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# **CORRUPTION PROTECTION IN PROCUREMENT – A LEGAL PERSPECTIVE**

## **IPWEA Vic Seminar**

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# Introduction

- The Problem Identified and Illustrated
- Victoria's Integrity Regime
- Institutional Controls
- Self-Protection Measures





# THE PROBLEM IDENTIFIED AND EXPLAINED

- What is 'Corruption'?
  - Dishonesty in performance of public functions
  - Dishonesty affecting honest performance of public functions
  - Deliberate or reckless breach of public trust
  - Misuse of information acquired in course of public functions





# THE PROBLEM IDENTIFIED AND EXPLAINS (contd.)

- Some Examples
  - Kickbacks or ‘perks’ from provider
  - False or inflated invoicing
  - Misappropriation of goods ordered on Council's behalf
  - Purchasing goods or services from an entity in which has interest
  - Passing on confidential information
  - Interference with procurement process
  - Collusive tendering





# VICTORIA'S INTEGRITY REGIME

- IBAC
- Ombudsman
  - Port Phillip City Council Report (2009)
  - Casey City Council (2010)
- VAGO
- Local Government Inspectorate





# INSTITUTIONAL CONTROLS

- Procurement Policy
- Audit Committee
- Conflict of Interest Obligations
- Protected Disclosures Regime
- Offences (e.g. obtaining financial advantage by deception)





# SELF - PROTECTION MEASURES

- Delegations (including expenditure limits)
- Extended Conflict of Interest Policies (including for Tender Evaluation Panels)
- Gift Register
- Statutory Declaration about Collusive Tendering
- Insurance
- Probity advice and auditing





# SELF – PROTECTION MEASURES (contd.)

- Contractual clauses providing for:
  - Regular reports by provider
  - Auditing of provider's accounts
- Staff Training:
  - Basic competencies
  - Recognising corruption risks







# SELF – PROTECTION MEASURES (contd.)

- Cultural awareness
- Structural review to identify corruption risks
- Random checks/monitoring





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