk, get access to information etc. No clear boundaries...'

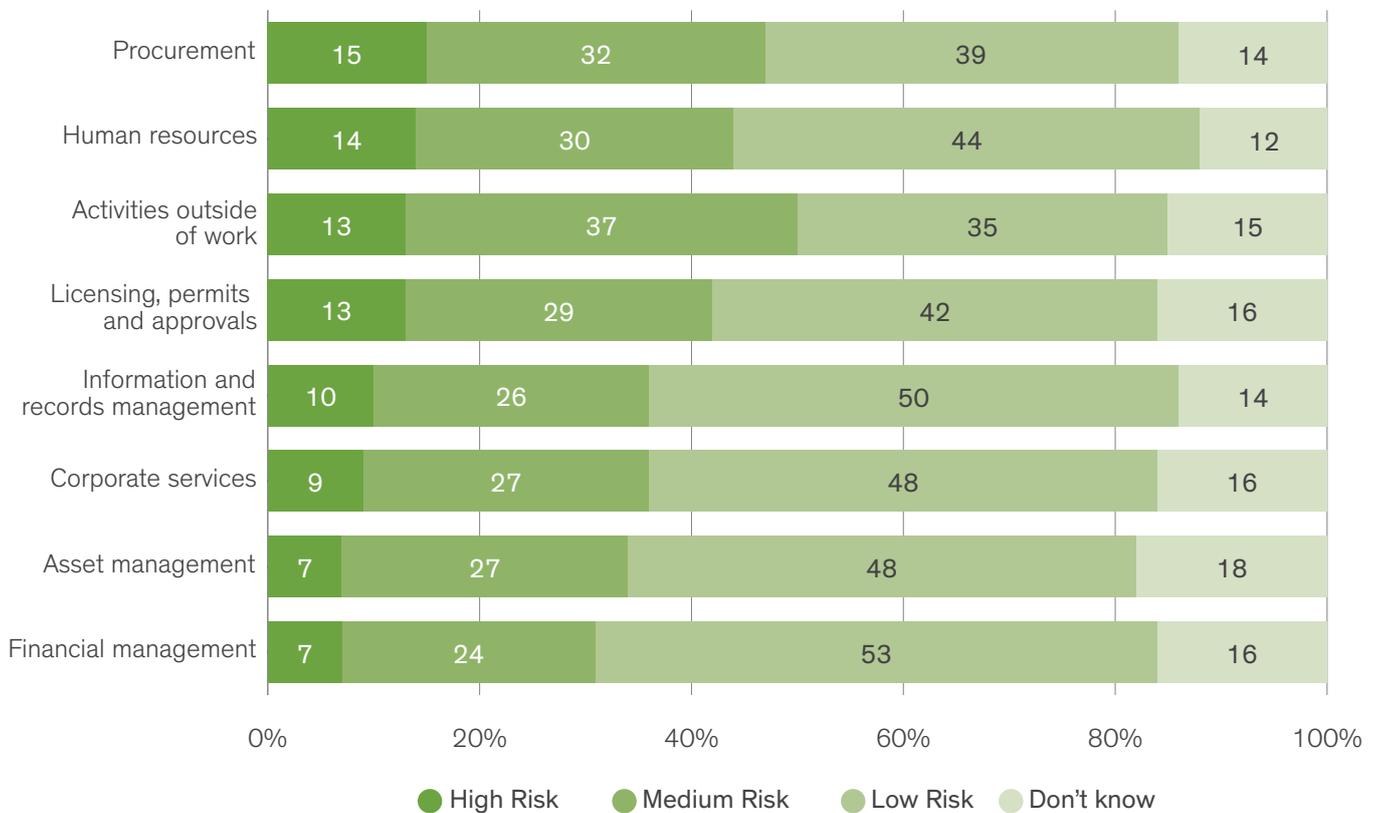
'[My concerns are] mainly around Councillor / staff interaction and influence of junior officers. Cultural [sic] we are hard wired to support Councillors with their requests as much as possible. This can result in influencing decision-making at times.'

'...the risk for inappropriate behavior [sic] is high given that many of the officers and Councillors live, work and have friends, family and business associates within the LGA as well as their own land and assets that are affected by the functions of Council over which they have a degree of control and discretion.'

2.2 Organisational functions and activities

Survey respondents were asked to assess the risk level of a range of work-related functions and activities. As shown in Figure 3, activities with the highest assessed level of risk include procurement, human resources, activities outside of work and licensing, permits and approvals.

FIGURE 3: PERCEIVED RISK OF IMPROPER BEHAVIOUR OCCURRING WITHIN SPECIFIC COUNCIL ACTIVITIES (N=695)



2 Perceptions of corruption and misconduct risks

In free-text sections, respondents consistently raised concerns around procurement processes and practices, in the form of abuse of power, and the acceptance of gifts, benefits and hospitality. This was particularly the case for planning and development related procurement. Concerns about human resources and licensing, permits and approvals as areas of risk featured more predominantly in responses from those in officer-level positions.

To quantify the level of perceived risk across these work activities, the perceptions of all respondents were compared with the perceptions of two important subsets. First, those with more than three years' experience in local government, given they are likely to have a greater understanding of the sector as a result of their time served. Second, those who believe their council has a weak ethical culture and will not treat reports of corruption seriously, given these adverse perceptions were generally a result of direct experiences or observations. There was a propensity for both subsets of respondents to perceive the risk to be higher, most notably for human resources management.

Consideration was also given to the views of those working in areas where procurement, human resources, and licensing, permits and approvals teams are situated. These respondents have the greatest visibility of day-to-day operations and are potentially better placed to rate the level of risk. The results indicated those who work in corporate services¹³ rank the risk of corruption occurring in human resources activities slightly lower than all respondents (11 per cent of this group rank it as 'high risk' compared to 14 per cent of all respondents), but rank procurement marginally higher (22 per cent compared to 15 per cent). Those who work in regulatory functions¹⁴ rank the risk in licensing, permits and approvals slightly higher (16 per cent compared to 13 per cent).

This suggests respondents view procurement and licensing, permits and approvals activities as more prone to corruption, and highlights the importance of strengthening corruption-prevention measures and controls in these areas. These measures include developing rigorous policies on how to identify, address and manage conflicts of interest, or raising awareness around the impact of accepting gifts, benefits and hospitality. Additionally, training on how and why to declare certain associations can also help to reduce opportunities for councillors' personal, political or pecuniary interests to influence council matters.

The disparity in perceptions about human resources management presents opportunities to increase transparency and accountability in the operation of human resources teams within councils. Such an initiative may also help to improve perceptions around organisational health and ethical culture, discussed in more detail in Section 3 on Corruption resistance. This is particularly the case regarding management and transparency in recruitment, promotions and transfers, as respondents perceive these activities to be most vulnerable to nepotism. Council employees are expected to make decisions about employment based on impartiality, rather than favouritism, bias or self-interest. A proper recruitment process should be independent and competitive, with any conflicts of interest effectively and transparently managed.

¹³ Corporate services roles include human resources practitioners, and finance and accounts officers.

¹⁴ Regulatory functions include licensing, inspections and enforcement.

3 Corruption resistance

Survey respondents were asked a series of questions about their council's ability to resist corruption. These related to perceptions of their council's ethical health, vulnerability to corruption, and whether they thought an internal report of corruption would be treated seriously. This information helps measure organisational integrity and identify vulnerabilities and potential opportunities for prevention initiatives.

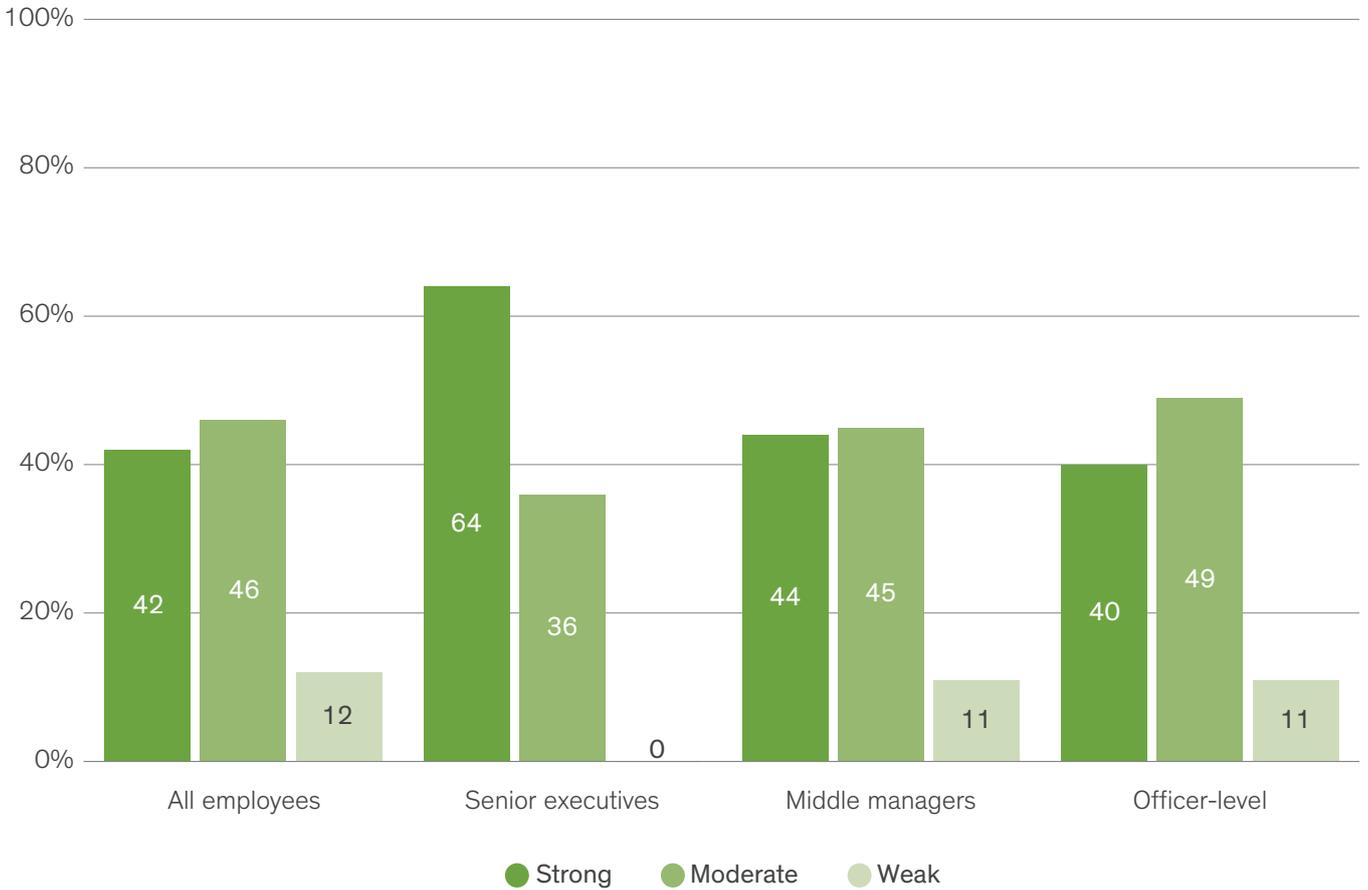
3.1 Ethical health and vulnerability to corruption

A strong and ethical culture exists where organisational values and standards are clearly defined, understood and adhered to by employees. When asked to reflect on this statement, 88 per cent of respondents indicated their council has a moderate or strong ethical culture. This is an improvement on perceptions of culture in 2016, where 74 per cent of respondents agreed with the statement *the culture at my organisation encourages people to act with honesty and with integrity* and 26 per cent of respondents disagreed or felt neutral.

Perceptions of ethical health are also relative to the seniority of the respondent, with results suggesting the more senior the respondent, the more favourable their views. As shown in Figure 4 (on the next page), no senior executive assessed their council's ethical culture to be weak. Instead, 64 per cent rated it as strong. In comparison, 44 per cent of middle managers and 40 per cent of officer-level respondents rated ethical culture as strong.

3 Corruption resistance

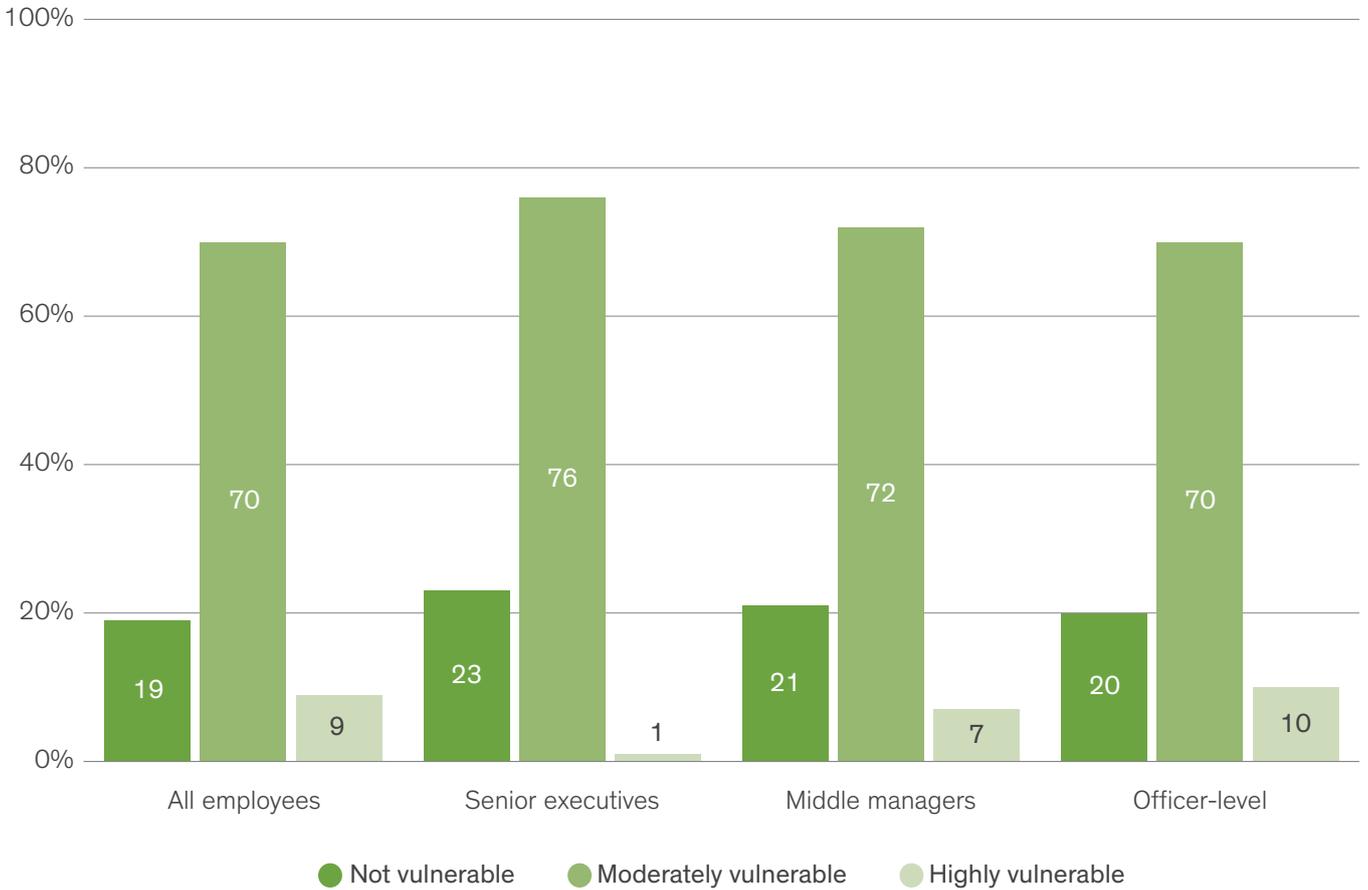
FIGURE 4: RESPONDENT RATINGS OF ETHICAL CULTURE IN THEIR COUNCIL (N=695)



When considering their organisation's ethical culture, internal controls and the specific risks respondents had already identified in the survey, more than 70 per cent of respondents perceive their council to be moderately vulnerable to corruption. Figure 5 shows this perception is generally consistent across all levels of the organisation, including those in senior executive positions.

This suggests that while senior executives perceive their councils as having a high ethical culture, they remain aware of their councils' vulnerabilities to corrupt conduct. Given that senior executives are responsible for setting organisational priorities, it is important they recognise the inherent nature of risk, as this helps to drive robust corruption prevention strategies and initiatives that are adequately resourced.

FIGURE 5: RESPONDENT RATINGS OF ORGANISATIONAL VULNERABILITY TO CORRUPTION (N=695)



There is also a correlation between perceptions of vulnerability and ethical culture. For example, 39 per cent of respondents who rate their council’s ethical culture as weak also rate their council as highly vulnerable to corruption (in comparison to nine per cent of respondents overall). Further, results show respondents who have concerns about ethical culture and organisational vulnerability, tend to work in operational functions performed outside of or away from council headquarters such as regulatory functions (which includes licensing, inspections and enforcements) and depot operations (which includes engineering, maintenance, waste management and trade work). Responses suggest that this perception arises from respondents witnessing or experiencing abuse of positions, bullying and failures by management to address problems. This presents councils with an opportunity to focus culture initiatives in these areas.

‘I have been here only a short time and have already witnessed several racist/sexist comments that make me feel uncomfortable and nobody calls it out..’

‘Staff in the operational division (where I work) regularly display behaviour [sic] in direct contraction [sic] with our corporate values and there are no consequences. This same culture protects its own so where people are taking gifts from contractors or misappropriating staff resources, these acts are protected by other people who are part of this culture.’

3.2 Reporting corruption and misconduct

Approximately two per cent of respondents in 2019 provided specific examples of corrupt conduct observed in their council. Many more implied improper behaviour and/or corrupt conduct was occurring. On this basis, it is reasonable to assume this percentage would be higher if respondents were explicitly asked what they had observed. This presents an opportunity for councils to consider ways to obtain more detailed and specific information from employees about areas of corruption risk and provide further education on mechanisms for reporting misconduct or corruption.

As shown in Figure 6, respondents are generally confident in how seriously their council treats reports of corruption and misconduct, with confidence levels increasing with the seniority of the respondent.

Respondents flagged a connection between leadership and a corruption-resistant workplace. In free text comments, respondents indicated that councils whose leaders actively demonstrate organisational values and provide clear procedures for reporting misconduct and corruption, engender greater levels of trust in senior executives and overall confidence in the council's integrity.

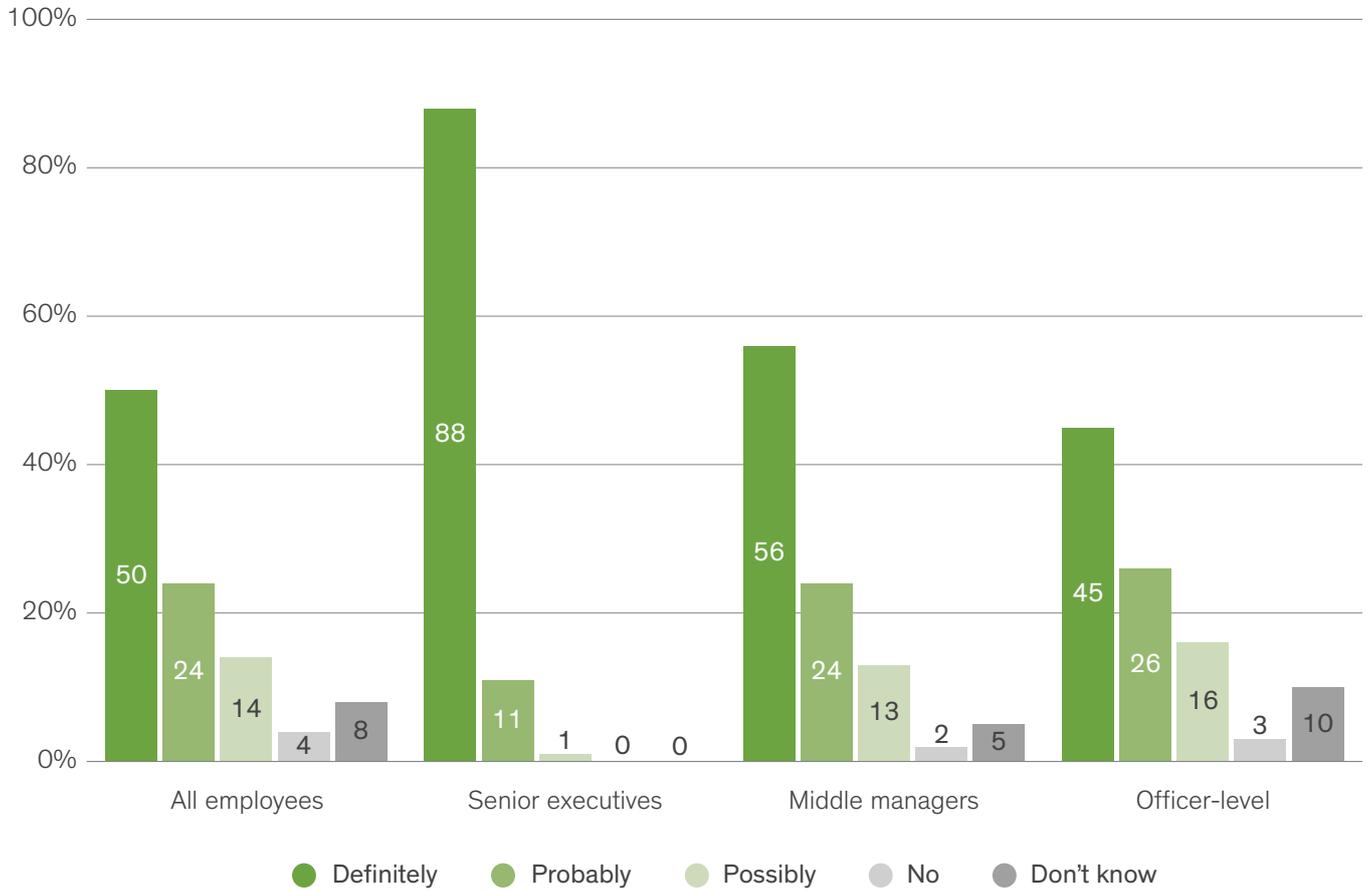
Respondents mostly commented that their councils have robust policies and processes, and established mechanisms in place for reporting and responding to allegations of corruption. This is an improvement from 2016, when only two in five respondents indicated an awareness of how to report corruption, despite the majority stating they would report corruption if they observed it.

However, there was some sentiment among middle managers and officer-level respondents that senior executives will not action reports of alleged corruption. Additionally, there was a general perception that senior executives are treated more favourably when they are the subject of complaints, and in some cases, their corrupt behaviours may be covered up as a result of their seniority.

'Local Government HR departments are notorious for sanctioning unethical recruitment practices and for defending the unethical behavior [sic] of managers when it comes to nepotism and favouritism.'

'In my experience the blame was shifted to the victim and they were investigated, not management.'

FIGURE 6: CONFIDENCE IN COUNCILS TO TREAT REPORTS OF CORRUPTION SERIOUSLY (N=695)



3 Corruption resistance

Officer-level respondents also raised concerns about confidentiality and expressed a fear of detrimental action as a result of making a report, resulting in a reluctance to report suspicions of corruption. Twenty-eight per cent of respondents feared they may lose their job if they reported corruption.

'I would be afraid to report corruption and believe such a report would place me at high risk of losing my job and professional reputation necessary to find alternative employment.'

'Feedback in the past, and first hand [sic] knowledge has been that the whistleblower gets fired, the corrupt person gets promoted.'

These comments reiterate findings from 2016 and highlight the important role direct managers and public interest disclosure coordinators play in supporting employees to report corruption.

The 2019 survey was conducted prior to changes to the PID Act, which came into effect in January 2020. The changes are designed to simplify the process of public officials making a disclosure and allow a broader range of disclosures to be made. Additionally, the changes now ensure the public official making the disclosure is included in the decision-making associated with their disclosure, even in instances where it is recommended that matters be dealt with outside of the public interest disclosure system.

There is a range of barriers to reporting corruption, with findings from both surveys indicating ongoing concerns around confidentiality and detrimental action. This highlights the continued need to improve employee understanding of legislative protections. Councils should consider ways to foster a 'speak up' culture and increase trust in senior executives. This includes improving awareness of the mechanisms for reporting corruption, as well as the systems and processes for protecting discloser identities and information. It is noted that when the updated legislation came into effect, councils were required to have specific public interest disclosure policies in place, and to raise awareness among employees about the mechanisms for reporting and the protections afforded to disclosers. This may improve employee perceptions about reporting over time.

3.3 Integrity initiatives

When asked about specific integrity initiatives councils could undertake to prevent corruption, most respondents identified training and education as key. IBAC's case studies and publications were described as particularly valuable for highlighting examples of risks.

Numerous respondents expressed the importance of directing these initiatives towards councillors, managers and senior executives, to improve organisational culture and trust through a 'top down' approach, noting that greater accountability measures would be required to achieve this.

'I think regular reminders/updates on what exactly constitutes corruption relevant to council employees such as e-learning etc are useful.'

'Training is always good, I think real case scenarios always hit home and get the message across. Led by CEO and Senior Management, all staff to be included.'

'...direct training to Councillors and staff delivered by IBAC would be the best approach to ensure 'buy-in'.'

'Senior staff should lead by example if they want staff to adopt certain behaviours.'

There was also a view that education and training initiatives need to be supported by policies and procedures, and include greater focus on organisational values and appropriate workplace behaviour. There was suggestion that this could be led by human resources practitioners within councils in order to empower them to effect change within their own teams and across their councils more broadly.

Consistent with responses about where corrupt conduct was most likely to occur, respondents flagged human resources as an area to focus corruption integrity initiatives. However, respondents also noted that human resources units needed to 'lead the charge' and be empowered to deliver education and training around values and appropriate workplace behaviour.

'Provide HR with genuine processes and tools they need to address bullying by upper management and political representatives.'

'Policies are irrelevant if they are not robust and can be audited. I would like the CEO to lead the introduction of an independent auditing mechanism for HR policies to ensure that all staff are protected from inappropriate behaviours and that recruitments are more scrutinised.'

'HR departments need to have a lot more sway and leadership in this area - but currently are undervalued and ill-equipped to challenge anything or mediate.'

4 Perceptions over time

IBAC's earlier surveys on perceptions of corruption focused on understanding council employees' knowledge of what constitutes corruption and misconduct, attitudes towards reporting corruption, and perceptions of integrity and corruption prevention. They also found that public sector employees generally rate other organisations as having more corruption issues than their own organisation.¹⁵ The surveys found respondents understood what constitutes corruption and how to recognise and distinguish between corruption and misconduct behaviours. The surveys also highlighted that respondents had a good understanding of their obligations in conjunction with organisational codes of conduct and relevant legislation, and the majority would report corruption and were supportive of corruption prevention activities in their council.

The key purpose for IBAC's 2019 survey was to understand council employees' perceptions of corruption and integrity risks facing the sector and inform prevention initiatives to improve the capability for councils to resist corruption.

The most discernible difference between the previous survey's findings and those from 2019, is that respondents now perceive councillor conduct to be an area of increasing corruption risk. Otherwise, the results in both surveys indicate similar perceptions of corruption risks and barriers to reporting corruption.

The 2019 findings also provide greater clarity around which activities are perceived by local government employees as being more vulnerable to corruption – namely procurement, human resources, licensing, permits and approvals, and activities outside of work. It is possible that risks in procurement, particularly conflicts of interest and relationships between public officers and suppliers, are now more prominent in the minds of respondents, as shortly before the survey, IBAC's Operations Sandon,¹⁶ Dorset¹⁷ and Royston¹⁸ featured in media reports. In any case, procurement practices and processes are a recurring issue in IBAC complaints and investigations. This, combined with the increased level of concern, demonstrates it is an area of significant risk and should not be discounted.

¹⁵ IBAC, *Perceptions of corruption in Victoria* (Research paper, September 2013).

¹⁶ Investigation into planning and property development decisions at the City of Casey Council.

¹⁷ Investigation into corrupt conduct involving procurement at Darebin City Council.

¹⁸ Investigation into corrupt conduct involving procurement at City of Ballarat Council.

5 Conclusion

The importance of leadership in modelling organisational values and integrity in all aspects of their work can encourage a 'speak up' culture and help minimise opportunities for corruption to occur is well documented in research literature. Responses to IBAC's survey support this theory. A 'speak up' culture would be further enhanced where leaders respond to suspected corruption.

Leaders need to work proactively with human resources teams and people managers to deliver prevention initiatives that are tailored to managerial level. This includes implementing and maintaining robust policies, procedures and processes that reduce corruption risks, particularly in relation to recruitment, promotions and transfers, procurement and councillor interactions with staff. Providing engaging training and education initiatives should be prioritised, with examples of appropriate workplace behaviour and corruption risks associated with decision-making incorporated.

Public sector agencies, including local councils, are best placed to manage their own unique corruption drivers and risks. Being proactive with integrity initiatives will improve the trust and confidence of employees. Ultimately, this will also improve the community's trust and confidence in councils and the local government sector overall.

