



CONTENTS

- 1 RATIONALISING WRONGDOING
- 2 COMMISSIONER PUBLISHES GILLMAN REPORT
- 2 CAB CHARGES
- 3 INVESTIGATIONS UPDATE
- 3 FACT OR FICTION
- 3 EDUCATION UPDATE
- 4 LEGISLATIVE UPDATE
- 4 ARE VOLUNTEERS PUBLIC OFFICERS?
- 5 CASE STUDY

RATIONALISING WRONGDOING



People generally like to think of themselves as inherently good and honest and for the most part this is probably true. However, the majority of people have at some stage in their lives done something that they knew to be wrong, yet their perception of themselves as an upstanding citizen, employee or friend is not challenged by this.

Rationalisation is what allows us to stray from what we know to be right, without needing to reassess how we view ourselves. It is the psychological process of using plausible arguments to validate something that is commonly unacceptable.

If you are only a little bit dishonest, for example you cheat on your time sheet by ten minutes every now and then, this would not generally affect your view of yourself as an honest person. When people learn to rationalise their conduct to a

higher degree, then it becomes easier for them to be more dishonest and to still hold a view of themselves as a good and honest person. If you decrease rationalisation you can also decrease dishonesty. But how do you do that? By reinforcing what is good behaviour.

Make it very clear to people where the line between right and wrong is. You then encourage them to choose 'right' whilst letting them know that 'wrong' will not be tolerated. You must also remove any temptations to do the wrong thing, and create a sense of responsibility to the organisation. Organisations that invest in getting to their people to have moral thoughts about their conduct and to understand what integrity is and why it is so important, will have more success in controlling dishonesty.

COMMISSIONER PUBLISHES GILLMAN REPORT

In January this year the Commissioner announced that he would investigate the transaction involving the sale of State owned land at Gillman to Adelaide Capital Partners. The investigation was not a corruption investigation but an investigation to determine whether maladministration had occurred.

Under the ICAC Act an investigation into a matter assessed as raising a potential issue of maladministration may be dealt with by referring the matter to an inquiry agency or by the Commissioner exercising the powers of an inquiry agency.

On this occasion the Commissioner exercised the powers given to the Ombudsman under the *Ombudsman Act 1972*. Although the Commissioner assumed the powers of the Ombudsman, he was not acting as the Ombudsman, he was acting as the Independent Commissioner Against Corruption.

The Commissioner's final report was published on 14 October 2015. He made findings of maladministration against two public officers and a public authority. The Commissioner's report also made a recommendation that the ICAC be given

the discretion to conduct maladministration investigations in public, if such a public inquiry was in the public interest. Whether or not this happens is a matter for Parliament.

You can [read the report on the ICAC website](#).

CAB CHARGES

WHAT COULD POSSIBLY GO WRONG?

The introduction of Cab Charge in the seventies was somewhat of a mini revolution of convenience in local business travel. You could attend meetings and functions by hailing a cab, without the bother of wondering if you have enough money to pay for it, or the burden of chasing down reimbursement.

All that was required was a magic slip that resembled a cheque. You filled it out, handed it over and on your merry way you went. The cheque-like slip has since disappeared and been replaced by cab charge cards and e-tickets. Their form however, does not alter the risks associated with these little bundles of convenience.

Cab charges have currency. They are used to pay for a service (local travel) that everybody requires or desires at some point, and as a result they are susceptible to misuse.

Public authorities must have clear policies on how cab charges can be used, in addition to good governance measures to assure that they are not being misused.

What might cause you to question the legitimacy of a cab charge? Perhaps the time on the cab charge raises suspicion, or the person using the cab charge is on leave at the time the charge was incurred, or there is excessive use of cab charges. It might turn out that your suspicions are unfounded and that cab charges are being used in a legitimate way, in accordance with your policy. However, asking the question is important.

Public officers who use cab charges need to understand that if they are misusing them that they may be committing a criminal offence which could be assessed as corruption under the ICAC Act.



INVESTIGATIONS UPDATE

As reported in the [2014-2015 ICAC and OPI Annual Report](#), which was tabled in Parliament on 13 October 2015, the Commissioner's office commenced 82 new investigations into matters assessed as raising a potential issue of corruption, in that financial year. A further 67 investigations that had commenced in the previous year but were not yet completed were also carried over.

Since the Commissioner's office opened, five public officers have been charged with criminal offences as a result of an investigation by the ICAC. A further nine public officers have been charged with criminal offences as a result of joint investigations with SAPOL.

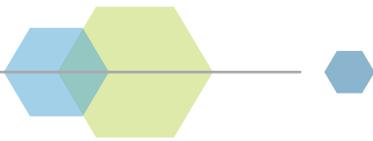
FACT OR FICTION

PUBLIC OFFICERS ARE NOT ALLOWED TO ACCEPT A FREE CUP OF COFFEE

If a free cup of coffee is likely to motivate you to approve a contentious planning application, choose one supplier over another, or advantage a stakeholder in some other way, then it would probably be wise to buy your own. However, most cups of coffee are not that complicated.

If you are offered a cup of coffee in the course of meeting with a stakeholder, and nothing is expected in return for that coffee, then this is not a matter for the ICAC.

If you meet regularly with these stakeholders, perhaps you could shout next time?



EDUCATION UPDATE

The Commissioner conducts regular seminars to help public officers understand the role and functions of his office. If you have not yet attended ICAC training you are encouraged to attend one of the Commissioner's presentations.

If you work in the Ceduna or the Streaky Bay region, the Commissioner will be holding an open ICAC awareness seminar in Ceduna on 25 November 2015. [Registrations can be made via the ICAC website](#). The next open seminar to be held in Adelaide is scheduled for 3 February 2016.

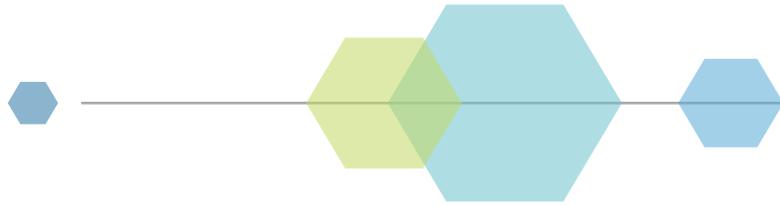


The Commissioner has also recently released an ICAC induction video to assist public officers to understand what impact his office could have on them. You are welcome to [view the video](#) on our website. Alternatively you may download it or embed the video into your own electronic learning resources.

The website also contains other resources to assist your understanding of ICAC. Please download any of our [brochures and posters](#) and whilst you are there why not test your basic ICAC knowledge on the [ICAC digital crossword](#).

LEGISLATIVE UPDATE

In October the ICAC regulations were amended to make authorised examiners public officers for the purposes of the ICAC Act.



ARE VOLUNTEERS PUBLIC OFFICERS?

Volunteers perform an important role in our society but are they 'public officers' under the ICAC Act? The answer is not straightforward.

Whether or not a person is a 'public officer' for the purposes of the ICAC Act depends upon whether he or she fits within one of the many categories of public officer provided for in Schedule 1 of the ICAC Act. For example, a person is a public officer if he or she has a function or power of a public authority or a public officer delegated to them in accordance with an Act. Similarly, a person who is, in accordance with an Act, assisting a public officer in the enforcement of an Act is a public officer. So too are members of a governing body of a statutory authority. There are a number of other categories in Schedule 1. If a person fits one of those categories, he or she is a public officer, whether or not he or she is employed or is a volunteer.

Put another way, whether or not a person is a volunteer is not the relevant question. Rather, it is whether or not the person falls within one of the categories of public officer in Schedule 1 of the ICAC Act. It is therefore important to consider those categories when determining whether or not you or someone else is a public officer. Of course, even if a volunteer is not a public officer, it is still useful for that volunteer to understand the role and operation of the OPI and ICAC and for that volunteer to bring to the OPI's attention inappropriate conduct in public administration.



CASE STUDY

FROM LITTLE THINGS BIG THINGS GROW

A public authority issues government charge cards to employees who need to regularly purchase small domestic items (food, medicines and essential supplies).

Each person who has a charge card is required to reconcile the charges on the card via a monthly annotated expense report that includes both the reason for purchase and proof of purchase. This report must be authorised as true and accurate by the employee's manager.

Two years ago a trusted employee grabbed some milk and bread for home whilst he was in the supermarket purchasing approved supplies. When he got to the checkout he realised he didn't have any money so he charged the milk and bread, along with the legitimate items, to his government charge card. His intention was to let his manager know and to reimburse the money, however this did not occur to him again until after his expense report had been approved.

A week later, whilst in a pharmacy and a department store, he included a few more personal items amongst his shopping and charged them to his government card. This became a regular occurrence. As time went on and the employee's dishonesty remained un-detected, his offending became more frequent and more brazen.

It wasn't until his manager was asked to review the charge card requirements of his team that he noticed this employee had been charging larger and larger sums of money over a two year period.

An investigation commenced and the fraud was exposed. It is estimated that this employee defrauded the agency of \$60,000.

CONSIDER

How could a carton of milk, a loaf of bread and good intentions to repay the money have led to this?

How could this type of fraud go undetected for two years?

Could there be a cultural problem within the agency?

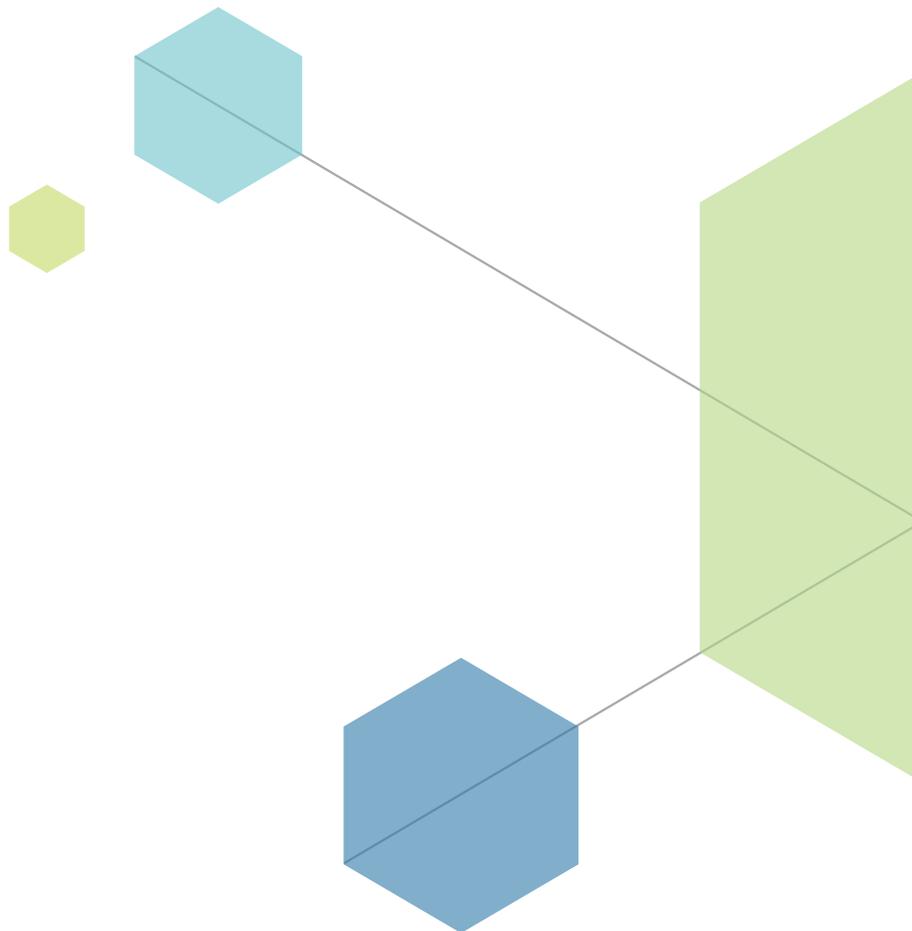
How culpable, if at all, is the manager who approved the fraudulent claims for so long?

Could the problem lie with inadequate governance measures within the agency?

Purchasing, whether it be large procurements or small expenses is a high risk function, which requires strict controls that are properly applied. If agencies do not have adequate controls in place, negligent practices that might amount to maladministration can flourish and become a breeding ground for corruption.

In this situation, an inappropriate \$10 charge grew into a \$60,000 fraud because it remained undetected. How much could it have been if it continued to go undetected for another two years?

THIS IS A FICTITIOUS CASE STUDY



THE INFORMATION CONTAINED IN THIS NEWSLETTER MUST NOT BE UNDERSTOOD TO CONSTITUTE LEGAL ADVICE.