



# ACTPS Integrity Governance Policy

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## CONTENTS

Introduction/Purpose.....	3
Application.....	3
Key Legislative Provisions .....	3
Principles .....	4
Risk management for integrity .....	4
Senior Executive Responsible for Business Integrity Risk.....	4
Risk assessment.....	5
Reportable Conduct .....	6
Fraud and Corruption Prevention Plan .....	6
Review of Fraud and Corruption Prevention Plan.....	7
Monitoring and recording integrity strategies.....	7
Role of Audit and Risk Committee .....	8
Detection and investigations.....	8
Private Sector Providers and Consultants .....	9
ACT Integrity Commission.....	9
Responsibilities .....	10
Consultation.....	10
References.....	10
Further Information .....	10
Review.....	11
Approval Authority .....	11

## Introduction/Purpose

1. Integrity comprises both straightforward dealing and completeness in our actions and behaviours. It is based upon honesty and objectivity, and high standards of propriety and probity in the stewardship of public funds and resources, and management of an entity's affairs. It is dependent on the effectiveness of the control framework, influenced by relevant legislation and ultimately determined by the personal standards and professionalism of the individuals within the entity. It is reflected both in the entity's decision-making procedures and in the quality of its financial and performance reporting.
2. All ACT Public Sector (ACTPS) directorates and agencies and public employees must promote integrity and prevent misconduct, including fraud and corruption.
3. The ACTPS Integrity Governance Policy refers to the integrated systems, processes, leadership, and culture that will ensure better integrity practice in all ACTPS operations. It will assist directorates and agencies to assess their integrity risks and give guidance on the development of appropriate policies and processes to strengthen integrity.

## Application

4. The Integrity Governance policy applies to all ACT Government directorates and public sector bodies in relation to public employees and executives employed in the ACTPS under the *Public Sector Management Act 1994* (ACT) (PSM Act). Integrity also applies to board and committee members and contractors or consultants.
5. In this Integrity Governance Policy, these persons are referred to as **employees** and include an officer, temporary employee, casual employee, public sector member and a member of the senior executive service<sup>1</sup>. This Integrity Framework also applies to board and committee members and contractors or consultants exercising the function of a public sector entity.

## Key Legislative Provisions

6. Part 2 of the [PSM Act](#) establishes the legal and ethical framework for the ACTPS. Employees should be mindful of their obligations under Division 2.1 of the PSM Act which sets out the values and general principles that public servants must adhere to in their day-to-day work.
7. Section 7 of the PSM Act identifies the meaning of the [Public Sector Values](#) and how they are to be used and applied in an employee's work.
8. Section 9 of the PSM Act articulates the expected conduct and behaviour of all employees. This includes but is not limited to; an employee must take all reasonable steps to avoid a conflict of interest and an employee must not behave in a way that is inconsistent with the public sector values or undermines the integrity and reputation of the service. It is also expected that an employee must not take improper advantage of their position or information gained through

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<sup>1</sup> Division 7.2 provides a definition of eligible employment and a mechanism for working out certain entitlements for public servants. The Legislation Act defines 'public servant' as a person employed in the public service. Section 12 of the PSM Act establishes the ACT Public Service. It provides that members of the ACT Public Service are 'the senior executive service', 'officers' and 'employees'. A senior executive service member is a person engaged under section 31 of the PSM Act. An officer is a person appointed to an office on a permanent basis (see section 24 PSM Act). An employee is a person employed to exercise the functions of an office on a temporary basis (see section 25 and part 5.8 PSM Act), which includes a person employed on a fixed term temporary or casual employment contract. The entitlement applies to 'public sector members' by virtue of section 150 of the PSM Act. A public sector member includes a statutory officeholder and a person employed by a statutory officeholder.

their position or improperly use an Australian Capital Territory ('Territory') resource, including information, accessed through their job.

9. Part 2.3 of the repealed [Public Sector Management Standards 2006](#) (PSM Standards 2006) refers to Fraud and Corruption responsibilities for Director Generals. Section 113 of the [Public Sector Management Standards 2016](#) (PSM Standards 2016) states that Part 2.3 (PSM Standards 2006) continues to apply, despite the repealed standard.

## Principles

10. Directorates/agencies are required to pursue a proactive, preventative, and systematic approach towards maintaining integrity. Once a breach of integrity has occurred, the damage to the reputation of the ACTPS and the loss of resources has already transpired, and no matter how effectively the case is handled, these negative aspects cannot be undone.
11. Directors-General (DGs) and Chief Executive Officers (CEOs) are encouraged to highlight to employees the importance of integrity and the role they play in maintaining integrity across the organisation. This can involve encouraging managers to discuss the issue at staff meetings, running articles on integrity in staff newsletters or issuing a staff circular on the integrity policy. Senior Executives Responsible for Business Integrity Risk (SERBIRs) can assist DGs and CEOs with this work.
12. All public servants will model appropriate behaviours and standards to support the integrity of the ACTPS.
13. All executives and senior staff are expected to lead by example and to exemplify honesty, integrity, and probity in their work-related activities.
14. All staff are expected to report breaches of integrity and to act upon incidents of misconduct, fraud and/or corruption.

## Risk management for integrity

15. DGs and CEOs must ensure that risks to integrity of the directorate/agency are:
  - (a) assessed and treated in accordance with the [Risk Management Standard](#) and the associated policy guidance; and
  - (b) addressed in detailed fraud and corruption prevention plans.

## Senior Executive Responsible for Business Integrity Risk

16. Each directorate or agency is required to appoint an individual as the Senior Executive Responsible for Business Integrity Risk (SERBIR). The SERBIR has primary responsibility for the implementation of the Integrity Framework with some associated functions outlined in the Financial Instructions. SERBIRs are appointed to manage the integrity requirements under the PSM Standards 2006 (part 2.3) which includes implementing integrity strategies and processes to detect and investigate fraud and corruption.
17. In addition, the SERBIR deals with:
  - risk management for integrity and fraud and corruption prevention planning;
  - reporting of fraud and corruption; and
  - referral of corruption allegations and public interest disclosures.

## Risk assessment

18. When applying the Risk Management Standard to a specific integrity risk with a directorate/agency, there are certain issues that need careful attention.
19. Some of the matters that directorates/agencies should consider when assessing risks to integrity are as follows:
  - establishing the context of risks to integrity and considering all relevant issues including fraud, corruption and the misconduct issues covered by Section 9 of the PSM Act. At a broader level are a series of factors like waste of public resources, mismanagement, damage to reputation and abuse of office that should also be taken into account;
  - key stakeholders should be identified and consulted. This will include the broad range of expertise within the directorate/agency, as well as important external service providers. Directorates/agencies may wish to consider approaching the ACT Ombudsman, the Auditor-General, the Public Sector Standards Commissioner and the ACT Integrity Commission for input;
  - input from Workforce Capability and Governance, CMTEDD may be useful, particularly the Professional Standards Unit who may be familiar with recent investigations and associated trends within the directorate/agency and wider ACTPS. It is beneficial for directorates/agencies to carefully examine records of cases that have been investigated to ascertain where control processes have broken down;
  - while not attempting to pre-empt the range of risk areas that directorates/agencies should address, experience has shown that there are some areas of public sector administration that are particularly prone to breakdowns in integrity. As a matter of prudence, the directorates/agencies should pay attention to the risks associated with:
    - IT Systems
    - Clients
    - Access to personal information
    - Finance, trust funds or receipt of moneys, managing clients' affairs or funds
    - Procurement and Contract Management
    - Asset Management
    - Inadequate supervision of licensing or information processes
    - Inadequate record keeping
    - Fraud prevention and public interest disclosure
  - directorates/agencies should undertake an assessment of the risks and the treatment of the risks through control mechanisms;
  - the adequacy of controls should be carefully assessed. This is extremely important in the area of integrity, particularly fraud. It is advisable to seek the insights of those employees who implement controls. Directorates/agencies need to ensure that managers are appropriately informed to undertake the process;
  - the decisions made during the risk assessment process need to be recorded and filed. This will enable the risk assessment methodology to be replicated, or more likely, to be fine-tuned to deal with future developments;

- in the process of identifying and analysing risks, there will be information from the participants on what needs to be done to reduce or eliminate risks. This information needs to be recorded in detail to inform the next stage in the process; and
  - the risk assessment and the development of the fraud and corruption prevention plan are separate processes. The end product of this effort is to develop a series of action items that will reduce risks to integrity within the directorate/agency.
20. The ACT Insurance Authority has created a suite of risk management tools as well as the [ACT Government Risk Management Policy 2019 Implementation Guide](#) that can be used to assist directorates/agencies implement robust risk management practices.

## Reportable Conduct

21. After an allegation of reportable conduct is made against a public employee, a risk assessment must be undertaken. This document should be provided to the ACT Ombudsman when an S17G Notification form is submitted. The purpose of the initial risk assessment is to identify and minimise risk to:
- the child/ren who are the subject of the allegation;
  - other children with whom the employee may have contact;
  - the employee against whom the allegation was made; and/or
  - the proper investigation of, or response to, the allegation.

## Fraud and Corruption Prevention Plan

22. Under Part 2.3 of the [PSM Standards 2006](#), directorates/agencies are required to develop and implement a Fraud and Corruption Prevention Plan. The preparation of this plan follows on from the formal risk assessment of the directorate/agency.
23. The following matters should be contained in the directorate/agency plan:
- the plan should be based upon a recent identification and assessment of the risks to the directorate/agency and will deal with those risks in priority order;
  - the Risk Management Standard allows for several responses for dealing with risks, including accepting risks, insuring against risks, and sharing risks. These responses are not appropriate when dealing with integrity. With risks to the integrity of the directorate/agency, these should all be dealt with through reducing their likelihood by improving controls and raising employee awareness;
  - the plan should clearly identify which line area of the directorate/agency is responsible for dealing with the risk;
  - the SERBIR's primary role will be monitoring to ensure the plan is implemented and co-ordinating any risk treatments that involve more than one area of the directorate/agency;
  - the plan should have a realistic timetable for implementation. It should reflect the priority of and potential consequences of the risk in the risk assessment process; and
  - the plan should coordinate the response to integrity risks with other governance mechanisms including internal audit, physical security and IT security.
24. DGs and CEOs should implement strategies to actively detect potential weaknesses or exposures to fraud and corruption risks within the directorate/agency's programs and operations, in accordance with privacy considerations and by noting the requirements for cost effectiveness of these strategies.

## Review of Fraud and Corruption Prevention Plan

25. DGs and CEOs must ensure that the integrity arrangements within the directorate/agency are assessed and reviewed every 2 years, or more frequently if:
  - (a) any significant suspected fraud or corruption is discovered; or
  - (b) there is a significant change in the nature or scope of operations, procedures or systems.
26. Reviews will usually entail:
  - determining that the risk assessment methodologies are valid;
  - conducting another risk assessment;
  - reviewing changes in the programs, operation, and environment since the last plan;
  - prioritising any outstanding recommendations from the last fraud and corruption prevention audit that are yet to be implemented; and
  - developing a further 2-year program for fraud and corruption prevention, which will rectify residual shortcomings in the procedures.
27. If there has been a major change in the functions, responsibilities or procedures of the directorate/agency, a further risk assessment may need to be conducted and if new risks are identified, the plan should be altered accordingly. Machinery of Government changes may warrant a need for a risk assessment to be updated outside the usual cycle.

## Monitoring and recording integrity strategies

28. As per Part 2.3 the PSM Standards 2006, DGs and CEOs should request their respective Audit Committee to oversight the effectiveness of the integrity arrangements, and in particular, risk assessments and the implementation of fraud and corruption prevention plans.
29. It is incumbent on managers to regularly and systematically assess the potential risks for theft, fraud, and corruption within their area of responsibility to ensure that relevant control procedures are being followed and are effective.
30. Directorates/agencies must establish and maintain an information system that records - all:
  - (a) instances of fraud and corruption;
  - (b) referrals to the Integrity Commission;
  - (c) losses to the directorate/agency or potential for damage to the reputation of the directorate/agency or ACTPS;
  - (d) investigative action taken;
  - (e) disciplinary action taken or outcomes of matters which have been prosecuted; and
  - (f) any changes to procedures and practices arising from the incident.
31. The Audit Committee should have access to regular reports of information from the fraud and corruption reporting system.
32. DGs and CEOs must include details of the implementation of the fraud and corruption prevention plans in the Annual Report to the relevant Minister.
33. The Annual Report Directions specify what information directorates and public sector bodies must provide in their annual reports. As part of this, directorates and public sector bodies must provide information on their fraud prevention policies and practices, including prevention strategies. Directorates and public sector bodies must also provide information on fraud

detection strategies, including the number of reports or allegations of fraud or corruption received and investigated during the year, and action taken and outcomes of any investigations. Directorates/public sector bodies must refer to the Annual Report Directions for specific reporting requirements.

34. It is noted however, that referrals to the Integrity Commission often result in limited feedback for SERBIR's and Directorates, due the confidential nature of the Commissioner's assessment and investigation function. This may impact a Directorate's input to their respective Annual Report submission.

## Role of Audit and Risk Committee

35. As specified in the PSM Standards 2006, an Audit Committee means a body created in accordance with the policy document titled [Framework for Internal Audit Committee and Function](#) . An overarching role of the directorate/agency Audit Committee is to monitor and review the effectiveness of corporate governance mechanisms within directorates and agencies.
36. A function of the Audit Committee is to provide an independent opinion to the DG or CEO regarding the adequacy of risk management processes. To perform this function, the SERBIR will need to provide the Audit Committee with integrity-related risk assessments for the directorate/agency, proposed strategies to address risks, and action being taken to address unacceptable risk levels.
37. The Audit Committee may arrange for independent reviews of any of the management processes regarding risk management. Results of these reviews will be directly reported to the DG or CEO. The Audit Committee should also establish a Charter to outline the key objectives and function of the Committee.

## Detection and investigations

38. Detection mechanisms are essentially reactive because they come into effect only after the wrongdoing has occurred. Directorates/agencies should adopt, and publicise, proactive programs that seek out cases of fraud, corruption, and breaches of integrity, based upon directorate/agency records. Such actions will perform a valuable deterrence role.
39. In actively assessing the application of integrity practices, directorate/agencies need to be sensitive to:
  - the requirements of the [Privacy Act 1988](#) by not using information disclosed for one purpose for an unrelated purpose;
  - the rights of clients and employees not to be the subject of surveillance unless a serious criminal offence is suspected; and
  - the cost-effectiveness of detection activity.
40. The Professional Standards Unit (PSU) in CMTEDD undertakes misconduct and complaint investigations in the ACTPS, under the auspices of the [Public Sector Standards Commissioner \(PSSC\)](#). It is mandatory for all misconduct investigations to be managed centrally by PSU except in extenuating circumstances. This allows for streamlined investigation practices and ensures consistency, independence, and transparency in the investigative process across the ACTPS. This approach has also improved the quality and timeliness of investigations.
41. The PSSC may undertake investigations independently or with support from the PSU. Where matters are referred outside the ACTPS, the PSU maintain an oversight role to ensure consistency of process.



42. DGs and CEOs must ensure that where cases of fraud and corruption are detected or notified, action is taken to investigate those cases.
43. Directorates/agencies should recover losses caused by illegal activity through [proceeds of crime legislation](#) and civil recovery processes and, in the absence of criminal prosecution, apply appropriate civil, administrative or disciplinary penalties.

## Private sector providers and consultants

44. Directorates/agencies may draw upon the expertise of the private sector or consultants in the assessment of risks to integrity and the preparation or evaluation of the Fraud and Corruption Prevention Plan. Risk management is one aspect of management generally and while external assistance can be valuable, the responsibility and accountability must and does lie with the directorate/agency.

## ACT Integrity Commission

45. The [ACT Integrity Commission](#) is an independent body that has the power to investigate corruption in public administration and aims to strengthen public confidence in government integrity. The ACT Integrity Commission plays an important role in ensuring the transparency and accountability of the ACT Public Sector and Legislative Assembly. The ACT Integrity Commission has significant powers, including (but not limited to) powers to enter and search premises, seize and retain items, or require information, hold both public and private examinations, and utilise surveillance devices.
46. The role of the ACT Integrity Commission is to:
  - investigate conduct that is alleged to be corrupt;
  - refer suspected instances of criminality or wrongdoing to the appropriate authority for further investigation and action;
  - prevent corruption, including by:
    - researching corrupt practices;
    - mitigating the risks of corruption;
  - publish information about investigations conducted by the commission, including lessons learned; and
  - provide education programs about the operation of the [Integrity Commission Act 2018](#) and the commission, including providing advice, training, and education services.
47. Directorates/agencies are to work cooperatively with the ACT Integrity Commission. This includes providing information considered relevant to a preliminary inquiry to the Commission.
48. Additionally, under the [Integrity Commission Act 2018](#), heads of public sector entities and senior executives have certain obligations that must be met. This includes mandatory corruption notification responsibilities. That is, heads of public sector entities and senior executives must notify the ACT Integrity Commission about any matter the person suspects on reasonable grounds may involve serious corrupt conduct or systemic corrupt conduct. Serious corrupt conduct is conduct that is likely to threaten public confidence in the integrity of government or public administration in the ACT. Systemic corrupt conduct refers to corrupt conduct that reveals a pattern of conduct in one or more ACT public sector entities.
49. The [Integrity Commission Act 2018](#) also mandates that a Member of the Legislative Assembly must notify the Commission about any matter the member suspects on reasonable grounds involves serious corrupt conduct or systemic corrupt conduct by another member of the

Legislative Assembly or by a member of their staff. This is also extended to a Chief of Staff of a Minister or a Chief of Staff of the Leader of the Opposition.

50. It is an offence for any party who is required to make a mandatory notification of corruption regarding a public official engaging in conduct that constitutes serious corrupt conduct or systemic corrupt conduct and does not notify the commission as soon as practicable. The offence may result in a fine.
51. DGs and CEOs should ensure that their directorates/agencies are aware of their reporting requirements and the integral role of the ACT Integrity Commission to foster public confidence in the Legislative Assembly and public sector.

## Responsibilities

52. DGs and CEOs have a responsibility to ensure that all employees are aware of the Integrity Framework and incorporating a risk management approach to Integrity Governance.
53. Directorates/agencies have a responsibility to ensure that the Integrity Framework and directorate/agency specific policies are made available to all staff.
54. All leaders and managers must understand their responsibilities and accountabilities in relation to integrity including the requirement to model appropriate behaviours and standards ensuring staff are compliant with processes and practices and to address, report and correct integrity breaches or issues as they arise.
55. ACTPS employees have a responsibility to maintain and protect the integrity of the organisation they work for by adhering to the ACTPS Values and Signature Behaviours and ACTPS Code of Conduct and using policies and processes to guide their practice and reduce the risk of fraud and corruption.

## Consultation

56. Consultation on this policy occurred broadly across the ACT Public Sector, including independent statutory offices, key internal stakeholders and unions.

## References

57. The key principles of this policy are aligned with the following authorised sources
  - [Public Sector Management Act 1994](#)
  - [Public Sector Management Standards 2006](#) (repealed, Part 2.3 remains active)
  - [Public Sector Management Standards 2016](#)
  - [Privacy Act 1988](#)
  - [Integrity Commission Act 2018](#)
  - [Public Interest Disclosure Act 2012](#)

## Further Information

58. If you have further questions about the application of this policy, please contact Whole of Government Industrial Relations and Public Sector Employment team, Workforce Capability and Governance, Chief Ministers Treasury and Economic Development Directorate through [EBA@act.gov.au](mailto:EBA@act.gov.au)

## Review

59. This policy is due for review 3 years from the last issued or reviewed date, or earlier where there are changes that affect the operation of the policy.

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## Approval Authority

60. This policy is approved by:

Dr Damian West  
Deputy Director-General  
Workforce Capability and Governance  
Chief Minister, Treasury and Economic Development Directorate  
On behalf of the Head of Service  
19 May 2022



Chief Minister, Treasury and Economic Development Directorate

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