Evaluation report

Personal use of publicly-funded facilities by public officers

Contents

Executive summary

Background

The management of publicly owned facilities carries a range of risks. Not least is the integrity risk associated with potential misuse of facilities by public officers and their family or friends.

Personal access to public facilities by public officers has the potential to create a conflict of interest between their personal interest to obtain a benefit and their duty to ensure a public facility is used for its intended purpose. At its worst, uncontrolled access may create an opportunity for inappropriate use to generate a private or commercial gain.

Matters brought to the Commission's attention over the last year indicated there would be value in analysing systems to control integrity risks associated with personal use of public facilities.

A specific area of risk was identified in regard to recreation and maintenance facilities in both metropolitan and regional locations. In response, an evaluation of integrity controls across 12 public authorities was undertaken between July and October 2016. The evaluation was conducted for educative purposes, to build capability and inform future misconduct prevention activities. The support of participating authorities and the assistance of the Corruption and Crime Commission (CCC) is greatly appreciated.

Key observations

In summarising the key observations across all authorities, it was observed that:

- A strong leadership commitment to promoting a high integrity culture was evident, although not always emphasised, in human resources and other policies and practices. Authorities did not always engage with all staff on integrity matters.

- There was a good level of awareness of the integrity risk associated with personal access to public facilities but this risk was not always specifically considered within broader risk management frameworks.

- Codes of conduct typically referred to appropriate use of resources in general terms. However, appropriate use of workshop and recreation facilities was not covered in policy as clearly as other resources, such as corporate vehicles, computers and mobile phones.

- While the coverage of integrity risks varied across employee induction and training programs, ethical training had not always been consistently delivered to the workforce. Public authorities that had developed programs aligned with the Commission's Accountable and Ethical Decision Making (AEDM) training framework were able to demonstrate higher levels of maturity in this area.

- A range of localised protocols were observed that demonstrated simple and effective access controls. However, these were not always formally documented or described.

- While there were many examples of good facility access and security controls applied at a local level, there was less monitoring or auditing of staff management and use of access permissions.

Overall maturity of controls

The spectrum of systems maturity across the sectors is illustrated in Figure 1. This shows that integrity risk controls varied in their level of sophistication.

Almost all participating authorities (92 percent) were observed to have an organisation-wide approach to effectively resourcing integrity risk management. In contrast, only one-quarter was observed to take a holistic approach to monitoring the effectiveness of controls through direct engagement with all employees (e.g. staff survey on integrity matters).

Figure 1: Maturity levels of controls applied by 12 public authorities
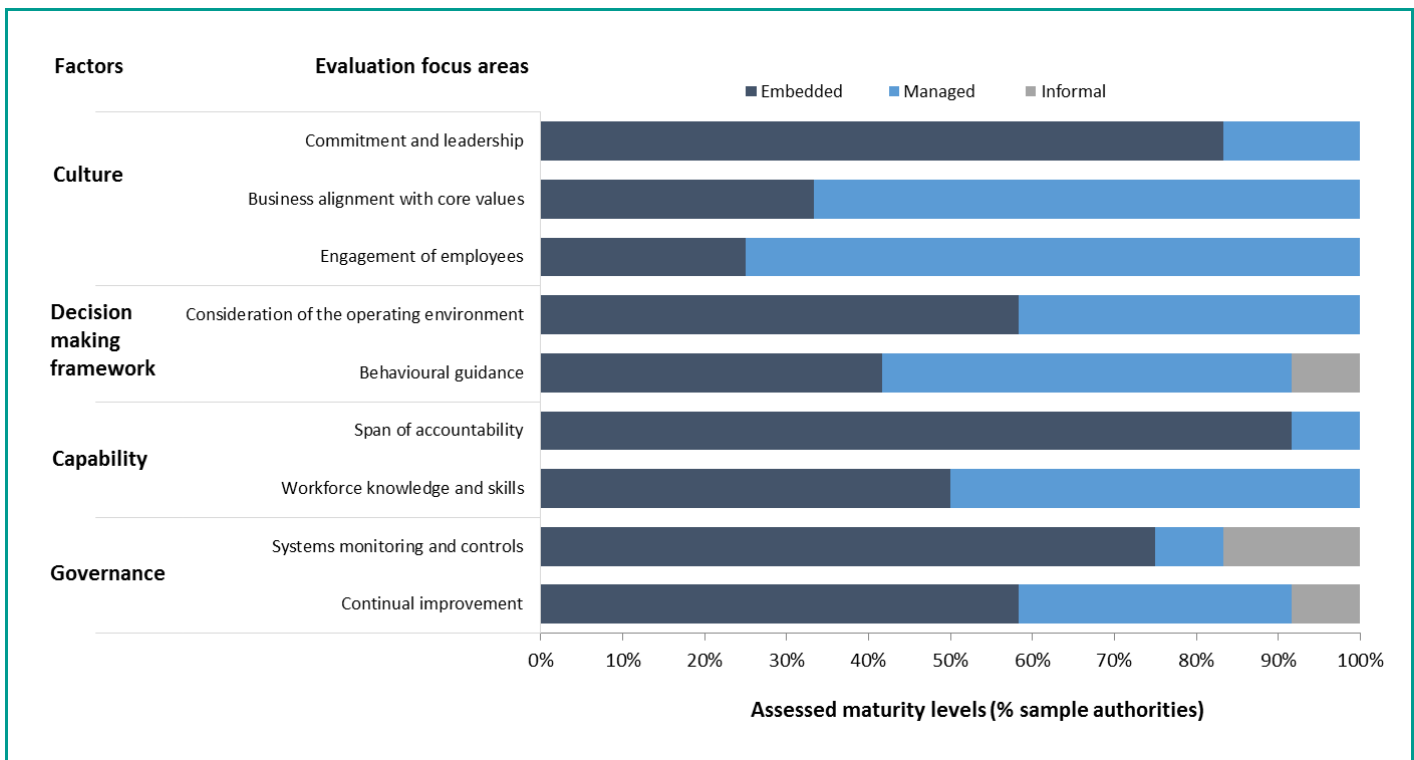
Note: Further information on the evaluation's factors and focus areas is provided in the Appendix.

Recommendations

It is up to each public authority to consider relevant integrity risks and determine whether a 'zero tolerance' or regulated 'reasonable use' approach is more appropriate. Both carry integrity risks, which are best mitigated by clear policy guidelines, senior leadership support, robust decision making frameworks, thorough ethics training, effective misuse detection and accountable oversight arrangements. All public authorities must balance the cost of implementing and maintaining integrity risk controls with the benefits brought by the controls.

Suggestions made to participating authorities for consideration in enhancing their control environments, and considered transferable across all public authorities, are below.

1. Periodically engage with all staff to better assess and respond to the ethical climate, for example, through internal surveys.

2. Regularly review codes of conduct and related policies.

3. Align human resources policies and practices with ethical values.

4. Embed the specific consideration of misconduct risk within risk management frameworks.

5. Offer ethical training to staff on a periodic basis and across all types of employment.

6. Formalise any local-level protocols for appropriate use of public facilities, such as recreation centres and maintenance workshops, and their associated resources.

7. Extend corporate monitoring and audit systems to all public facilities under a public authority's control.

Approach

The misconduct prevention and education role

The proclamation of the *Corruption, Crime and Misconduct Act 2003* (CCM Act) on 1 July 2015 led to a significant broadening of the jurisdiction of the Public Sector Commissioner. The Commissioner's role now includes responsibility for minor misconduct matters and a corresponding prevention and education function in relation to public authorities—including public sector agencies, local governments, public universities and Government Trading Enterprises (GTEs)—with the exception of Western Australia Police staff and officers.

One of the requirements of the prevention and education function is to analyse systems to prevent misconduct, as well as to consult with, and make recommendations to, public authorities.

One prevention and education topic that arose over the year was in relation to control of personal access to public facilities in both metropolitan and regional locations. This area for additional capacity building was highlighted through minor misconduct notifications and other anecdotal information collected by the Commission from public authorities during the period. Typically, the information received related to a public officer's use of position or authority to:

- grant access to public recreation facilities for the officer's own benefit or that of friends or family
- access publicly-funded maintenance facilities for the officer's own benefit (including tools, machinery or equipment).

Purpose of the evaluation

Between July and October 2016, an evaluation was undertaken by the Commission in order to analyse systems used by public authorities to control personal access of public facilities by public officers.

This was undertaken with the purpose of providing information to, and consulting with, public authorities on opportunities to strengthen misconduct education and prevention activities in accordance with s.45A of the CCM Act. The evaluation was not conducted as a compliance audit.

The observations from the evaluation are not intended to be definitive or cover all matters in relation to the appropriate use of public facilities. Instead, they are an indicative assessment of information available at the time.

Scope of the evaluation

Twelve public authorities participated in the evaluation. The evaluation comprised four public sector agencies, four local governments, two public universities, one GTE and one incorporated association, which is accountable to Parliament.

The sampling method was principally non-random and took into account:

- diversity of public authority function, workforce size and facility location
- relevance of the evaluation's focus to a public authority's operations
- level of recent contact between the Commission and a public authority
- practicality with respect to the evaluation timeframe and resource allocation
- inclusion of a public authority in other Commission evaluative activities.

For each public authority, one facility controlled by the authority was agreed as the focus for the evaluation. Where possible, the evaluation concentrated on recreation or maintenance facilities, which typically have a higher risk profile, to facilitate comparisons across public authorities. The Appendix shows the public authorities that participated in the evaluation and the selected public facilities.

The process of undertaking the evaluation within each public authority involved:

- meeting with staff to discuss the evaluation and agree on a facility
- conducting a site visit to the facility to observe controls in practice
- researching relevant systems applied at the local and corporate levels
- recording observations and assessing the maturity (development) level of systems and controls used by the public authority
- providing an opportunity for the public authority to respond to the observations and assessment.

Evaluation framework

Controls to promote integrity

The evaluation assessed public authority controls to promote integrity within the context of key factors considered essential for ethical decision making, including:

- the right culture

- a robust decision making framework

- strong capability

- good governance (see Figure 2).

Figure 2: Key factors of accountable decision making in public authorities

Note: Further information on the evaluation's factors and focus areas is available in the Appendix.

Maturity assessment

Nine focus questions (see the Appendix) targeted the collection of information and the observations made in the evaluation against the key factors. Public authorities were asked to identify any policies, practices or procedures that answered each question at the corporate management level and for the particular facility considered.

An assessment was made of the extent to which these systems indicated a mature approach to managing integrity risks associated with personal use of public facilities. Table 1 shows the maturity assessment levels applied in the evaluation.

Table 1: Levels used in assessing the maturity of public authority controls

Embedded	Practices and controls form a comprehensive and joined-up approach to integrity risk management. All roles carry key responsibilities and there is ongoing monitoring of the effectiveness of controls by the executive/governing body that informs any systems improvement.
Managed	Practices and controls to manage integrity risk are largely reactive and compliance-oriented. Particular roles carry key responsibilities and there is some tracking of controls related to systems improvement.
Informal	There is some awareness and recognition of the need to manage integrity risk but observed practices and controls are best described as ad hoc. Key responsibilities are limited to single or scattered roles within the organisational structure and there is minimal monitoring of the effectiveness of any controls. Systems improvement activities are random or uncoordinated.

In making the assessment, the evaluation recognised that an appropriate system for one public authority may not suit another due to a different risk profile, particular resource constraints or other operational demands. The evaluation sought to assess maturity relative to each public authority's broader risk profile.

Shire of Gingin depot facilities

Integrity risks in context

The risk of misuse of public facilities

The management of publicly owned and funded facilities and associated resources carries a range of risks. Personal access by public officers may create a potential for inappropriate use of public facilities for a personal benefit, such as running a sports coaching business 'on the side' at the local recreation centre or using a maintenance workshop to repair and sell private vehicles.

Matters such as these constitute inappropriate use of public facilities because:

- access to public facilities is affected for members of the general public
- public resources have a diminished life span resulting in increased expenditure of public monies
- public facilities are used to generate a secondary private income
- public officers make procurement recommendations or decisions to suit a personal interest.

Personal access to public facilities may lead to a perceived, potential or actual conflict of interest between an individual's interest in obtaining a personal benefit and his or her duty as a public officer to ensure a public facility is used for its intended purpose.

**Kwinana Automotive Training Centre (South Metropolitan TAFE)**

Trends in alleged misuse of public facilities

Information collected by the Commission over the last 12 months, in combination with case history from the CCC, serve to indicate that misuse of public facilities is not the most common type of minor misconduct reported (which is offensive or inappropriate behaviour). However, this type of misconduct has a far-reaching effect on the reputation of public authorities and the community's perception of accountability for government expenditure.

An analysis of CCC data over the last three years shows around half of all allegations concerning public facility misuse were made in relation to local government employees. This does not necessarily indicate a higher rate of misuse in local government. It may reflect the higher visibility of these workers within the community (half of the allegations received were not sustained).

For the remainder of the CCC allegations of public facility misuse, two-thirds were made in relation to public sector staff. Allegations of misuse were much less likely to be received for GTEs or public universities. This lower reporting trend is similarly observed in Commission data collected over the last year with respect to personal use of public equipment and assets.

While public sector agencies and local governments do have the largest workforces, the estimated staffing of public universities (21 000) is not significantly less than for local government (24 000), while the GTE workforce is also of significant size (10 000). Similar patterns of misconduct reporting might reasonably be expected across all authorities.
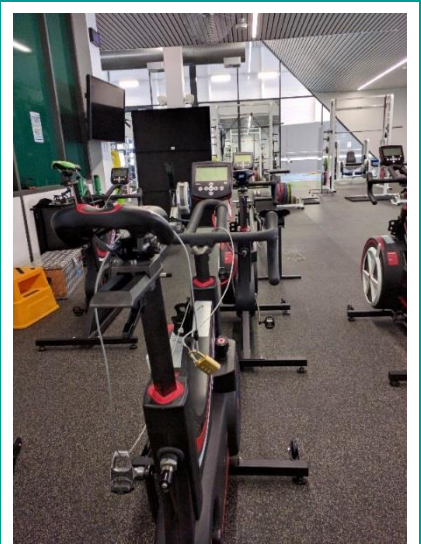
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Institute of Sport**
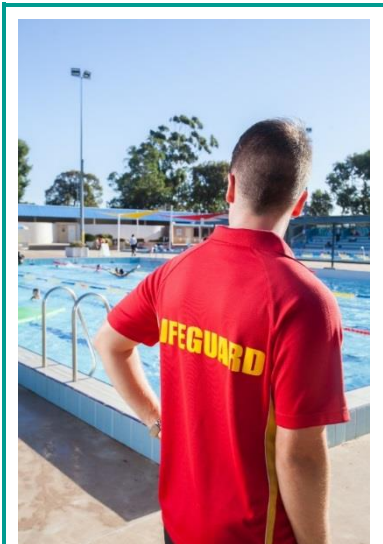
**City of Armadale
Aquatic Centre**

Case examples of misuse of public facilities

The CCC provided a sample of cases to illustrate the nature and range of relevant integrity risks. The following examples are historic matters finalised by the CCC and relevant employing authorities. They did not arise in the course of the evaluation.

Two staff members (siblings) at a recreation centre had been using their gymnasium access cards to allow free entry to the gym for another sibling. When interviewed, both staff members stated their relative had sought a trial use of the gym but the membership officer had not been available to issue a trial membership. Both stated they had used their access cards to let their relative into the gym over a period of a number of weeks.

An investigation established there had been a significant amount of personal work undertaken at a workshop. The workshop supervisor admitted having, without authorisation, approved the production of commercial signage for a contractor. The supervisor indicated the signage had been made under a quid-pro-quo arrangement but could not provide details nor support by any evidence. The supervisor was offered a lower position within the organisation but chose to resign instead.

Private work had been undertaken in a welding workshop for a motor bike club. A public authority had been charged for the work by an on-site contractor and all materials used belonged to the authority. Three staff resigned during the course of an investigation. The investigation indicated two pot belly stoves had been made with public resources.

A staff member passed on publicly-funded vouchers to a family member to access travel and parking benefits. An investigation found that the employee did not act with honesty and integrity when providing the relative with vouchers obtained in the course of employment. The provision of the vouchers enabled the relative to use services to the value of more than $10 000 without payment.

A work vehicle was driven to a staff member's residence and over a 90-minute period, two staff members loaded the vehicle with rubbish and green waste from the private residence for the purpose of disposal. Both employees admitted to the conduct and were dismissed.

Analysis and observations

The right culture

As one of the four factors for ethical decision making, organisational culture is at the heart of sound judgment. Good practice in this focus area ensures that:

- employees see their senior leaders as 'ethics champions' and role models
- ethical conduct is the norm – 'the way we do things around here'
- ethical values are freely talked about in the workplace
- staff tell others about the ethical standards at their organisation.

Related focus questions

Evaluation of the 'right culture' assessed maturity of controls against three questions:

- How are expected standards of conduct communicated to staff?
- Are ethical values embedded in business policies and practices?
- Do workforce perceptions and behaviours reflect a high integrity culture?

Leadership commitment to ethical values

A strong leadership commitment to promoting the right culture was evident in all public authorities participating in the evaluation.

It was observed that ethical values are communicated and reaffirmed by chief executive officers and governing bodies through channels such as public authority websites, intranet, staff emails, staff newsletters and team meetings. The values were clearly expressed in high-level strategic planning documents, customer service charters and statements of procurement principles.

Alignment of corporate practices with ethical values

While leadership commitment to integrity was evident across sectors, it was not always emphasised in human resource documents or other policies and practices.

Business alignment with organisational values helps put culture into practice throughout the employee lifecycle, from recruitment and onboarding to daily supervision and performance development activities.

The suggestions made most often to strengthen public authority controls in this focus area were:

- formalise the demonstration of honesty and integrity as an essential criterion for selection in recruitment practices
- incorporate a consideration of workplace conduct in performance development arrangements.

Engagement of employees in monitoring the ethical culture

Direct engagement with all staff on integrity matters was not always observed in the evaluation. For example, while staff (or community) surveys were relatively common, they did not always contain questions on ethical issues, such as the perceived incidence of misconduct or awareness of the authority's code of conduct.

Public authorities included in the Commission's employee perception survey receive occasional feedback on their ethical climate. However, in the absence of other monitoring strategies, relying on an independent body for such feedback is considered an ad hoc approach and not indicative of a mature integrity governance framework. The Commission is open to the use of its standard questions in surveys conducted by other public authorities and assists with advice and benchmarking when public sector agencies seek to take their 'ethics pulse'.

In addition to feedback surveys, other ways to engage with staff (and the community) on integrity and other issues include suggestion boxes, phone hotlines, informal workshops, town hall-style meetings, confidential interviews and online feedback platforms. The effectiveness of these is supported by an 'open-door policy' without fear of repercussion.

Evaluation highlights: Driving the right culture

Business alignment with ethical values is seen in South Metropolitan TAFE's performance process. Employees must review the code of conduct each year with a related message from the Managing Director. Their acknowledgement and renewed commitment to ethical conduct is placed on record.

The WA Institute of Sport engages all staff in shaping the ethical culture. In addition to an employee engagement survey, an annual 'values survey' captures opinions on conduct in the workplace with respect to the WAIS values. This feedback is discussed in performance meetings with managers.

A robust decision making framework

A strong framework to guide accountable decision making means that:

- key rules of behaviour are written down
- staff are well-prepared to apply the rules during times of change
- any ethical dilemmas are resolved quickly and simply.

Related focus questions

In evaluating this factor, maturity of controls were assessed against two focus questions:

- Do the code of conduct and other relevant documents consider the risk of misuse of public resources and of the facility itself?
- Is there guidance in the code of conduct on appropriate use of public resources and, more specifically, a policy for appropriate facility use?

Consideration of risk of facility misuse

A good level of awareness and consideration of integrity risks across public authorities was observed. However, such risks were not always identified in the risk management framework. A siloed approach could indicate a variety of risk cultures exist across a public authority and lead to gaps in integrity risk scanning and analysis.

An example of an integrated risk framework at the Shire of Bridgetown-Greenbushes is described below.

Evaluation highlights: Recognising integrity risks

A new risk management framework was put in place at the Shire of Bridgetown - Greenbushes in November 2015 and integrated into strategic business planning. The Shire's risk assessment procedures include and define 'misconduct risk'. Misconduct is also identified as a risk in the Shire's dashboard reporting.

Guidance on appropriate facility use

It was observed that codes of conduct often provide clear guidance to staff on appropriate use of public resources at the corporate level. This accountability was not as clearly stated in ethical codes applied by GTEs. This may reflect their more commercial orientation but not contemporary community expectations.

It was also observed that guidance on appropriate use of workshop and recreation facilities is not always expressed as clearly as it is for other corporate resources, such as vehicles, computers and mobile phones.

In some public authorities, a limited personal use framework was identified and considered reasonable. Such approaches could be:

- in the case of recreation facilities, part of an employee wellbeing program
- in workshop situations, part of developing staff skills in the use of technical equipment
- in general, part of building the workforce's understanding of an authority's business or service user's experience of a facility.

Another identified approach to managing risks was to instigate some level of cost recovery to ensure accountability and reduce the potential for excessive private use.

Two examples of a 'reasonable use' framework follow.

Evaluation highlights: Regulated reasonable use

1. The Perth Theatre Trust: the House Seat Policy guides the allocation of free seats to staff, board members, media representatives and sponsors for performances at their venues. The House Seat Policy clearly outlines the number of house seats that can be allocated at each of its venues per performance to mitigate the potential risk of ticketing abuses.

2. The Shire of Gingin: staff can hire work equipment for a nominal fee on an ad hoc basis (regular hire is not permitted). In permitting the hire for personal use, management must be satisfied that the equipment will be used safely and properly. Staff are required to fill out a Plant Hire Agreement for approval by the Chief Executive Officer or Executive Manager Operations. The agreement requires the staff member to replace or repair the equipment if it is damaged during the hire period.

Strong capability

Strong workforce capability ensures that:

- employees can spot ethical issues and make the right choices
- it is everyone's 'job' to manage integrity risks
- there are less 'pockets' of local practice and more common knowledge.

Related focus questions

Evaluation of this factor assessed maturity of controls against two focus questions:

- Does the workforce structure seem reasonable in relation to managing the risk of facility misuse?
- Are staff appropriately trained to manage integrity risks such as misuse of public resources?

Span of accountability to manage integrity risk

In general, public authorities were observed to have planned for an effective span of accountability. In structuring the workforce, all roles carried key responsibilities for managing integrity risk. An appropriate management framework was observed, even where facilities were isolated from the head office.

There were well-defined positions supervising the prevention, detection and management of misconduct, corruption and fraud and a clear line of reporting to the chief executive officer and/or the governing body.

Staff training in appropriate behaviour

The coverage of integrity risks was observed to vary across the induction and training programs of public authorities. Skilling in workplace ethics was not always applied to the entire workforce (such as casual staff) or had been undertaken several years ago for longer-term employees.

Programs assessed as having a higher maturity level in the evaluation were more likely to offer the breadth of coverage of the Commission's AEDM training framework. This framework covers six categories of conduct, as well as the reporting of suspected misconduct. It prepares staff to handle ethical problems in the workplace through teaching appropriate responses to a number of real life scenarios.

The evaluation found that public sector agencies were more likely to have mature controls in this focus area. Local governments were less likely to have a comprehensive program in place. The following box describes the new framework to assist local government.

Adapting the AEDM framework

The Commission's AEDM framework underpins ethical training in the public sector and has recently been expanded to provide assistance to local governments. The program provides workshop materials for local governments to deliver ethical training to their staff. These materials include a facilitators' guide, an employee handbook and a series of case studies. More information is available on the Commission's website.

Refresher materials have also been made available to support the delivery of a shorter session for those employees who have completed a full ethical training program. This has enabled public sector agencies to revisit the key messages of accountable and ethical decision making with their employees. It has also provided an opportunity to discuss any changes to the code of conduct or related policies since the employees' original training.

Good governance

Good management and oversight ensures that:

- ethical issues are noticed and reported by staff
- there is high-level tracking and response
- the organisation focuses on improvement and performance.

Related focus questions

Evaluation of this factor assessed maturity of controls against two focus questions:

- Are physical and reporting systems appropriate to prevent, detect and manage the risk of facility misuse?
- Are processes in place to monitor risk management and the ongoing appropriate use of the facility?

Monitoring and management of appropriate facility use

The site visits to facilities controlled by public authorities observed how simple and practical protocols are being applied locally. However, these 'rules' for personal use are not always formally documented or described, potentially leading to a lack of employee awareness of appropriate behaviour.

Many good examples of physical security measures (such as closed circuit cameras) and restricted access permissions were observed. Local governments and public universities were most likely to have an intricate network of security and access controls due to their daily contact with the community and the public safety imperative.

Across public authorities, information from misconduct reports and allegations was not always centrally held or consistently collected and analysed. This made workforce trends in unethical behaviour difficult to identify and monitor in several authorities. One solution might be application of an initiative such as the Murdoch University Misconduct Working Group (Director and Manager level), which aims to meet periodically.

Continual improvement in integrity controls

While there were many good examples of access and security controls, there was less auditing of facilities management and personal access by staff. Subject to a public authority's own risk assessment, auditing helps measure the effectiveness of integrity controls, such as access logs and equipment registers, to identify areas for improvement.

Evaluation highlights: Ensuring good governance

The Shire of Gingin is a geographically diverse jurisdiction covering an area of some 3223 square kilometres. It uses a high-technology system (SmartFill) for real-time monitoring of its diesel fuel costs and usage. When a fleet vehicle is refuelled at the Gingin depot, the employee scans a dongle and relevant vehicle details are automatically logged.

**Perth Theatre Trust facilities and Mundaring depot facilities
(Department of Parks and Wildlife)**

Appendix

Participating authorities

The evaluation focused on one public facility as agreed for each of the 12 public authorities as outlined below.

Public authority	Facility
City of Armadale	Armadale Aquatic Centre
Department of Parks and Wildlife	Mundaring depot
Edith Cowan University	Sports and Fitness Centre (Mt Lawley Campus)
Murdoch University	Mandurah Campus
Perth Theatre Trust	Subiaco Arts Centre
Public Transport Authority	Nowergup depot
Shire of Bridgetown-Greenbushes	Bridgetown Leisure Centre
Shire of Gingin	Gingin depot
South Metropolitan TAFE	Kwinana Automotive Training Centre
Southern Ports Authority	Bunbury Port maintenance workshop
Town of Cambridge	Boulevard Centre, Floreat
Western Australian Institute of Sport	High Performance Service Centre gymnasium

Assessment framework

A total of nine focus questions formed the Commission's evaluation framework as outlined below. These helped to assess the maturity of controls applied by public authorities in managing personal access risks.

Factors	Evaluation focus questions
Culture	**Commitment and leadership** 1. How are expected standards of conduct communicated to staff? **Business alignment with core values** 2. Are ethical values embedded in business policies and practices? **Engagement of employees** 3. Do workforce perceptions and behaviours reflect a high integrity culture?
Decision making framework	**Consideration of the operating environment** 4. Do the code of conduct and other relevant documents consider the risk of misuse of public resources and of the facility itself? **Behavioural guidance** 5. Is there guidance in the code of conduct on appropriate use of public resources and, more specifically, a policy for appropriate facility use?
Capability	**Span of accountability** 6. Does the workforce structure seem reasonable in relation to managing the risk of facility misuse? **Workforce knowledge and skills** 7. Are staff appropriately trained to manage integrity risks such as misuse of public resources?
Governance	**Systems monitoring and controls** 8. Are physical and reporting systems appropriate to prevent, detect and manage the risk of facility misuse? **Continual improvement** 9. Are processes in place to monitor risk management and the ongoing appropriate use of the facility?