

Public Sector Commission  
**Integrity Framework**

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# 1. Clear expectations

## **From the Commissioner**

As the central agency responsible for setting ethical standards, promoting integrity and helping to prevent misconduct across the WA government sector, I expect every person who works for or with the Public Sector Commission to act with the highest level of integrity.

This means each of us, every day, doing the right thing and speaking up when we see something that does not seem right.

I set similar expectations for authorities and individuals in the [Integrity Strategy for WA Public Authorities 2020-2023](#).

Our integrity framework describes how we practice, manage and account for integrity in the Commission. It has been developed in consideration of our remit, responsibilities and risk areas.

I expect staff to be familiar with this framework and raise suggestions about how we can better support and promote integrity here.

SHARYN O'NEILL  
PUBLIC SECTOR COMMISSIONER

## 2. Plan and act to improve integrity

### 2.1 Roles and responsibilities

Position or body	Roles and responsibilities
Commissioner	<ul style="list-style-type: none"> <li>• Sets integrity expectations and embodies these</li> <li>• Is accountable for integrity overall</li> <li>• Approves policies and procedures</li> <li>• Chairs Corporate Executive</li> <li>• Sets and endorses delegations for specific functions of relevant Commission staff</li> </ul>
Corporate Executive	<ul style="list-style-type: none"> <li>• Receives advice from the Audit and Risk Committee</li> <li>• Plans and monitors risk and compliance</li> <li>• Operates in accordance with the Corporate Executive terms of reference, including in relation to integrity and governance</li> </ul>
Executive directors, directors and managers	<ul style="list-style-type: none"> <li>• Embody and promote integrity, including promoting this framework</li> <li>• Oversee implementation of and compliance with policies and procedures, legislation and other requirements</li> <li>• Address integrity issues with staff early</li> <li>• Support internal reporting processes and management of integrity risks</li> <li>• Provide advice and support to staff on integrity matters</li> </ul>
Executive Director Integrity and Risk	<ul style="list-style-type: none"> <li>• Promotes effective risk management governance across the Commission including leading the reporting of strategic risks through the Strategic Risk Profile</li> </ul>
Manager Risk, Assurance and Disclosures	<p><u>Risk management</u></p> <p>Supports the Executive Director Integrity and Risk by administering the Risk Management Framework including:</p> <ul style="list-style-type: none"> <li>• updating the Risk Management Policy and reference tables</li> <li>• maintaining the Strategic Risk Profile with input from Corporate Executive</li> <li>• coordinating detailed strategic and operational risk reports for the Audit and Risk Committee and other governance committees as specified</li> <li>• providing risk management support and advice to Corporate Executive on a needs basis</li> </ul> <p><u>Internal audit</u></p> <p>Establishes a risk-based internal audit function to review and assess the risk environment and provide insights into risk management including providing recommendations to improve mitigating actions and controls</p>

Position or body	Roles and responsibilities
Manager Corporate Services (Chief Finance Officer)	<ul style="list-style-type: none"> <li>• Manages financial, business and human resources functions</li> <li>• Undertakes the role of Chief Finance Officer in accordance with section 57 of the <i>Financial Management Act 2006</i></li> <li>• Undertakes the role of Chief Procurement Officer</li> <li>• Maintains the Fraud and Corruption Control Policy</li> <li>• Ensures compliance with legislative provisions, policies and procedures as contained in:               <ul style="list-style-type: none"> <li>• Financial Management Manual</li> <li>• Procurement Delegations</li> <li>• Incurring and Certifying Delegations</li> <li>• Human Resources Delegations</li> </ul> </li> <li>• Maintains the procurement and contract management manual</li> <li>• Maintains the Procurement and Contract Management Policy.</li> </ul>
Human Resources Manager (Chief Human Resources Officer)	<ul style="list-style-type: none"> <li>• Prepares and publishes policies and procedures to ensure integrity in human resource practices including recruitment, grievance management, performance management and reporting</li> <li>• Maintains and provides advice on the application of the Code of Conduct</li> <li>• Ensures staff induction covers integrity expectations</li> <li>• Delivers ethical training to ensure 100% completion</li> <li>• Ensures compliance with legislative provisions, policies and procedures related to human resources practices including breach of discipline</li> </ul>
Manager Strategy and Governance	<ul style="list-style-type: none"> <li>• Manages the governance framework</li> <li>• Coordinates the annual review of the integrity framework</li> <li>• Oversees secretariat for and governance of Corporate Executive and Project and Program Governance Committee</li> <li>• Maintains internal and external policy frameworks</li> <li>• Ensures policies and procedures are updated in accordance with the policy register</li> </ul>
Strategic Communications Manager	<ul style="list-style-type: none"> <li>• Plans for and schedules specific integrity messages from the Commissioner and executive</li> <li>• Ensures corporate messages are consistent with the Commissioner's approach to integrity and stated expectations</li> <li>• Promotes integrity events</li> <li>• Maintains the intranet including integrity information and resources</li> </ul>
Commission staff	<ul style="list-style-type: none"> <li>• Take personal responsibility for actions and decisions</li> <li>• Follow policies, procedures and legislative requirements</li> <li>• Apply appropriate practices for risk management, internal controls, and fraud and corruption prevention</li> <li>• Report suspected breaches of requirements</li> </ul>

Position or body	Roles and responsibilities
Audit and Risk Committee	<p>Operates in accordance with the Audit and Risk Committee Charter which includes:</p> <ul style="list-style-type: none"> <li>• reviewing the Commission’s internal audit coverage and annual work plan, and recommending approval of the plan by the Commissioner</li> <li>• reviewing the effectiveness of the Commission’s risk management and governance frameworks</li> <li>• improving the reliability and reporting of financial and non-financial information</li> <li>• reviewing the effectiveness of fraud control measures</li> <li>• assisting compliance with laws, regulations, standards and good practice guidelines</li> <li>• considering reports by the Office of the Auditor General including but not limited to the annual external audit</li> <li>• providing advice to the Commissioner on significant issues identified as well as good practice and actions taken</li> </ul>

## 2.2 Legislation and regulations

A compliance obligations spreadsheet (PSC21011910) lists a number of obligations contained in legislation, regulations, circulars and other government policies. These apply to public sector agencies.

In the Commission relevant obligations are managed by the functional area with responsibility for them (e.g. *Financial Management Act 2006*, supporting regulations and Treasurer’s Instructions are managed by the finance team under the oversight of the Chief Finance Officer; industrial relations and people management obligations are managed by Human Resources).

Staff need to understand obligations specific to their roles (e.g. those that arise from legislation, which the Commissioner administers) and where unsure they should seek advice. Executive directors and managers have a role to support and oversight compliance in their teams.

See the Functional Model for more information.

## 2.3 Risk analysis and planning for integrity

The Commission has a Risk Management Policy that describes the commitment to understanding and managing its risk environment including integrity risks, fostering a positive risk culture and taking measures to ensure risks are contained to acceptable levels in accordance to its remit and responsibilities.

The policy and framework are aligned with:

- Treasurer’s Instruction (TI) 825: Risk Management and Security
- Australian Standard/International Organisation for Standardisation (AS ISO) 31000:2018 Risk management – Guidelines
- Institute of Internal Auditors (IIA) ‘Three Lines of Defence in Effective Risk Management and Control’
- Insurance Commission of WA’s Risk Management Guidelines (2016)
- Good governance guide for public sector agencies Principle 9: Risk Management.

The Risk Management Framework supports and expands on the Risk Management Policy. It is integrated with the Governance Framework, applies to all decision-making activities, and seeks to ensure risks are identified and understood; and risk management principles are incorporated into business planning and resource allocation. It outlines:

- risk principles, appetite and culture
- risk governance and responsibilities – 3 lines of defence model
- risk management approach – assessment, management, monitoring and review.

## 2.4 Internal controls, audit and governance

The Commission undertakes activities and implements internal controls to minimise its integrity risks.

### **Policies and procedures**

To ensure policies and procedures are current, the Internal policy register assigns responsible staff and review dates.

Business critical processes are documented in the process documentation system Promapp.

### **Supervision**

Directors and managers are expected to ensure their staff adhere to governance policy frameworks, complete mandatory training (e.g. integrity training) and demonstrate behaviours required by the Code of Conduct.

### **Financial management controls**

- The Financial Management Manual documents authorised policies, processes and procedures that promote sound practices and strengthen integrity and governance frameworks. The manual complies with requirements prescribed in TI 701: Financial Management Manuals.
- A robust Financial Management Information System (FMIS) is in place. This includes a number of automated controls to ensure adequate segregation of duties as stipulated by TI 304: Authorisation of Payments.
- Incurring and Certifying Delegations and Procurement Delegations are in place.

### **Human resources management controls**

- Employment screening is undertaken and includes the requirement to provide a national police certificate before employment is offered.
- Employment contracts remind new staff of the requirement to notify the Commission in the event they are charged with a serious criminal offence or an offence involving fraud or dishonesty. New staff are also reminded that they may be asked to produce a criminal record screening from time to time.
- Undertaking Secondary Employment Policy and Secondary Employment Form are required to be completed by all new staff and other staff as relevant.
- Human Resources Delegations are documented in the delegations schedule.

## Information management controls

- The Commission's recordkeeping plan is on the intranet and details the management of state records to meet obligations under the [State Records Act 2000](#).
- The Department of the Premier and Cabinet provides recordkeeping services to the Commission including maintenance of groups to restrict access to sensitive information (for example information related to executive recruitment, staffing records and minor misconduct).
- The Code of Conduct has a section on recordkeeping and use of information, and how staff ensure government information is appropriately recorded, managed and maintained.

## Risk management

The Commission takes integrity risk management seriously and it is embedded into its overall approach to risk described at 2.3 Risk analysis and planning for integrity.

## Audit

The internal audit function is maintained in line with section 53 of the FMA and TI 1201: Internal Audit. This function is described in the Internal Audit Charter which has been developed in accordance with the Professional Practices Framework of the Institute of Internal Auditors.

The internal audit function helps maintain and improve organisational effectiveness by providing risk-based and independent assurance advice to the Commissioner.

The internal audit function helps the Commissioner achieve business objectives by systematically collecting and reporting information through the Audit and Risk Committee. This includes risk exposure and management, internal controls, compliance, resource and program management, and organisation performance against statutory obligations and best practice principles.

A risk-based internal audit plan is prepared annually by the internal audit function. The plan sets audit topics and identifies resources required for the year in alignment with the Commission's objectives and key risks. It is endorsed by the Audit and Risk Committee and approved by the Commissioner. The Commissioner may vary the plan and change priorities as recommended by the Committee.

The Committee provides independent advice to the Commissioner on the effectiveness of the risk management and governance frameworks, and external accountability obligations.

The Committee has an independent chairperson and a majority of members external to the Commission. Membership does not include the Commissioner or Chief Finance Officer.

## Governance

The Governance Framework ensures accountability and encourages performance improvement while meeting obligations and legislative requirements. This framework complements and forms part of the integrity framework.



## 2.5 Fraud and corruption detection systems

The Fraud and Corruption Control Policy establishes the Commission's approach to preventing, detecting and responding to reports of suspected fraud and corruption. The Commission acknowledges that the audit function, staff, supplier and contractor reporting of suspected fraud and corruption, set out in the [Statement of Business Ethics](#), contributes to detection activities.

Financial management detection includes:

- monthly data analysis and reporting to Corporate Executive by the Manager Corporate Services
- monthly management accounting reports provided to executive directors for analysis by comparing actual versus budgeted expenditure and revenue for cost centres, with any unusual trends or variances further examined and investigated
- monthly reconciliations and review of exception reports for variances and investigation of unusual transactions.
- internal audit reviews
- regular quarterly reporting to Treasury including the explanation of variances between actuals and budget as well as actuals and prior year results
- annual statutory external audit by the Auditor General
- annual budget process and mid-year review to critically review and examine forward budget projections.

## 3. Model and embody a culture of integrity

### 3.1 Values and standards, leadership and management attitude and organisation culture

The Commissioner sets clear integrity expectations. These expectations emphasise the importance of staff maintaining the highest level of integrity and reflect the Commission's outward facing role to promote integrity and help prevent misconduct and corruption across the government sector.

This is supported by:

- every director and manager reinforcing the Commissioner's expectations and compliance with standards and policy
- all job descriptions including those of senior leaders incorporating the need to 'exemplify personal integrity and self-awareness' as part of the essential criteria
- performance indicators for executives including that they embody the spirit of public service which is about displaying empathy and compassion, integrity and humility
- a well communicated Code of Conduct consistent with the [Public Sector Code of Ethics](#) which sets standards of behaviour and reporting noncompliance with the code (code is being updated to include information about pathways to report such as notifying a line manager, human resources, reporting minor misconduct to the Commission and serious misconduct to the Corruption and Crime Commission)
- established public interest disclosure procedures
- a comprehensive staff performance management process where managers are required to discuss with staff their obligation to adhere to Code of Conduct and declare any conflicts of interest
- promotion of integrity messages through the intranet (e.g. importance of complying with financial controls), other staff communications, whole of Commission meetings and leveraging key integrity dates such as International Anti-Corruption Day.

## 4. Learn and develop integrity knowledge and skills

### 4.1 Integrity education and capacity

The Commission is committed to building the integrity knowledge and capacity of its staff from the time of their appointment to the time they exit the Commission.

It uses the following formal and informal education methods:

- Job advertisements emphasise the Commission's role in relation to integrity.
- New staff are provided with an induction package that includes the Code of Conduct, and requires them to confirm they have read and understood the Code.
- An online staff induction covers the Code of Conduct, Code of Ethics and information about reporting suspected breaches of expected standards.
- Staff are required to complete integrity training.
- The staff development and training plan includes other compliance and governance training (e.g. records awareness, financial management, procurement, and bullying and sexual harassment).
- Development and training completed by staff training are recorded in the learning management system.
- The staff performance management process reinforces the need to comply with the Code of Conduct and declare any conflicts of interest.
- Staff are provided with avenues to seek advice about integrity obligations including policies and procedures from managers and those with relevant expertise (for example, Strategy and Governance, Finance and Human Resources).

## 5. Be accountable for integrity

### 5.1 Response to integrity breaches

The Commissioner takes a no tolerance approach to misconduct and corruption and expects executive directors, directors and managers deal with conduct issues early.

If a suspected conduct matter is raised, it is treated seriously, with prompt and appropriate action.

The Commission's staff discipline policy and procedures contain principles and minimum requirements to ensure compliance with Commissioner's Instructions 3 and 4 and relevant legislation. In addressing matters, the Commission may take improvement or disciplinary action.

For certain types of conduct, the Commissioner has a statutory obligation to notify the Public Sector Commission (minor misconduct), Corruption and Crime Commission (serious misconduct) and Western Australia Police (criminal conduct).

Where relevant, any reports and discipline processes are used as opportunities to improve practices and strengthen controls.

### 5.2 Self-analysis and review

Elements of this integrity framework have different review schedules. Internal policies have a 2-year review cycle as indicated in the internal policy register while other governing documents such as the Corporate Executive terms of reference are reviewed annually.

The Commission intends to review this integrity framework annually, with updates made throughout the year to reflect any necessary content changes. The Manager Strategy and Governance coordinates the annual review.

The Commission uses available tools (e.g. the Integrity Snapshot Tool, Integrity in Financial Management Self-Assessment Checklist) to assess what is currently in place and the maturity of its approach to integrity.

Recommendations from internal and external reviews and reports are considered by relevant business areas (for example, Strategy and Governance, Finance and Human Resources). Any identified gaps in the approach to integrity are addressed.

## 6. Oversight

The Commissioner, with the support of Corporate Executive, is responsible for oversight of the integrity framework.

The following processes are in place to provide the Commissioner with assurance that the approach to practicing, managing and accounting for integrity is sound, and the framework is working as intended:

- Integrity matters are a standing Corporate Executive agenda item.
- Regular reporting from business areas to Corporate Executive includes:
  - monthly reporting on financial performance and any requests for changes to the approved budget parameters
  - quarterly reporting on the misuse of corporate purchasing cards
  - monthly reporting on diversity statistics
  - quarterly reporting on compliance with the Leave Management Policy
  - quarterly reporting on the conflicts of interest, secondary employment, and gifts and benefits register
  - regular reporting on the staff development and training plan
  - high level updates on any current workforce integrity matters.

Two-monthly progress reports from internal audit to Corporate Executive are provided to ensure audit corrective actions are implemented.

In addition to reporting to Corporate Executive, the Audit and Risk Committee assists the Commissioner by providing independent oversight on the effectiveness of the Commission's risk management activities.

As part of its oversight role the committee receives regular reporting on:

- internal audit coverage and annual work plan
- reviewing the effectiveness of the Commission's risk management and governance
- Office of the Auditor General's work program.