



## MEDIA STATEMENT

### CCC Report Spotlights Corruption Risks

26 March 2015

WA's public sector is better armed to combat corruption and misconduct following the release of the Corruption and Crime Commission's inaugural risk assessment report into the sector.

Tabled in Parliament today, the Commission's *Report on the Misconduct Intelligence Assessment of the Western Australian Public Sector* provides a broad picture of the state of the public sector, the trends and issues affecting it, and the areas of systemic pressure within it.

It also identifies the agencies and activities that are inherently more susceptible to corruption and misconduct.

CCC Acting Commissioner, Neil Douglas, said the Report, which was informed by data from around 300 government departments, local governments and other organisations, will be a valuable tool for agency heads as they strive to identify and mitigate corruption risks in an increasingly complex operating environment.

"The public sector operating environment is very different to what it was a decade ago – new forms of service delivery have emerged, increasingly characterised by complex or multiple funding arrangements, close partnerships with industry and more sophisticated operating platforms," Mr Douglas said.

"This new environment – and the need for greater efficiencies in light of the State's tightening fiscal environment – demand, from both the Commission and the wider public sector, a more strategic approach to managing corruptive forces.

"To effectively combat misconduct, agencies must be acutely aware of the risks created by the changing nature of the public sector – now often characterised by fully or partially privatised services, the adoption of new technologies and other factors," Mr Douglas said.

"It is far easier to manage corruption and misconduct if the risks and areas of susceptibility are identified – and this Report does just that," he added.

The Report highlights a number of public sector agencies at greater inherent risk of corruption and misconduct. The agencies include the Departments of Corrective Services, Transport, WA Health, the Attorney General, Education, and Local Government and Communities, and WA Police, universities and local governments.

"Some agencies, by the very nature of their work or challenging operating conditions, are more at risk of serious misconduct than others," Mr Douglas said.

The findings indicate that these agencies, more than others, are faced with particular challenges – including large, geographically-dispersed or complicated structures; the management of large budgets; the regular use of discretionary powers; access to highly sensitive information; working with vulnerable client groups; the management of privatised or partially privatised services; and high levels of pressure and scrutiny.

Mr Douglas said the purpose of the Report was to identify inherent misconduct risk – not to examine or pass judgement on the adequacy of the controls already in place by particular agencies to mitigate corruption risks.

“The Commission is not in the business of telling public sector heads how to run their agencies, nor prescribing how misconduct and corruption should be managed. Instead, we’re providing what we think is very valuable information that will help inform and strengthen their policies, processes and systems,” he said.

“It is also true that these larger agencies, which will be a key focus for the Commission, are also some of those working very proactively with the Commission to introduce improved governance, systems and processes to mitigate the risk of corruption and misconduct.”

The Report also identifies a range of higher-risk activities – including procurement and contract management, and services related to regulatory or licensing functions.

“The shift away from traditional service delivery to outsourced business models – and the particular vulnerabilities that leads to in terms of conflicts of interest, gifts, benefits and fraud – will be a focus for the Commission going forward,” Mr Douglas said.

Importantly, the release of the *Misconduct Intelligence Assessment* report signals the Commission’s move to a strategic intelligence approach, whereby its efforts and resources will be applied to those areas of the public sector where the risk of serious misconduct is deemed greatest.

“This Report alerts public sector agencies to the areas that are commanding our attention – and clearly and openly signals the focus of the Commission’s activities going forward.

“It will mean we will be focusing on those areas where we can make the biggest difference and direct our resources to where they are needed most,” Mr Douglas said.

A copy of the report is available on the Commission Website at <http://www.ccc.wa.gov.au/Publications/Reports/Pages/default.aspx>

*ENDS*

#### **Media Contacts:**

Marie Mills: (08) 9421 3600 or 0418 918 202.

Louisa Mitchell: (08) 9421 3600 or 0434 308 208.