

LOCAL GOVERNMENT INTEGRITY SYSTEMS

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What do we mean by an 'integrity system' ?

- Integrity as public sector institutions, processes and outcomes meeting ethical standards of the community.
- Partly about, but more than, avoiding or preventing corruption....
- An integrity system consists of those formal and informal mechanisms that promote integrity, including those that prevent corruption. (TI's 'Greek temple', Sampford et al's bird's nest etc.)

Local Government: Special Integrity Problems?

1. Public perceptions: Is corruption ‘a major problem’ ?

NSW local councils 35%

NSW Government Departments 41%

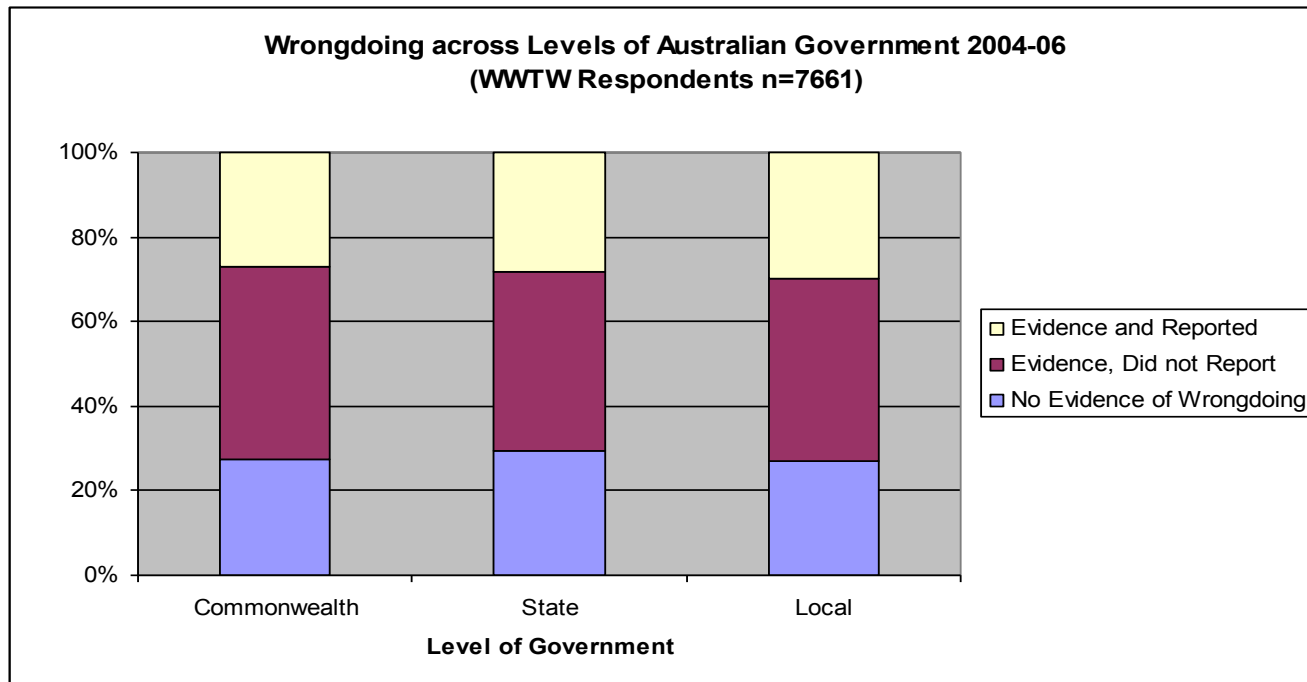
(ICAC, 2009).

2. Public complaints:

Local government around 11-12% of all complaints to NSW Ombudsman over last decade.

Local Government: Special Integrity Problems?

3. Staff perceptions and reactions.



- Likelihood of encountering wrongdoing similar for staff in all three levels of government (the maroon and cream areas).
- Staff in all three levels equally likely to report wrongdoing (the cream area).

Local Government: Special Integrity Problems?

4. Findings of Corruption Investigations.

Local councils the sites of about 21 percent of all reported ICAC investigations (1988-2011).

• *Who was found corrupt?*

Private individuals (51%); Non-elected officials (48%);
Councillors (15%).

• *Activities investigated?*

Development/construction approvals (64%).

• *Types of corruption found?*

Bribery (64%); Conflict of interest (48%); Contracting
irregularities (21%).

• *Where?*

Sydney (79%); Rest of NSW (21%).

Responding to Local Government Corruption in NSW: A Comprehensive Integrity System

- ICAC; Ombudsman.
- Division of Local Government.
- Parliament (Legislative Council GPSC No 5).
- Courts.
- Mandatory Model Code of Conduct
- Mandatory Local Government Model Internal Reporting Policy
- Variable informal mechanisms: local media and interest groups.

Works pretty well, but what's missing?

1. The NSW Audit Office (unlike other NSW public sector agencies and other states).
2. A sense of ownership over integrity, including corruption prevention, from within councils themselves. The NSW local integrity system is imposed from above (scattered experiments with local council obudsmen).

Does this lack of ownership matter?

Shopping with violence?
London August 2011



Bring back the biff?
Sydney August 2011



Compliance versus Judgement

- John A Rohr, *Ethics for Bureaucrats* (1989): ‘low road’ and ‘high road’ approaches to public sector ethics.
- Low road leads to compliance without understanding, slavish rule following, anything not in the rules is allowed.
- High road leads to ethical judgement, via leadership and building cultures.

Three possibilities for greater ownership of integrity and corruption prevention

1. Locally written codes (e.g., South Australia).
2. Stronger education and training (as recommended by ICAC in April 2011).
3. Local council monitoring officers and standards committees (e.g., UK).

What are the Major Barriers?



1. State government unwilling to relinquish control (path dependency).
2. Local council resources (although cooperation possible).