



ICAC investigations lead to reform in two major areas of the public sector

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Commissioner sends **wake up** call to universities

ICAC Commissioner Irene Moss alerted all NSW universities to tighten security of student records after an ICAC investigation revealed weaknesses in their computer systems.

The call followed the release of ICAC's investigation report, 'Investigation into the conduct of officers and students at University of Technology (UTS), Sydney', which examines the conduct of a former UTS Graduate Student Advisor, Toto Sujanto.

The report found that Sujanto acted corruptly by using UTS's computerised student record system to alter 19 subject results for nine separate

students. The alterations, if not discovered, would have led to the deletion of failures from the students' academic records and loss of fees for UTS.

Commissioner Moss found that "tighter security of student records is essential to guarantee public confidence in university qualifications." The Commissioner also reported "UTS's ongoing efforts to address the weaknesses identified in the course of this investigation, and the improvements to its relevant systems, policies and procedures."

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ICAC Commissioner Irene Moss has found six men, including two Rockdale councillors, engaged in corrupt conduct. The Commissioner has recommended that the Director of Public Prosecution consider laying criminal charges against the six men.

In her report released on 9 July the Commissioner found that councillors Andrew Smyrnis and Adam McCormick; developers Con (aka Costa) Chartofillis and Terry Andriotakis, and 'go between's' Manuel Limberis and Tony Retsos engaged in corrupt conduct. The Commissioner recommended that the Director of Public Prosecution consider charging the

men with bribery offences and giving false and misleading evidence.

During the course of the investigation the Government introduced legislation to enable the removal of councillors from office following an ICAC recommendation.

The Commissioner recommended the suspension of Councillor Adam McCormick from civic office, with a view to dismissal for serious corrupt conduct. No recommendation was made about Councillor Smyrnis, as he resigned from Rockdale City Council (RCC) during the hearing. Councillor McCormick resigned on the day the

Commissioner released her report.

The Commissioner also said the evidence did not show systemic corruption in Rockdale City Council so the Commissioner did not recommend the council's dismissal or appointment of an environmental planning administrator. "There was also no evidence that any staff member of council acted other than professionally and properly and no suggestion that any staff member had acted corruptly," Commissioner Moss said.

Full reports are available on the ICAC website www.icac.nsw.gov.au



Commissioner's Editorial

Building the capacity to combat corruption in NSW

An organisation must from time to time to take stock of its corporate direction, the work it has chosen to do and its ability to perform work. The ICAC is no different.

We have now come to the end of a comprehensive review process that is helping us to build the capacity to work harder, smarter, more effectively and strategically. The strategic approach to our work is to ensure that resources are placed where they are needed most within the ICAC for us to serve the public sector and the community of NSW.

The ICAC restructure has allowed us to:

- commit resources to identify emerging corruption risks that affect NSW
- expand our investigative expertise and technological advantage through new techniques and skills

- tailor corruption prevention work from the outcomes of investigations and ensure that the views of key stakeholders are included in the development of advice and guidelines
- direct the communication of key messages and advice to the right audiences through the best channels

Benefits of the new strategic approach have been shown by recent investigations into development applications and students' records. Corruption prevention work is now targeted to meet the needs of sectors, this is evidenced through the Local Government Strategy and the Regional and Rural Outreach Strategy.

The next stage of our capacity building exercise is to help public sector agencies and local councils to heighten their capacities to:

1. identify corruption risks within the organisation
2. detect and investigate suspected corruption thoroughly, and
3. create and sustain corruption resistance within the organisation

Capacity building strategies are now being developed by the ICAC. More details and advice for your agency or council will be featured in future editions of Corruption Matters and the ICAC web site www.icac.nsw.gov.au

DA dealings lead to corrupt

findings

In July we released the findings of the ICAC investigation into corrupt conduct associated with development proposals at Rockdale City Council.

The detection of corruption in the development application process is a very serious matter. Corruption in planning has a detrimental impact on the integrity of local government and the environment. To have better cities and communities, decision-makers require the upmost professionalism and integrity.

Having regard to our experience with Rockdale and the outcome of consultation with key stakeholders associated with our Taking the Devil out of Development publications, I will shortly release proposals for legislative change.

The changes will be aimed at increasing accountability, transparency and objectivity in council development assessment and decision-making processes, they will include:

1. guidance about non pecuniary conflicts of interest
2. declaration of political donations
3. strengthening the independence of staff who provide advice about DA's
4. guidelines on caucusing, relationships between councillor and staff and lobbying of councillors and staff.

Irene Moss
Commissioner

Corruption and Anti Corruption Course - Congratulations to scholarship winners!

Stuart Liddell – General Manager Organisational Development Country Energy

Phillip Higgins – Director Corporate Services Leeton Shire Council

Geoff Murphy – Director Executive Services Wentworth Area Health Service

Marion O'Connell – Manager Professional Standards and Conduct Unit Ambulance Service of NSW

Greg Cousley – Principal Auditor Investigation and Special Projects Department of Public Works and Services

The ICAC scholarship scheme lets selected NSW state and local government employees attend the annual ICAC/ANU Corruption and Anti Corruption Course.

This unique three-week course attracts students from around the world. The course has been taught since 1998 by the ANU National Centre for Development Studies in partnership with the ICAC. The course aims to help students to understand corruption and develop practical strategies for investigation and

prevention.

The ICAC offers five scholarships for the Corruption and Anti-Corruption Course each year. This year, in support of the Commission's Rural and Regional Outreach Strategy (RAROS) program, two of the five scholarships were reserved for employees from rural and regional NSW.

Want information about the next round of scholarships?

Contact Vicki Klum
Senior Corruption Prevention Officer, ICAC
email: vkum@icac.nsw.gov.au

Australia scores the top marks for refusing to pay bribes!

Transparency International released its Bribe Payer Index 2002 on 14 May. The study was held with 835 business experts from 15 leading emerging market countries. The findings indicate that Australian business is perceived to be less willing to give bribes in order to obtain business in emerging markets, than any of its international competitors.

(A perfect score is 10.0. Zero indicates a perceived propensity to pay bribes)

1	Australia	8.5
2	Sweden	8.4
	Switzerland	8.4
4	Austria	8.2
5	Canada	8.1
6	Belgium	7.8
	Netherlands	7.8
8	UK	6.9
9	Germany	6.3
	Singapore	6.3
11	Spain	5.8
12	France	5.5
13	Japan	5.3
	United States	5.3
15	Hong Kong	4.3
	Malaysia	4.3
17	Italy	4.1
18	South Korea	3.9
19	Taiwan	3.8
20	China	3.5
21	Russia	3.2

The full index is on <http://www.transparency.org.au/media>

Local Government in the spotlight

New ICAC resources to manage corruption risks for local councils

Our local government strategy started in 2000 with an extensive research study with councillors, general managers and council staff on the corruption risks in local government. The study found that there were four main corruption risks areas in councils:

1. contracting and procurement
2. development applications
3. cash handling
4. misuse of resources.

We decided that a good way to tackle these corruption risks was to listen to what people who work in the industry have to say about each issue. To get their feedback we wrote and sent out a discussion paper for each identified risk. The feedback we get from people in local government is taken into account when we produce guidelines to help local government manage corruption risks.

The table below lists the four corruption risk areas and the publications released or intended to be released.

Risk area	Title	Release date
1. contracting and procurement	Taking the con out of contracting discussion paper	May 2001
	guidelines	September 2001
2. development applications	Taking the devil out of development discussion paper	November 2001
	2nd discussion paper	May 2002
	recommendations for statutory reforms	by November 2002
3. cash handling	guidelines	early 2003
	Responding to fraud discussion paper	April 2002
4. misuse of resources	guidelines	October 2002
	No excuse for misuse discussion paper	May 2002
	guidelines	November 2002

Taking the devil out of development – Interim report

We had a high number of responses to our discussion paper. The feedback we got was generally positive with support for many of our suggestions. It was decided the release of an interim report was the best option because:

1. many new ideas were raised and we wanted people to consider these ideas
2. alarming issues were raised in our inquiry into corruption of the development application system by councillors at Rockdale City Council
3. we wanted to acknowledge those who responded and let them know our work continues.

We believe our Taking the devil initiative will help councils build resistance to, or avoid altogether, the type of corrupt behaviour seen in the Rockdale investigation. For this reason, we urged all councils to review their procedures and practices in light of both our discussion papers. The closing date for submissions was 2 August. The response has been very pleasing.

The State government responded to the concerns raised in our Rockdale inquiry and our discussion papers by introducing laws that let us deal more effectively with corruption in the development application system. One change to the Local Government Act lets the ICAC Commissioner make a recommendation for the removal of a councillor, or a whole council, if they have been found by an ICAC inquiry to have acted corruptly. Before this legislative change, the removal of council or councillors could only happen after a subsequent inquiry by the Department of Local Government.

The other change made was to the Environmental Planning and Assessment Act. This legislative change is aimed at people who get a development

approval through corrupt means. Before, there was very little that could be done to stop corruptly approved developments without paying the developer compensation. Now, development approval can be suspended or withdrawn with no compensation payable. The developer may also lose the financial advantage they have obtained by acting corruptly because their assets can be seized and sold to recoup the value of the corrupt benefit they gained.

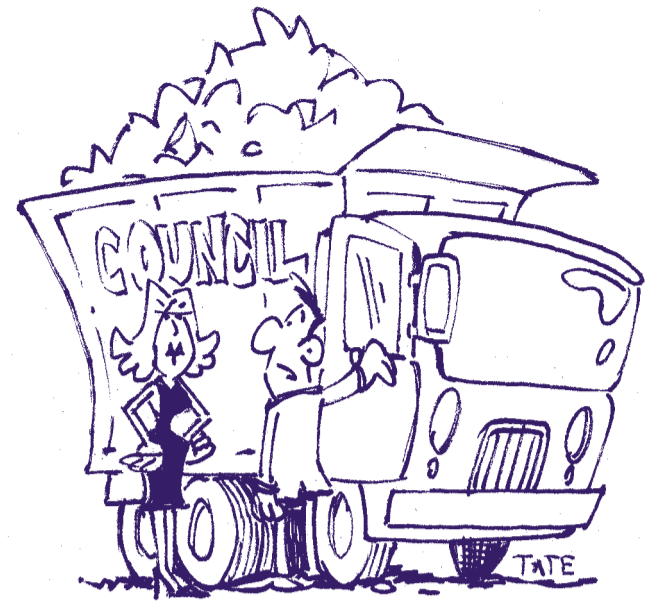
We will shortly release proposals for regulatory reform and plan to issue model policies and guidelines early in 2003.

Misuse of resources – a discussion paper

In the calendar year 2001, 18% of all local government complaints received by the ICAC concerned the misuse of resources. We are also aware that a significant number of complaints to the Department of Local Government and NSW Ombudsman fall into this category.

Misuse of resources is when resources are used for unofficial purposes and without proper authorisation, the misuse usually results in personal gain. The ICAC discussion paper No excuse for misuse was released in May 2002, examples of misuse include:

- work gangs constructing vehicle crossovers in council time, using council material and equipment, but being paid privately for the work
- a curator of a sports oval running a landscaping business using council equipment and materials, and falsifying job sheets to cover private use
- a council employee in a finance unit running an SP book from the office using council phones to take bets and the internet to check latest odds
- a community centre manager running a private business using council's kitchens, utensils and



“HONEST, IT’S MY TURN FOR THE LORD MAYOR’S LIMO NEXT WEEK.”

ingredients to make cakes for on-selling to cafes

- a council employee collecting reusable and resalable equipment from councils tips he supervised to sell for private gain
- a loader driver using a council loader to remove a tree from a property and a gravel truck used to deliver 22 tonnes of gravel to the same property.

Councils in NSW expend in excess of \$5 billion annually. Almost \$2 billion is outlaid on materials, contracts and capital. Councils are significant purchasers of goods and services, own significant inventories of plant and equipment and hold large and diverse stocks of materials and supplies. Councils annually expend upwards of \$2 billion on employee costs. To the extent that resources are misused, the community is cheated by ultimately paying higher rates or increased service charges.

In the misuse of resources paper we set out to do three things:

1. outline, in our experience, major areas of misuse including, but not limited to,
 - secondary employment
 - personal use of council resources and communication devices
 - disposal of surplus and low value assets.
2. tentatively identify the factors that allow or lead to heightened risk of misuse
3. seek the assistance of local government, and others involved in the industry

We are looking to councils who believe they have good practices in place to manage the use of resources to tell us about them. Our goal is to avoid ‘reinventing the wheel’ and to share these good practices with all other councils.

Submissions closed on 2 August. The content and details in many of the submissions has been helpful. We will be releasing guidelines in November 2002.

No excuse for misuse is a companion document to Responding to Fraud (see page 8) and the two should be read together. Responding to Fraud also deals with cash handling issues. We aim to publish guidelines later this year to help agencies and councils respond properly and effectively to both fraud and misuse of resources.

More copies of these papers are available on the ICAC website www.icac.nsw.gov.au. If you have any

REGISTER EARLY TO AVOID DISAPPOINTMENT!

4TH National Investigations Symposium
Sherlock or Sheer Luck?
7 – 8 November 2002
Manly Pacific Parkroyal Hotel
55 North Steyne
Manly

The 4th National Investigations Symposium is an opportunity for investigators from a wide variety of organisations to come together to discuss topics of common interest and increase knowledge of modern investigation approaches.

This year's program has leading practitioners giving presentations on topics such as:

- investigation planning
- best investigative practice
- risk management
- performance auditing

- compliance investigations
- legal frameworks and ethics.

The Symposium is a joint initiative of the ICAC, NSW Ombudsman and the Institute of Public Administration of Australia (NSW Division).

Who should attend

- experienced investigators
- officials from regulatory agencies
- complaint handlers
- people who conduct administrative and disciplinary



Program Day 1 – Thursday 7 November 2002

9.00am - 10.30am OPENING SESSION			
Opening remarks and welcome Irene Moss, Commissioner, Independent Commission Against Corruption Bruce Barbour, NSW Ombudsman Investigation: seeking out offending - with feeling Brendan Butler, Chairperson, Crime and Misconduct Commission Ethics for investigators Damien Grace, Senior Lecturer, University of New South Wales			
10:30am – 11:00am MORNING TEA			
11:00am – 12:30pm CONCURRENT SESSION 1			
STREAM A – TOPICAL ISSUES	STREAM B – TOPICAL ISSUES/CASE STUDY	STREAM C – PRACTICAL TECHNIQUES	
Joined up government – implications for investigators Dr Peter Wilkins, Director Policy, Office of the Auditor General, Western Australia Constructive compliance: workplace targeting as a preventative tool Penny Hume, Assistant Director-General, Department of Industrial Relations New South Wales	The private sector approach to multi-disciplinary investigations: scaffolding fraud case study Brett Warfield, Senior Manager, KPMG Forensics Legal and management issues in contracted out investigations Michael Wilde, Vice President & General Counsel, Oracle Corporation (Asia/Pacific)	Investigation strategies that assist dispute resolution Dr Brendan French, Senior Investigation Officer & Mark Aiken, Manager Public Relations and Policy, Energy & Water Ombudsman New South Wales Disciplinary investigations – how hard and how far? David Bevan, Queensland Ombudsman	
12:30pm – 1:30pm LUNCH			
1:30pm – 3:00pm CONCURRENT SESSION 2			
STREAM A – PLANNING AND MANAGEMENT	STREAM B – TOPICAL ISSUES	STREAM C – PRACTICAL TECHNIQUES	
Frameworks for compliance investigations Neill Buck, Managing Director, Neill Buck & Associates	The challenges of investigating crime in minority communities Superintendent Peter Parsons, Bankstown Local Area Commander, NSW Police International police approaches to investigating violent incidents in minority communities Brendan Delahunty, Project Manager, Police Investigations, NSW Ombudsman	Sexually exploitive employees – how to detect them Dr Gerardine Taylor, Clinical Director, Encompass Australasia	
3:00pm – 3:30pm AFTERNOON TEA			
3:30pm – 5:00pm CONCURRENT SESSION 3			
STREAM A – PRACTICAL TECHNIQUES STUDY	STREAM B – LEGAL FRAMEWORKS/CASE STUDY	STREAM C – PRACTICAL TECHNIQUES/CASE STUDY	
Using the Tap Root methodology in incident investigations Phil Shortus, Regional Health, Safety & Rehabilitation Co-ordinator, Department of Corrective Services New South Wales Dr Anne Sefton, Director Womens Health, Corrections Health Service Why crime doesn't pay - asset confiscation investigations Jon Spark, Senior Financial Investigator, NSW Crime Commission	Legal obligations and protections for non-statutory investigations Professor Margaret Allars, University of Sydney Law School A case study in process and consequences: the Hindmarsh Soccer Stadium fiasco Ken MacPherson, Auditor-General, South Australia	Best practice in harassment investigations Murray Burke, Education Officer & Gerardo De Liseo, Regional Manager, Wollongong Office, NSW Anti-Discrimination Board	
5:00pm COCKTAIL PARTY			
6:30pm DINNER			

PROGRAM Day 2 – Friday 8 November 2002

9:00am – 10:30am CONCURRENT SESSION 4

STREAM A – TOPICAL ISSUES

Internet investigations and evidence gathering
Keith Inman, Director Electronic Enforcement Unit,
Australian Securities & Investment Commission

E-crime solutions and crime displacement
Dr Russell Smith, Deputy Director Research,
Australian Institute of Criminology

STREAM B – PRACTICAL TECHNIQUES

The investigation and discipline of public school
teachers in New South Wales: a child protection
perspective
Andrew Spence, Legal Officer &
Patrick Egan, Chief Investigator, Child Protection
Investigation Directorate, Department of Education &

STREAM C – INVESTIGATIVE JOURNALISM

How they got away with murder. Why the police
investigation into the death of gay Sydney millionaire
Ludwig Gertsch failed.
Sandra Harvey, investigative journalist

Ethics and investigative journalism
Darren Goodsir, Transport Editor, Sydney Morning
Herald

10:30am – 11:00am MORNING TEA

11:00am – 12:30pm CONCURRENT SESSION 5

STREAM A – CASE STUDY/LEGAL FRAMEWORKS

Case management in the 21st century
Peter Hassell, Director Law Enforcement &
Catherine McPherson, Senior Assistant
Ombudsman, Commonwealth Ombudsman

Truth, justice and the administrative way:
building on the organon of fairness
Anthony Johnson, Senior Lawyer,
Independent Commission Against Corruption

STREAM B – PRACTICAL TECHNIQUES

Dealing with difficult people
Jo-Anne Fleischer, Director, Synergetic Learning

STREAM C – PRACTICAL TECHNIQUES

Risk identification and management in investigations
Michael Outram, Manager, Strategic Risk Assessments
Unit &
Ian Bowyer, Deputy Chief Investigator, Independent
Commission Against Corruption

12:30pm – 1:30pm LUNCH

1:30pm – 2:15pm CONCURRENT SESSION 6

STREAM A – PLANNING & MANAGEMENT

Avoiding the pitfalls in disciplinary
investigations
John Greville, Manager Staff Records &
Management Unit, NSW Department of Health

STREAM B – TOPICAL ISSUES

Dealing with identity fraud
Ross McCrone, Intelligence Analyst, National Fraud
Desk, Australian Bureau of Criminal Intelligence

STREAM C – PRACTICAL TECHNIQUES

Cause & effect: balancing professional conduct with
identification and remedy of poorly designed systems
Amanda Adrian, Commissioner, Health Care Complaints
Commission New South Wales

2:15pm – 2:45 pm AFTERNOON TEA

2:45pm – 4:00pm SHERLOCK OR SHEER LUCK: A HYPOTHETICAL

4pm CLOSE

To register for the Symposium:

Secure online registration: www.nsw.ipaa.org.au
Hard copy registration and enquires:
IPAA NSW
Phone: (02) 9228 5225
Fax: (02) 9241 1920
Email: info@nsw.ipaa.org.au

Registration fees (includes cocktail party, Symposium dinner & 10% GST)
\$880 per person
\$825 per person corporate rate (3+ registrations from same organisation booked together)
\$825 per IPAA member

Special airfares for Symposium delegates

Qantas has been appointed official airline for the 4th National Investigations Symposium. A discount of up to 40%* off the full economy airfare (excluding taxes) at the time of booking has been negotiated for this Symposium. Should the 40% discount economy class fare not be available on the required flight the fare may be upgraded to the next available economy class conference fare ie. 30% to 10% discounts. Conditions apply to all discounted fares.

For Australian delegates, please call Qantas Association Sales on 1800 684 880 and quote **Association Profile Number 2946281** to make your reservation. International delegates can contact their local Qantas office for the best available fare of the day.

Accommodation

A variety of accommodation options and costings have been arranged for Symposium delegates. Please contact IPAA NSW to obtain an accommodation listing or see www.nsw.ipaa.org.au

Cancellation policy: Booking changes and cancellations must be notified in writing to IPAA NSW.

A full refund of the registration fee will be given when cancellation notification is received before 20 October 2002. A 50% refund of the registration fee will be given when notified after 21 October and before 27 October 2002. No refund will be made for cancellations after 28 October 2002. A substitute nominee may attend the conference in your place.

To discuss the program please contact:

Greg Andrews
Assistant Ombudsman
Office of the NSW Ombudsman
Phone (02) 9286 1002
Free call 1800 451 534
Email gandrews@ombo.nsw.gov.au

Sue Bolton
Senior Project Officer, Education & Public Affairs
Independent Commission Against Corruption
Phone (02) 8281 5828
Free call 1800 463 909
Email sbolton@icac.nsw.gov.au

Do you know what happens to your garbage after the garbage collectors take it away at five in the morning? For many, an even bigger question is, do you care? Many Australians just want their waste to disappear, preferably quietly, definitely quickly and as cheaply as possible. But, waste isn't just what is emptied from your bin one night a week. It comes from everywhere. Building, industrial and retail activities also generate huge amounts of waste.

When you think about it this way, waste is big business. Local councils, government and industry spend hundreds of millions of dollars each year on waste management services. It costs local councils alone over \$260 million annually to collect over two million tonnes of domestic waste.

Like any big business with a lot of money

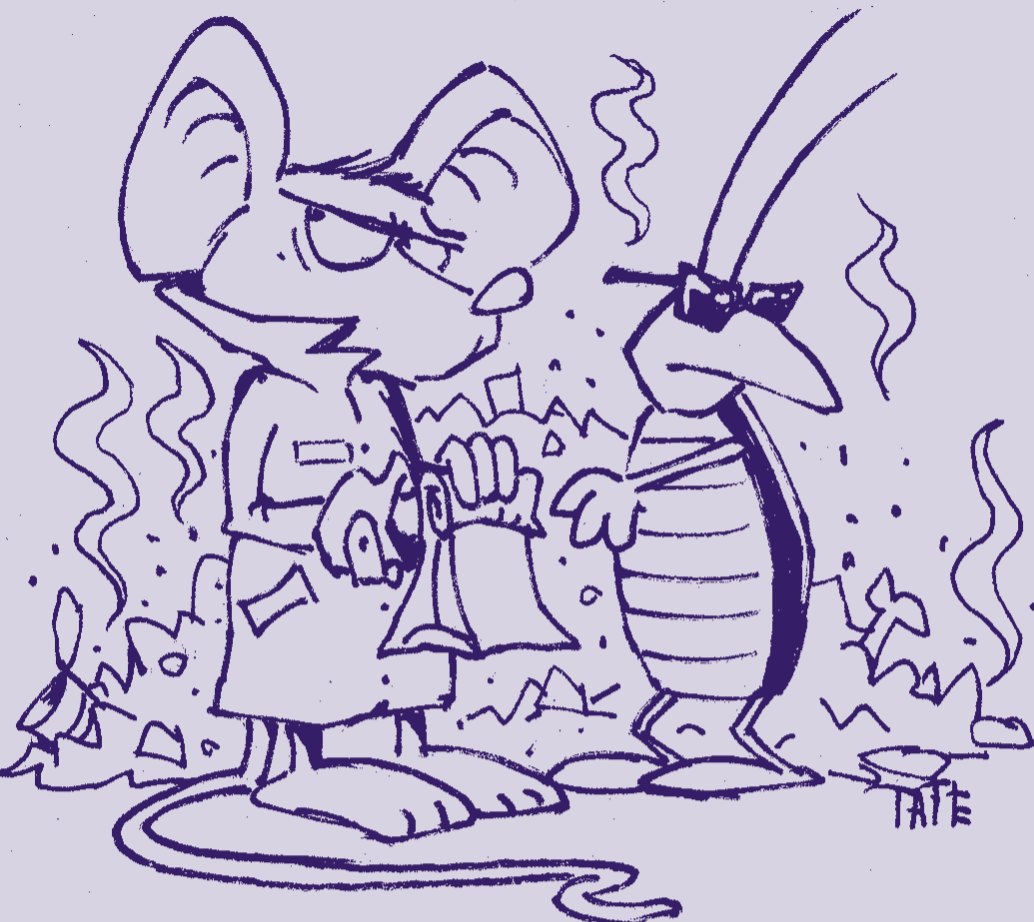
involved, the waste industry faces a number of corruption risks. Many risks also arise because of our reluctance to spend money on waste disposal. The NSW Government's new strategic direction in waste management will bring changes to the industry. With these changes come new challenges in the management of corruption risks. The Commission wants to help the waste sector identify and manage both existing and emerging risks.

A short time ago we held a discussion forum on corruption risks in the waste industry. This is part of a consultation process that has spanned many months.

The process began with a discussion paper called Taking the whiff out of waste. The discussion paper and forum provided opportunities for stakeholders from all areas of the waste industry to share their ideas about making the sector more corruption resistant.

We are now using this input to develop a set of guidelines to help players in the waste sector identify and manage corruption risks.

We hope that the guidelines will be a useful tool for the waste industry. Our aim is to offer approaches that will assist stakeholders to minimise their corruption risks. After publication, the guidelines will be available on the ICAC website at www.icac.nsw.gov.au



CORRUPTION IN THE WASTE INDUSTRY

Introductory session for non-investigators

The introductory workshop is a hands-on session that is built around a realistic story. Workshop participants will examine the story by applying topics learnt in the workshop. The session aims to reduce complex legal issues to understandable and useful advice.

The Independent Commission Against Corruption Fact-Finder: A 20-step guide to conducting an inquiry in your organisation is the primary workshop resource.

Learning Outcomes

At the end of the workshop participants will have increased knowledge and skills to:

- understand the inquiry process
- maintain confidentiality in the inquiry process
- apply fairness during the inquiry
- draft a scope and purpose for an inquiry
- draft a fact finding plan
- collect and handle evidence
- take statements
- test the reliability of evidence
- access ICAC resources to help conduct professional in-house investigations.

Who should attend

Public officials and managers from agencies and councils who have limited experience in the inquiry process, but may be asked to conduct a staff inquiry in the near future.

Program facilitator

Anthony Johnson is a senior lawyer with the ICAC and has 12 years experience in the fact-finding process. He holds both a Bachelor of Science and a Bachelor of Laws from the University of Sydney and a Master of Laws from King's College London.

When are the next sessions?

- 1) Tuesday afternoon 20 February and Wednesday morning 21 February 2003
- 2) Wednesday afternoon 2 July and Thursday morning 3 July 2003

Training Room Level 3
Bligh House
4-6 Bligh Street
SYDNEY

Registration

Please contact the Institute of Public Administration of Australia (NSW Division) for fees and registration enquiries:

IPAA NSW
Phone: (02) 9228 5225
Fax: (02) 9241 1920
Email: info@nsw.ipaa.org.au

In-house training

ICAC staff are also available to run in-house sessions on request from public sector agencies and local councils. A minimum of 8 weeks notice is needed. The agency is required to arrange the venue.

The charge for conducting an in-house workshop is \$3,850 + necessary travel /accommodation costs of the facilitator.

More information

For further information about training and seminars please contact:

Sue Bolton
Senior Project Officer, Education & Public Affairs
ICAC
GPO Box 500
Phone: (02) 8281 5828 or toll free 1800 463 909
Fax: (02) 9264 5364
Email: sbolton@icac.nsw.gov.au

A key focus of our work at the ICAC is to partner with public sector agencies to build and sustain corruption resistance across the New South Wales public sector. Lately some of our attention has been directed toward the university sector.

The ten public universities, like all NSW public authorities, have an obligation under s11 of the ICAC Act to notify the ICAC of possible corrupt conduct. University staff have the same reporting rights and responsibilities as any other NSW public servant.

The ICAC had become concerned that corruption resistance in the New South Wales university sector was not as effective as it could be.

As a result, three key events took place August.

1. Release of the ICAC report Investigation into the conduct of officers and students at University of Technology, Sydney. August 2002.

This investigation report highlights problems in the security of the university's student records system. The investigation found that a student liaison officer at UTS took bribes in exchange for altering students' records.

2. Release of ICAC report Degrees of Risk: A corruption risk profile of the New South Wales university sector, Sydney. August 2002.

This report gives an overview of the contemporary environment in which universities operate. It also

provides details about the types of complaints made to the ICAC over a ten-year period. This is the first time that the data has been made public.

3. A universities forum Degrees of transparency:

Corruption resistance in NSW universities was held on 21 August in Sydney.

The forum was held to respond to increasing concerns about corruption risks in NSW universities. Over 65 representatives from the university sector and related organisations attended.

The ICAC was very pleased with the sector support for the forum. The event was an invigorating and informative event. All ten of the public universities in New South Wales were well represented by their most senior people, including a number of chancellors and vice-chancellors. Some of the other organisations represented were the NSW Department of Education and Training, the federal Department of Education, Science and Technology, the National Tertiary Education Union, National Union of Students, the Council for Australian Post Graduate Associations, and State Records. The forum speakers were: Irene Moss, ICAC Commissioner; Brendan Butler, Chairperson, Queensland Crime and Misconduct Commission; Greg Andrews, Assistant Ombudsman NSW; Tom Jambrich, Assistant Auditor-General NSW and Angela Gorta, Research Manager and Jane Coulter, Senior Corruption Prevention Officer, both

from the ICAC. Geraldine Doogue, the well-known and well-respected radio broadcaster and journalist, facilitated the forum plenary sessions. Geraldine did an outstanding job.

A range of important issues and practical options emerged from the plenary sessions as a way forward for the ICAC and the universities. These will be followed up by the ICAC in the coming months. In the immediate future the ICAC is developing a program to address the needs expressed by the universities.

ICAC reports and other material for universities are available at the website www.icac.nsw.gov.au under the 'universities' button. The contact officer for information about universities is Jane Coulter, Senior Corruption Prevention Officer phone: (02) 8281 5714.

Reference

ICAC (2001) The first four steps: Building organisational integrity, Sydney April 2001.

New resource!

Conducting Fact-Finding Inquiries

The ability to carry out a fact-finding inquiry is important for organisations. A successful inquiry may uncover corrupt conduct, reveal system changes that need to be made or show ways to stop a problem happening again.

The ICAC has published Fact-Finder: A 20-step guide to conducting an inquiry in your organisation to give an overview of the inquiry process and the key steps in conducting an inquiry.

The guide provides a snapshot of important issues including:

- confidentiality
- conducting interviews
- assessing information
- inquiry plans
- fact finding tools
- report writing.

Fact-Finder is available on www.icac.nsw.gov.au

continued from page 1

As part of the investigation, ICAC surveyed NSW's nine other public universities to find out if they were exposed to the same corruption risks as UTS.

The survey found key student record system weaknesses are:

- absence of full audit trails
- infrequent checks that access levels are appropriate
- exception reports, which alert administrators to system breaches, are not being generated or used adequately
- too many staff with access to 'modify/create' records
- failure to check for and remove 'modify/create' access following staff resignation/changed duties
- failure to automatically remove 'modify/create' access when casual/temporary staff cease employment
- students employed by the university having 'modify/create' access to student records.

The survey also looked into the process for student exemptions based on past study. It found the key weaknesses as:

- absence of document authenticity checks
- failure to audit authenticity checks
- failure to separate approval and recording functions
- authorisation decisions not open to scrutiny or challenge.

While not all universities show all weaknesses, the survey results indicated that none had addressed all corruption risk areas. Commissioner Moss called on all universities to critically review their student record systems.

The Commissioner recommended that the ICAC chair a universities working party to look at a sector-wide approach to building corruption resistance in all NSW universities. The NSW university forum 'Degrees of Transparency', on 21 August 2002 canvassed findings and issues raised in the investigation report.

Frauds are nasty and dishonest crimes where people who commit fraud lie to others. People committing fraud lie to customers, they lie to supervisors and managers, and they lie to friends and work mates.

Frauds can also cost the community a lot of money. Together, State and local governments in NSW handle around \$35 billion each year. This means that agencies and councils need to be vigorous in their fraud prevention and detection efforts.

As the NSW anti-corruption watchdog it is part of our job at the ICAC to help the public sector to prevent fraud. We also investigate fraud and collect evidence to help prosecute the fraudsters.

We are now developing guidelines to help the public sector combat fraud. The guidelines will be available in November 2002. A part of the development of the guidelines is the publication of a discussion paper to highlight fraud risks and strategies to prevent these risks.

The discussion paper says that there are four important things to be done in response to the threat of fraud.

They are:

- prevention
- detection
- investigation

- correction.

Prevention. The best way to deal with the threat of fraud is to reduce the likelihood of it happening in the first place. One way this can be done is by trying to make making it very difficult for people commit fraud.

Another way is by choosing the right people to employ and ensuring that they are properly trained and given the right policies, procedures and physical environment.

The guidelines will show some ways of doing this. They will include listing approaches to leadership, staff training, risk management and security issues.

Detection. It is important to be able to know when there has been a fraud. The best way to do this is through monitoring what happens in an organisation.

The monitoring involves keeping an eye on transactions, the workplace, relationships and the behaviour of people. When something seems out of place it is important to have ways of responding appropriately.

The guidelines will suggest ways of monitoring and of responding to signals. Examples might be tightening cash handling, ensuring that every transaction is recorded or assisting staff who appear to be in difficulty.

Investigation: It is necessary to investigate properly when it appears that a fraud might have happened.

Fraud suspicions should never be ignored or written off as unimportant or trivial. It is important that evidence

is not tainted, damaged or lost.

For example, it is important to allow an investigation to be conducted confidentially. That is to avoid alerting the fraudsters and allowing them to destroy evidence or take other steps to cover up. It also prevents the damage to reputations that might arise when suspicions are not confirmed.

The guidelines will give advice about how to respond to the need to investigate allegations or suspicions of fraud.

Correction: When a fraud is discovered it is not enough to remove the fraudster. This is because it is likely to happen again if the circumstances do not change.

Steps must be taken by management to ensure that the fraud does not happen again. They need to improved prevention systems and the relevant policies and procedures that support the system. They also need to do what they can to ensure that the fraudster does not defraud someone else.

The guidelines will suggest ways of responding to an uncovered fraud and of dealing with the exposed fraudster.

It is our hope that the suggestions in the ICAC guidelines will be adopted by the whole NSW public sector.

If you want to know more about fraud and the guidelines please contact:

David O'Sullivan, Senior Corruption Prevention Officer
ICAC, phone: (02) 8281 5836

corruption: building an ethical culture and managing risk

Thursday 21 & Friday 22 November 2002

ICAC visits to local councils in the Riverina region

COMMUNITY EVENTS

Monday 18 November 2002

Morning Koorinal High School Legal students' workshop

Afternoon Trinity Senior High School Legal students' workshop

Tuesday 19 November 2002

12:30-1:30pm Media and the ICAC: discussions with journalists about the ICAC powers and role in NSW

There are more events being planned for this visit with community groups in the Riverina community.

Phone Sue Bolton, ICAC 02 8281 5828 or Yvonne Miles, ICAC 02 8281 5913 if you want to know more about RAROS, the Riverina visit in November or registration information.

The Central-West Region is the next area chosen for a

ICAC to visit Riverina-Murray Region!

Monday 18 - Friday 22 November 2002

We are planning a full program for a hands-on week of workshops, discussion groups and community visits with public officials from local councils and state agencies, teachers and students and community members in the Riverina.

This visit is part of our Rural and Regional Outreach Strategy to take corruption prevention to all areas of NSW.

FREE Workshops!

ICAC officers will run a series of workshops for public officials and community members. Remember to reserve your space in workshops early to avoid missing out!

STATE AGENCY EVENTS

Monday 18 November 2002

9:30am – 4:30pm WORKSHOP Preventing corruption: building an ethical culture and managing risk, Wagga Wagga

Tuesday 19 November 2002

10 am – 11:30am Riverina Murray Regional Co-ordination Management Group Meeting, Narrandera

Tuesday 19 & Wednesday 20 November 2002

1:30pm – 5:00pm WORKSHOP Fact-Finding: 20

steps to conducting an inquiry in your organisation Day 1. A workshop for beginners who need to hold an investigation within the organisation, Wagga Wagga

9:30am – 12:00pm WORKSHOP Fact-Finding: Part 2

Thursday 21 & Friday 22 November 2002

ICAC visits to state agencies in the Riverina region

LOCAL GOVERNMENT EVENTS

Tuesday 19 November 2002

9:30am – 12:30pm Riverina Eastern Regional Organisation of Councils, Wagga Wagga

Release of new local government resource.

Tuesday 19 & Wednesday 20 November 2002

1:30pm – 5:00pm WORKSHOP Fact-Finding: 20 steps to conducting an inquiry in your organisation Day 1. A workshop for beginners who needs to hold an investigation within the organisation

9:30am – 12:00pm WORKSHOP Fact-Finding: Part 2

Wednesday 20 & Thursday 21 November 2002

1:30pm – 4:30pm WORKSHOP Preventing

About Corruption Matters

Corruption Matters is produced twice a year by the Independent Commission Against Corruption to raise awareness in the public sector and the wider community about corruption-related issues. It has a circulation of 13,000. Contact Education and Public Affairs, ICAC (02) 8281 5999 with comments about Corruption Matters or if you would like to go on the mailing list.

You are welcome to use articles from Corruption Matters for your own agency. Publication elsewhere of articles in Corruption Matters is encouraged subject to agreement by the ICAC and the author, and appropriate acknowledgement of the source.

ICAC, Level 21 133 Castlereagh St, Sydney, GPO Box 500, Sydney 2001. Phone (02) 8281 5999 toll free 1800 463 909. icac@icac.nsw.gov.au