

Case study: CCC proactively investigate procurement practices within Western Power

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Did you know the CCC can investigate public sector authorities without a tip off?

The Corruption and Crime Commission (CCC) has an important role to play, not only in investigating allegations of serious misconduct and corruption, but in proactively identifying corruption where no allegation has been made.

Under the Corruption, Crime and Misconduct Act 2003, the Commission can make a proposition about serious misconduct based on its own experience and knowledge. The CCC recently used this approach to launch a proactive investigation to obtain and analyse corporate information from Western Power that focused on suspected procurement corruption.

The CCC did not find any evidence of corruption or serious misconduct within Western Power - however the investigation found deficiencies with Western Power's purchasing and procurement practices, and apparent conflicts-of-interest between employees and private suppliers.

The investigation discovered that some employees hadn't declared relationships with external businesses supplying to Western Power in the organisation's conflict-of-interest register. Not declaring a conflict-of-interest in the workplace is a common indicator for potential procurement corruption, and it can impact an organisation's ability to identify potential procurement misconduct and suspicious financial transactions. Western Power fully cooperated with the CCC's enquiries and have committed to making improvements to purchasing and procurement systems, and to improve its due diligence when contracting suppliers.

As part of the investigation, the CCC also used its investigative powers to identify employees who had previous criminal convictions for dishonesty offences that Western Power were unaware of. Some of these employees were performing roles with access to sensitive corporate information, which the CCC identified as another red flag for potential corruption. The CCC cooperatively shared this intelligence with Western Power, which led to particular personnel being identified as a high-corruption risk, and many of these staff are no longer employed at Western Power.

This investigation serves as a lesson to all Western Australian public sector authorities that the CCC can proactively investigate agencies based on its own experience and knowledge. The CCC can use these proactive investigations to assist agencies build their internal capacity to identify and deal with serious misconduct and corruption threats.

The investigation highlights the need for public sector authorities to:

- Have quality personnel vetting and induction programs to identify employees who have prior criminal convictions that may not be suitable for employment.
- Communicate conflict-of-interest policies with employees to effectively identify, and manage any potential or perceived conflicts-of-interest in the workplace, and to protect the integrity of an organisation.
- Have robust internal auditing processes in place, particularly to monitor procurement practices to encourage ongoing compliance of contractual and purchasing agreements.

Contact the Corruption and Crime Commission

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