

Circular No. 10-12
Date 4 June 2010
Doc ID. A215619

Contact Tony Day
(02) 4428 4190
tony.day@dlg.nsw.gov.au

ENHANCEMENT OF CORRUPTION PREVENTION STRATEGIES

The Independent Commission Against Corruption (ICAC) has recently tabled the report of its investigation into the offer of a corrupt payment to a council official of Strathfield Municipal Council.

ICAC reported that the issue of public officials being offered money or gifts by persons with whom they were dealing in an official capacity remains prevalent and problematic in the community. Between 1 January 2008 and the commencement of the Strathfield Public Inquiry, of 44 reports to ICAC involving members of the public offering a bribe or gift, 33 of these were made by general managers of councils about bribes or gifts offered to themselves or council staff. There have been three public inquiries conducted by the ICAC over the last 18 months where the person making the payments or inducements to local council staff did not have English as their first language.

ICAC has identified in its report the need for local councils to clearly communicate business ethics to those with limited literacy skills in English who are engaging in commercial transactions with councils. One of ICAC's recommendations was that the Division issue a circular to all councils to address this issue. The Division supports ICAC's recommendation.

The Division is aware that a number of councils already have in place Statements of Business Ethics and/or local policies on gifts and benefits that provide advice to members of the public on mutual expectations and acceptable/unacceptable conduct in their dealings with the council. This information should also indicate that corrupt acts such as inducements are not acceptable and will be reported to the ICAC. The Division has consistently supported and encouraged the development of these statements of business ethics as good practice.

The availability to all segments of councils' local communities of anti-corruption messages is a positive and useful measure to reduce the incidence of corrupt conduct and improper practices by persons in their dealings with councils.

Statements of business ethics and local policies on gifts and benefits should be prominently displayed and available in relevant community languages on council websites and issued at points of contact, particularly where discretion in decision making is likely to be exercised.

Councils should also consider providing fact sheets or brochures to applicants and persons seeking to engage in commercial transactions with council that summarise the council's expectations. This information should be provided at, or as soon as possible after, initial contact and be available in a range of locally relevant community languages.

The inclusion of anti-corruption information in other relevant documents, such as procurement guidelines, is also supported. The insertion of clauses into the terms and conditions of agreements or contracts setting out the possible consequences of corrupt conduct, such as termination of the agreement or contract and the payment of damages, will, where appropriate, complement the educative strategies being implemented and reinforce the expectations of the council in particular matters.

Consideration of the implementation of these, and any other locally appropriate measures, to address the risks identified by the ICAC as contributing to improper conduct by persons dealing with public officials is strongly encouraged by the Division.

I would also encourage council members and staff to read the ICAC report, which is available on the ICAC website at www.icac.nsw.gov.au.



Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet