

5. Preventing corruption

5.1. *The issues*

Public sector integrity systems are designed to identify and respond to corruption, misconduct and undue influence, and also to promote ethical behavior, high integrity public decision-making, accountability and performance. An important part of this role is preventive – that is, not just fixing problems and ensuring accountability and justice after they arise, but preventing them from occurring in the first place.

Integrity is supported institutionally in a wide variety of ways, including through the leadership and culture of organisations and governments, and the mutually reinforcing work of all integrity agencies. However, as corruption risks grow and change, there is also increasing recognition that preventing corruption does not happen by accident or good intentions alone. It requires systematic attention and a program of activity, both by lead integrity agencies and within every institution, to support the desired culture.

Surprisingly, research, policy and practice in the prevention of corruption are much less advanced than other aspects of integrity. This is confirmed by new, national research undertaken as part of this assessment. We set out to establish:

- What do international research and experience say about the best approach to preventing corruption, including lessons learned from other domains that could be applied to help develop effective corruption prevention strategies?
- What kinds of prevention activities are currently employed across Australian governments jurisdictions – how do they compare, and what may be missing?
- Is a more strategic framework needed for corruption prevention – and if so, what should be its elements?
- Is resourcing for prevention adequate, and if not what should it be?
- How should prevention responsibilities and activities be formally embedded in public integrity frameworks, in support of Australia's historical commitment to a 'pro-integrity' culture in public institutions, now and in the future?

5.2. The state of the debate

Research and policy experience internationally

Research into corruption prevention is less advanced than it is for other aspects of integrity and corruption. This also sets corruption research apart from other areas of crime and misconduct where extensive literatures have developed around how wrongdoing can be reduced, while compliant behavior is encouraged.

It is self-evident that it is better to prevent corruption and other integrity breaches from occurring in the first place than to only invest energy and resources in responding to them after the event. Misconduct investigations tend to be protracted, expensive, and unpredictable in their outcomes. As a 'hidden' crime, corruption cases can be hard to identify and it can be difficult to find evidence to support them, particularly to the criminal standard of proof. Corruption control remains broader than prevention – it also has elements of public denunciation, punishment, education and standard setting. But prevention is integral -- as discussed in chapter 3, Article 5 of the UN Convention Against Corruption requires all countries to have a prevention strategy.

To implement this, corruption prevention involves a wide range of systems and measures that change the fundamental conditions which lead corruption to occur in the first place, by analysing vulnerabilities, hardening targets and making interventions to support ethical cultures, climates and leadership. At a practical level, international studies suggest that effective corruption prevention requires, among other factors:¹

- Effective use of research on corruption and anti-corruption;
- Comprehensive, publicly reported risk-analysis across all public bodies and sectors;
- Engagement of senior management in designing and promoting integrity measures;
- Building adequate prevention systems including clear rules and practical tools, guidance, training, monitoring and enforcement;
- Development of better measures, and collection of appropriate data on prevention;
- Ensuring effective and transparent inter-institutional coordination.

Nevertheless, prevention continues to take a less visible role in anti-corruption efforts; unlike high profile investigations and prosecutions, prevention efforts tend to be much less acknowledged.² Similarly, they struggle for resources; Transparency International's evaluation methodology for anti-corruption agencies rates 5 per cent or more of an ACA's budget spent on corruption prevention, research and outreach as being 'high'.³

¹ OECD Anti-Corruption Network for Eastern Europe and Central Asia (2015) *Prevention of Corruption in the Public Sector in Eastern Europe and Central Asia*, OECD, p15.

² Scott and Gong (2015). Evidence-based policy-making for corruption prevention in Hong Kong: a bottom-up approach, *Asia Pacific Journal of Public Administration*, 37:2, 87-101, doi: [10.1080/23276665.2015.1041222](https://doi.org/10.1080/23276665.2015.1041222); Quah (2017). Learning from Singapore's effective anti-corruption strategy: Policy recommendations for South Korea, *Asian Education and Development Studies*, Vol. 6 Issue: 1, 17-29, <https://doi.org/10.1108/AEDS-07-2016-0058>

³ https://www.transparency.org/files/content/activity/2018_Revised_ACA_Implementation_Guide.pdf

Further, despite the appeal of prevention, designing and implementing a comprehensive prevention strategy has proved problematic. As shown in chapter 4, the idea of corruption encompasses a wide spread of activity, from the clearly criminal (e.g. bribes) through misconduct (e.g. appointment processes disrupted by cronyism), to behaviours that are perhaps legal but nevertheless contrary to public expectations (politicians' entitlements used for personal or political benefit). What behaviours should a corruption prevention strategy target? Can a one-size-fits-all approach deal with varying types of problem? What techniques and tactics are most effective in preventing corruption?

Until recently there has been little discussion of these questions, much less a consensus on the best approach. Corruption prevention efforts have been ad hoc, and 'hit and miss in their impacts'.⁴ Developing a strategy is a complex task.⁵ There is very limited research on what constitutes effective corruption prevention, and almost none on the effectiveness of particular prevention strategies.⁶ The lack of an appropriate evidence-base means that jurisdictions have very little guidance about how best to fulfill their corruption prevention responsibilities.

There is also often conceptual confusion about what constitutes corruption prevention, with international frameworks requiring preventive measures, but providing little practical guidance on how this is to be achieved. Similarly, until very recently there has been little research into what works, or might work, by way of corruption prevention strategies.

Possible approaches and frameworks

Fortunately, there is now an emerging literature that uses various analytic models to describe different approaches to prevention, and that focuses particularly on developing understanding about the likely effectiveness of preventive activities. Three different models can be used to describe possible lessons from other domains, on how to develop and implement effective corruption prevention strategies:

- Law enforcement models
- Bureaucratic models
- Situational corruption prevention models.

⁴ Graycar and Prenzler (2013) *Understanding and Preventing Corruption*. London: Palgrave Macmillan., p. 71

⁵ Graycar and Sidebottom (2012). Corruption and control: a corruption reduction approach, *Journal of Financial Crime*, Vol. 19 Issue: 4, pp.384-399.

⁶ Tunley et al (2018). Preventing occupational corruption: utilising situational crime prevention techniques and theory to enhance organisational resilience. *Security Journal* 31: 21 <https://doi.org/10.1057/s41284-016-0087-5>; Porter and Graycar (2016). Hotspots of corruption: applying a problem-oriented policing approach to preventing corruption in the public sector, *Security Journal* Vol. 29 (3) 423-441. <https://doi.org/10.1057/sj.2013.38>.

1) Law enforcement models

This can also be described as a criminal justice model of corruption prevention.⁷ This model relies on new laws, increased penalties and stricter enforcement, on the assumption that wrongdoers will be deterred because of their fear of detection and punishment. While anti-corruption authorities may form the enforcement arm of such a model, their role in this approach has been criticised as 'centralised, top-down institutions relying heavily on well-publicised prosecutions, threats of sanctions, and moral exhortations',⁸ often with little attempt made to assess the long term effectiveness of these strategies in reducing corruption.

The law enforcement model rests on largely untested assumptions, particularly the notion that new laws and penalties, and well-publicised prosecutions, will act as a deterrent to future corruption. But there is very little rigorous evidence to support the preventive effect of this approach, although it may serve other purposes including punishment, incapacitation, and public denunciation of wrongdoing.

In fact, a large body of research in criminology, economics and other disciplines, has focused on this approach to deterrence in crime prevention more generally, and found it to be problematic. There is clear evidence that for crime generally, deterrence only occurs when there is a well-publicised high risk of detection, and a swift law enforcement response.⁹ These factors are far more important than the extent of any penalty. But both of these factors are hard to achieve for hidden crimes like corruption, where the prospects of detection are often low, and investigations and prosecutions are likely to be protracted. While increasing penalties is an easy solution for governments, on its own this is unlikely to deter misconduct.

Studies of other forms of organisational or hidden crime, such as corporate misconduct, have found that the relationship between punishment and deterrence is particularly weak, due to the diffusion of responsibility within such structures.¹⁰ While responsibility for some corrupt acts might be clear, where individuals act alone, broader-scale corruption suffers from the same problem as corporate crime – it can be difficult if not impossible to attach major responsibility to particular individuals. This affects not only prosecution outcomes, but the capacity of such actions to have any deterrent effect. Organisational offenders can resist and deflect prosecutions and absorb most financial penalties, and in that context are unlikely to stop their misconduct.

A further problem with the law enforcement model is that it focuses resources on responding to corruption after the event. Expensive and protracted prosecutions risk detracting from 'front-end' prevention efforts. Yet for authorities with a law enforcement mindset, investigations and prosecutions are seen as key organizational drivers.

⁷ Graycar and Sidebottom (2012). Corruption and control: a corruption reduction approach

⁸ Scott and Gong (2015). Evidence-based policy-making for corruption prevention in Hong Kong: a bottom-up approach

⁹ Nagin et al (2015). Deterrence, Criminal, Opportunities, and Police. *Criminology*, 53: 74-100. doi:[10.1111/1745-9125.12057](https://doi.org/10.1111/1745-9125.12057).

¹⁰ Simpson et al (2014). Corporate Crime Deterrence: a Systematic Review, Campbell.

2) *Bureaucratic models of corruption prevention*

Given the problems with law enforcement approaches to prevention, an alternative can be described as an audit or bureaucratic approach. This type of corruption prevention is characterised by lists of activities that can foster prevention, for example: risk assessments, training, communication, whistleblowing support, monitoring, and disciplinary measures.¹¹ The bureaucratic approach to prevention is often presented as practice guides and guiding principles, rather than an integrated and cohesive strategy.

There are two problems with this approach. First, the checklist technique often gives agencies very little guidance as to which activity to prioritise, or which best suits certain types of corruption problem. Which of the bureaucratic techniques are most appropriate to address the range of corruption types mentioned already (criminal, misconduct, failing to meet public expectations)? A homogeneous bureaucratic approach may provide little assistance to agencies that must apply limited resources to the problem of prevention.

The second problem is that there tends to be little quality evidence to support some of the prevention activities commonly used.¹² This lack of evidence reflects the lack of an underlying rationale or theory to support the range of activities; instead it is simply assumed that they will be effective.

One way to overcome this problem is through incorporating regulatory theory, particularly ideas of responsive regulation.¹³ In this approach many of the same types of bureaucratic technique are used, but within a structured framework that focuses on enhancing rule-compliance. A responsive regulation model incorporates compliance-based and deterrence-based strategies to control behavior in a tiered enforcement pyramid. Cooperative compliance is encouraged through education, negotiation and persuasion. Regulator action escalates through the tiers of the pyramid if compliance is not achieved. Higher tiers might include audits, monitoring and surveillance, with warning letters or administrative sanctions for persistent non-compliance. The tip of the pyramid is reserved for egregious misconduct, and involves civil or criminal sanctions.

A voluminous research literature on regulatory approaches has developed over the last twenty years, with several studies showing it can achieve long term success in improving compliance.¹⁴ However, key to success is the idea of a structured, systematic response to breaches, with a careful targeting of sanctions dependent on the situation. A properly designed system can have prevention effects, first through encouraging compliance, and second by providing the necessary preconditions, such as certainty and swiftness and a calculated escalation of sanctions, for the deterrence mechanism to be activated in a way that is not achieved through protracted and delayed law enforcement models.

¹¹ Tunley et al (2018). Preventing occupational corruption: utilising situational crime prevention techniques and theory to enhance organisational resilience., p. 24

¹² Ibid., p. 25

¹³ Ayres and Braithwaite (1992). *Responsive Regulation: Transcending the Deregulation Debate*. Oxford University Press, New York.

¹⁴ See Parker (2013). Twenty Years of Responsive Regulation: an Appreciation and Appraisal. *Regulation & Governance*, 2013, 7(1), 2-13.

Some guidance on how such a system could work in corruption prevention frameworks is given by the literature on reducing complaints against police. That literature shows that early intervention systems designed to identify and address behaviours of officers attracting repeat complaints, and better investigation and resolution processes, can lead to reduced levels of complaints.¹⁵ Such an approach could be developed and applied to corruption prevention.

3) Situational corruption prevention models

A third model has emerged which considers corruption prevention through the lens of opportunity theories borrowed from criminology, and particularly crime prevention research. The central idea is that much wrongdoing derives from situational opportunities, which can be reduced by modifying environments to diminish factors that facilitate it.¹⁶

The approach assumes that rational actors will choose not to offend in situations where to do so is difficult or risky, and that manipulating situations can lead to changes in individuals and their motivations for offending. Situational approaches shift the focus from after-the-event responses, to pre-emptive prevention, by changing the regulatory and behavioural environment in which offending occurs. Necessarily then, the approach is highly tailored to individual problems, and offers a toolkit of strategies, rather than one-size-fits-all solutions.¹⁷ The leading toolkit is a matrix of 25 crime prevention strategies.¹⁸

The situational approach draws on various theories, including rational choice, routine activity and crime pattern theories. Rational choice theory assumes individuals make calculated choices about offending, based on risks and rewards (while recognizing that not all offending is rational). Routine activity theory argues the importance of the 'crime triangle' comprising motivated offenders, vulnerable targets, and weak guardianship, as being the essential elements for crime to occur. Prevention then focuses on reducing motivations and access to targets, and increasing guardianship. Crime pattern theory shows that crime is not random but is concentrated in hotspots which can be targeted for response.¹⁹

Based on these theories, four essential elements of a situational model to prevention can be identified²⁰, so that such a model:

¹⁵ Prenzler et al (2016). Reducing public complaints and use of force: the Portland Police Bureau experience, *Journal of Criminological Research, Policy and Practice*, 2(4), 260-273.

¹⁶ Clarke (1993). *Situational Crime Prevention*. Crime & Justice, 19,91.

¹⁷ Graycar and Prenzler (2013) *Understanding and Preventing Corruption*. London: Palgrave Macmillan.

¹⁸ See Clarke (1993). *Situational Crime Prevention*

¹⁹ See Graycar and Masters (2018). Preventing malfeasance in low corruption environments: twenty public administration responses, *Journal of Financial Crime*, Vol. 25 Issue: 1, pp.170-186, <https://doi.org/10.1108/JFC-04-2017-0026>; Porter and Graycar (2016). Hotspots of corruption: applying a problem-oriented policing approach to preventing corruption in the public sector.

²⁰ See Porter and Graycar (2016). Hotspots of corruption: applying a problem-oriented policing approach to preventing corruption in the public sector; Tunley et al (2018). Preventing occupational corruption: utilising situational crime prevention techniques and theory to enhance organisational resilience.

- is based on an underlying assumption of rational assessments of risk versus reward influencing decisions to engage in corrupt behavior;
- recognizes the central role of opportunity, and has a focus on opportunity reduction;
- sees guardianship as a protective factor, and has a focus on boosting guardianship; and
- identifies hotspots using data analysis, to target enforcement and prevention efforts.

In the last five years, these ideas have increasingly been borrowed from criminology and applied to corruption prevention. Some authors²¹ have adapted key principles from situational crime prevention to develop a corruption prevention framework based on five types of activities that aim to:

- *increase the effort* required to perpetrate corrupt acts, e.g. improved management controls; physical or digital safeguards to protect cash, other assets; and confidential information, more rigorous recruitment screening to reduce legitimate access;
- *increase the risks* of detection and punishment, e.g. regular monitoring of activity or functional areas, unscheduled audits, integrity tests, data analysis, improved whistleblower support;
- *reduce the rewards*, e.g. impose contract or expense authority limits;
- *reduce provocations*, e.g. ensure fair, merit-based employment conditions, employee assistance programs including counselling for financial or substance problems; and
- *remove excuses*, e.g. publicise standards and rules, provide clear and unambiguous guidance on ethical conduct.

Other scholars²² adapted the situational crime prevention toolbox to develop 20 strategies to provide a structured framework for corruption prevention activities, based on four main categories of effort. This includes strategies that seek to: change the effort required to commit corrupt acts, change the risk and rewards structures, promote and value integrity, and raise awareness of the consequences of corrupt behavior.

A key feature of situational strategies is that there is no single 'one-size-fits-all' solution to corruption prevention. Instead, there is a need for careful analysis and data collection around specific problems, and the development of tactics based on the overall framework. Because of this, there is considerable scope for overlap between responsive regulation techniques which are also context dependent.

An integrated prevention framework drawing on both regulatory and situational approaches, as well as on highly selective and targeted law enforcement responses (as the tip of the regulatory pyramid of sanctions) could form the basis of an effective prevention framework. It would be based on theoretically sound anti-corruption levers and could simultaneously facilitate compliance, activate deterrence, and reduce opportunities.

²¹ See e.g. Tunley et al (2018). Preventing occupational corruption: utilising situational crime prevention techniques and theory to enhance organisational resilience.

²² See e.g. Graycar and Masters (2018). Preventing malfeasance in low corruption environments: twenty public administration responses., p. 182

Current Australian approaches and activities

In Australia, these challenges are chiefly addressed by the nation's anti-corruption agencies (ACAs), which as in many countries, are given a mandate for prevention among other functions.²³ However, even among ACAs, there is considerable variation in how prevention is understood and implemented within their legislated suite of responsibilities.

Across Australia, ACA functions can be broadly characterized as community engagement, prevention, and investigations and prosecutions.²⁴ Most Australian ACAs have responsibilities across all areas. But how they balance the prevention role within those responsibilities, resource it, the strategies they adopt and how they are implemented, varies considerably.

What types of approaches to corruption prevention are currently adopted? To establish this, we drew on various sources of data (see Appendix 2), particularly:

- desktop review of publicly available documents and websites of Australian ACAs;
- responses to a survey of ACAs on prevention approaches and techniques; and
- interviews and focus groups with selected senior ACA officers with a prevention role.

We focused on ACAs because in general they have the lead role in prevention efforts, and mostly have a legislative mandate to perform that role. In some Australian jurisdictions, ACAs also have a formal or informal role in coordinating prevention efforts across other integrity agencies. Table 5.1 sets out the ACAs invited to participate in the prevention-specific research. Some jurisdictions split the prevention function across two bodies, so in these cases both were included. The ACT Integrity Commission is due to start operating in the Australian Capital Territory later this year, so was not included.

Table 5.1: ACA participants in the prevention-specific research

Jurisdiction	ACAs
Commonwealth	Australian Commission for Law Enforcement Integrity (ACLEI)
New South Wales	Independent Commission Against Corruption (ICAC) Law Enforcement Conduct Commission (LECC)
Victoria	Independent Broad-Based Anti-Corruption Commission (IBAC)
Queensland	Crime and Corruption Commission
South Australia	Independent Commission Against Corruption (ICAC)
Tasmania	Integrity Commission
Western Australia	Crime and Corruption Commission (CCC) Public Sector Commission (PSC)
Northern Territory	Office of the Independent Commission Against Corruption (ICAC)

²³ Graycar and Prenzler (2013). *Understanding and Preventing Corruption*.

²⁴ Quah (2017). Learning from Singapore's effective anti-corruption strategy: Policy recommendations for South Korea.

In the survey of ACAs, interviews and focus groups, we asked questions on:

1. the prevention role and mandate in the jurisdiction, other agencies that also undertake prevention, and how/to what extent these activities are coordinated;
2. the prevention function within the ACA, including its place and importance in the agency and the extent to which it is included in key governance structures;
3. the range of prevention activities undertaken by the agency, within the categories of general deterrence (broadly law enforcement), specific risk-based activities (broadly bureaucratic/administrative), and situational activities (targeting facilitators/ inhibitors) – including the emphasis placed on post-intervention activities (occurring alongside or after a law enforcement investigation) and more pre-emptive approaches;
4. how prevention activities are prioritized, selected and delivered, including the variety of delivery modes used;
5. how the impact of prevention activities is assessed and measured, including any formal evaluations, and suggestions for performance measurement indicators.

1) Prevention mandate and coordination

All Australian ACAs have some form of prevention mandate, although the extent to which that mandate is articulated in their establishing legislation varies considerably. Most share the mandate with other integrity agencies, particularly Ombudsman's offices, to some extent Auditors General, and in some jurisdictions public service commissions or similar bodies.

One important way in which ACA mandates vary is in the agencies and individuals over which they have jurisdiction. In the states and territories the mandate is largely inclusive of most of the public sector, whereas at the Commonwealth level ACLEI only has jurisdiction over the law enforcement activities of five specified agencies. As a result, no specific agency currently has a clear and comprehensive mandate to develop and foster corruption prevention across the Commonwealth sphere, and there is no over-arching strategy for how this might be achieved, even voluntarily, by agencies within the sector. While the Australian Public Service Commission has some developmental functions and activities in this area, there is no clear leadership or coordination of the corruption prevention mandate.

Overall, the extent of coordination between agencies specifically focused on prevention varies between the Australian jurisdictions. In some jurisdictions there are regular formal meetings among prevention directors (or similar senior officers) while in others these tend to be less formal catch-ups which depend to some extent on the maintenance of personal relationships among key staff. In some other agencies there is limited coordination at the prevention functional level, although the ACA head may meet regularly with his or her counterparts in other agencies to discuss the broader spectrum of activities.

There was little dissatisfaction expressed by ACA respondents with either the mandate or coordination arrangements, although one commented 'there is room for improvement but there is a reasonable degree of coordination' [between the relevant agencies]' (Survey B1).

There is also a degree of coordination on prevention between jurisdictions, with regular meetings attended by the prevention directors (or similar role title) from around the country. These meetings are used to share knowledge on current priorities, and to discuss common issues and problems. Beyond those meetings however, there is limited regular discussion of

ongoing initiatives, trends or intelligence gathering, with one respondent observing 'we could do a lot more to integrate our activities across state barriers, given that corruption increasingly crosses borders' (Interview 10). Another respondent observed 'it operates more on the basis that if we have a particular problem and we know jurisdiction X has dealt with something similar, I'll get on the phone to their prevention director and have a specific discussion about that matter – so much less formal and more ad hoc' (Interview 34).

2) Role of prevention within the ACA

Most respondents agreed or strongly agreed that prevention is a priority in their jurisdiction and their agency. There is some variation on how agencies' governance arrangements reflect the prevention role. At one end of the spectrum, in a small number of ACAs the senior officer in charge of prevention sits on all of the ACA's key decision making committees and has an integral role in shaping policy. This includes being part of senior executive committees, or operations committees, as well as the more obviously relevant prevention committees. While other respondents may not have that level of direct involvement, there was a general perception of prevention being present 'at the decision-making table' (Interview 35).

It was unclear however to what extent this level of access was able to influence decisions about resource allocation, and specifically the relative emphasis placed on prevention and investigation activities. In all agencies, prevention receives significantly less staffing and other resources than investigations. Some respondents reported that their staff complement had been increased relatively in recent years (Interviews 22, 34); but that it was still small and that meant 'tough prioritization decisions have to be made' (Interview 23).

In one agency, the prevention function does not stand alone but is combined with the strategic intelligence function of the ACA (Interview 9). This was seen as advantageous because it embeds prevention into the whole range of the ACA's activities and allows the early identification of important opportunities to strengthen prevention. Another advantage was that intelligence officers have become exposed to the idea, goals and techniques of prevention, and are more likely to identify particular matters as having prevention implications. This has amounted to a way of extending the otherwise very limited prevention resources in that agency (Interview 9). On the other hand, merging the two functions could potentially risk the prevention focus being subsumed or captured by intelligence efforts focused on responding to misconduct.

3) Approach to prevention

Most of the respondents referred to the ACA's legislative mandate as their ultimate guide for prevention. Within that mandate ACAs referred to a range of internal criteria and guidelines that frame how prevention is conducted. None of the ACAs described an explicitly articulated prevention model that directly connected to the models discussed above (law enforcement, bureaucratic/regulatory, situational), although elements of each were raised by most agencies. For example, ACLEI's public description of its approach – perhaps consistently

with the current jurisdiction of the agency – aligned most closely with the law enforcement model, being focused on ‘detection, disruption and deterrence’.²⁵

One ACA summarised its corruption prevention strategy:

There are three pillars to this strategy:

- *engage with the community and public sector to improve understanding of corruption and its harms*
- *encourage reporting of corruption in the public sector*
- *alert organisations to the latest information and intelligence to stay ahead of corruption risks.* (Survey C1).

The same agency described prioritised activities as largely focused on education and engagement, including ‘awareness-raising, encouraging reporting, and supporting public sector agencies to build their internal capacity to prevent corruption through effective prevention practices’ (Survey C1).

Another ACA referred to its publicly available corruption prevention strategy, described under two headings (Survey A1):

- prioritise and direct resources to areas of highest impact
- work with jurisdiction agencies to strengthen integrity systems.

Within that ACA there is a strong emphasis on connecting prevention with intelligence collection and analysis. It further reported:

Our approach is slightly different to most, and is much more a contingent, intelligence led approach with corruption prevention practice embedded within an operational intelligence team at the front end of the investigations life cycle, rather than side lined with policy or after the fact. This works because we are small and specialist (Survey A1).

Most ACAs reported internal structures that guided prevention, including overall corporate strategies and plans, internal governance committees, and feedback from oversight agencies. Several noted that prevention activities were often guided by the ACA’s overall program of work, current issues uncovered in investigations or through oversight bodies, and particular requests from other agencies. However, they also noted that these needs had to be balanced against restricted prevention resources, workloads and other agency priorities.

Several ACAs referred to the role of research and intelligence-based assessments in identifying areas of high need for prevention interventions. These could incorporate broad reviews of the external operating environment, national and international developments, research or recommendations from other sources, particularly about trends and areas of focus (Survey C1?).

Similarly, a number of respondents emphasised the importance of risk-based approaches to targeting prevention resources, so that they are focused on particular areas of need, with one commenting ‘we need to target our resources in the areas of highest risk, given how limited they are’ (Survey D1). Another said ‘once an area is identified as high risk, then the

²⁵ ACLEI, <https://www.aclei.gov.au/corruption-prevention>.

type of prevention activity is tailored so that the most effective form of delivery is used (Interview 35).

4) Selection, prioritisation and delivery of prevention strategies

Most of the ACAs incorporate a wide scope of prevention techniques, ranging from broad education campaigns, public education activities, targeted specific activities (eg focused on particular government departments or functional areas like procurement), post-investigation prevention recommendations, and some intelligence-based prevention efforts.

One respondent commented:

We have four areas of work: investigations (which generally leads to the preparation of a corruption prevention chapter in the investigation report), education and training (delivering workshops and speaking engagements), advice (which is written or verbal and is usually, but not always, solicited. This includes maintaining website material and making submissions to relevant enquiries), and projects (which usually results in a corruption prevention publication) (Survey B1).

Overall, the main prevention activities reported across the ACAs include:

- research reports on corruption risks, including case studies
- guides on managing high-risk areas or functions, such as procurement processes or planning areas
- training programs, communities of practice, and capacity building in client agencies
- public engagement programs using various outreach platforms
- forums and events
- fact sheets, work-aids and tools, and advisory lines
- investigations and public hearings
- post-investigation prevention, focused on prevention lessons learned from specific corruption or misconduct investigations, for the public agency or more generally
- targeted audits
- using complaints and other data to identify potential issues and investigations.

All ACAs report conducting some or all of these prevention activities. One of the most common types of activity reported is broad education campaigns, focusing on either the role of the ACA or the nature or types of corruption. All ACAs reported this to be an important part of their work. These activities are delivered through a variety of channels, with the most common being training programs, outreach visits, factsheets and other general publications.

In general these activities were seen as important either because the agency has a specific mandate to perform them, or because broad education is seen as a specific component of an effective prevention strategy. However these activities were also seen as resource intensive; especially outreach visits and training, and potentially detracting from more targeted prevention tactics. In some agencies specific staff are dedicated to training or outreach activities of this nature, while in others the tasks are shared between prevention-related staff.

A recurrent theme was the extent to which prevention activities and resources relate to post-investigation processes. This occurs when an ACA investigates potential corruption or misconduct, and as a result, opportunities to improve prevention efforts are identified.

In some agencies a key technique is for prevention staff to be embedded into investigations at the early stages, to identify prevention issues and contribute chapters on prevention to investigation reports. This type of work was reported as consuming a considerable proportion of all prevention resources – in one agency with 15 prevention staff, at the time of data collection prevention officers were embedded in 20 live investigations (Interview 22). The importance of this role is seen to be that prevention is borne in mind from the beginning of major investigations, so that weaknesses in systems and processes can be identified and recommendations for improved practice can be incorporated into investigation reports. On the other hand, however, as well as limiting the prevention resources available for more proactive and future-oriented efforts, this approach risks prevention being perceived as primarily a reactive activity, focused on responses to investigations.

In terms of how prevention activities are prioritized, responses from ACAs varied. Most commonly this was described as a process of negotiation and consultation, including being responsive to current ACA investigations, or to highly topical and public corruption issues. One ACA described the need for ‘tough decisions to get the best effects. As a small team we have to get the best bang for our buck’ (Interview 35). Another ACA suggested that while there were no formally articulated criteria for initiating new prevention projects, they do tend to be discussed for a long time at team meetings before a decision is made to proceed (Interview 22). Resourcing constraints are clearly relevant in determining prevention priorities, with one agency commenting ‘printed publications and pre-agreed training packages work best because this guidance is not really sensitive to audience type’ (Survey C1), meaning these resources can be readily used across broad sectors.

Most respondents commented on the key role played by publicity, and the use of media releases and other such measures to achieve this. Publicity was seen as having two purposes – it both promotes the ACA and its mission, and highlights the risk of detection and the consequences of wrongdoing. Few of the ACAs reported any systematic approach to auditing or integrity testing. One commented:

We don't do much direct auditing/checking of corruption prevention-related internal controls. Ideally, agencies should be doing this themselves but I think that overall coverage is patchy (Survey B1).

5) Measuring performance and outcomes

ACA participants were asked how they assessed the performance of prevention activities, and for any suggestions on how this could be strengthened. They were also asked what types of data are currently collected that could inform performance measurement. Most respondents acknowledged that this was an issue they struggled with. One respondent commented:

The impact of corruption prevention activities is difficult to evaluate and cannot be assessed by a single measure. It may take years for an impact to be known or felt, or there may be consequences that are neither communicated nor publicised.

Importantly, the number of charges and convictions are only one performance indicator for anti-corruption bodies (Survey B1).

Another commented:

Assessing the impact has always had its challenges. Quantitative data is more easily collected but not necessarily a good measure of impact (Survey D1).

In terms of data collected by the ACAs relating to their prevention performance, these largely fall into six categories:

- activity counts e.g. numbers of training activities, publications and reports, and responses to advice requests, along with broader ACA measures like finalized investigations, numbers of reports etc
- policy and legislative impact e.g. reforms or statements in response to prevention recommendations
- levels of voluntary cooperation and engagement by agencies subject to the ACAs jurisdiction
- evaluation reviews and oversight agency reports
- measures of community and public sector perceptions and uptake of ACA activities, e.g. website hits, media mentions, engagement requests, publication downloads, and community surveys (conducted by the ACA itself or as part of other public sector initiatives)
- measures of community attitudes to corruption eg of levels of fraud and misconduct in the public sector.

As possible indicators for improved performance measurement, one respondent suggested:

- *Misconduct is understood as demonstrated by more appropriate notification and reporting of misconduct*
- *Employee surveys indicate that employees view their workplaces as ethical and have confidence in speaking up*
- *Feedback sheets from specific workshops or information sessions indicate that knowledge has increased*
- *The community has a positive perception of public authorities*
- *Reviews/follow up indicate that practices have changed in public authorities in response to issues being identified, particularly where a misconduct event has occurred.*

6) Summary of current approaches

Four strong themes emerge from the research. First, while ACAs generally perceive their mandate to include leadership of the corruption prevention agenda in their jurisdiction, there remains considerable variation in their formal mandates to do this, and their efforts to coordinate other agencies with a prevention role are at best unstructured and ad hoc. Similarly, while most ACAs see prevention as important, this is not always reflected in their formal governance arrangements or resource allocation.

Secondly, the level of resources allocated to prevention was consistently used to explain limitations on activities. There is considerable variation between the jurisdictions on prevention resources, especially dedicated staff, with complements ranging from just two to over twenty. However in those ACAs with a larger staff complement in prevention, those staff are often focused on primarily reactive activities, such as being embedded in investigations. While these activities are prevention-focused and may result in relatively broad recommendations and guidelines for practice, the end result is that prevention resources available for more strategic and future oriented activities are often very restricted.

Thirdly, prevention activities across the sector are strongly focused on education campaigns at one end of the spectrum, and investigation-led approaches at the other end. These strategies absorb most prevention resources. In most ACAs there is much less attention paid to strategies focused on compliance building and early intervention (e.g. audits, monitoring etc.) or opportunity reduction (strengthening guardianship, target-hardening), except for ad hoc recommendations arising from particular investigations. Further, there is no evidence-based framework or model guiding these strategies.

And fourth, while the importance of measuring performance and outcomes is recognized and acknowledged, little progress has been made in developing better measures. This is at least partly due to a lack of resources, but also the limited data collected by ACAs that could better test whether prevention is actually working.

These findings do not suggest that ACAs do not take prevention seriously, or that they are inactive in this area. The key issues are to do with resourcing, and better utilizing research evidence on what might work better in prevention.

Embedding and supporting a 'pro-integrity' culture

All of the above takes place against a backdrop of uncertainty about how corruption prevention should be institutionalised at a jurisdictional level, and in organisations.

It is well accepted that corruption prevention is an integral part of the link to promoting strong organizational cultures and systems, which are corruption resistant not only through technical strategies for making corruption more difficult, but by supporting an environment of high integrity. Getting the balance right between positive strategies for integrity building, including corruption prevention, and a focus on rules and institutions for detection and enforcement, is key to escaping the 'integrity paradox', in which new laws and institutions may obscure the behavioural challenges of organisational absorption of norms and values.²⁶

At the Commonwealth level, this has long been a focus, summed up by one senior Attorney-General's Department official to the Senate Select Committee on a National Integrity Commission:

If you think about the fact that we have over 200,000 employees in the Commonwealth, our starting point is making sure that we have a culture of integrity so that there is not

²⁶ See Mark Evans (2012), 'Beyond the integrity paradox – towards 'good enough' governance?' *Policy Studies* 33(1): 97-113.

the kind of wrongdoing that you are talking about. That is a really key thing that agencies do.²⁷

This discussion around a pro-integrity approach reinforces issues around leadership, mandate and scope for prevention. It is even reflected in shifting debate over the most appropriate names for lead agencies. In most States, corruption prevention is a secondary mandate for agencies that are clearly “anti-corruption” commissions (in historical order, NSW, Queensland, WA, Victoria, South Australia and the Northern Territory), but at the Commonwealth level, and in Tasmania and the ACT, the equivalent body is labelled an “integrity commission”.²⁸ ACLEI’s title was chosen in the context of debate, after Australia’s first National Integrity System Assessment, about how to achieve and institutionalise the right balance between proactive and reactive strategies towards integrity and anti-corruption.²⁹

However, as seen, anti-corruption commissions vary widely in their approach, with greater and lesser focus on prevention. The same is true of formal powers. For example, while no anti-corruption or integrity bodies have power to compel agencies to adopt their corruption prevention recommendations, some at least have requirements that agencies must inform the ACA whether they propose to implement those recommendations, and provide a plan of action.³⁰ Others have no such powers.

Even in Australia’s “integrity” commissions, however, corruption prevention tends to continue to come a distant second behind corruption investigation in resource allocation, and may only involve select elements of integrity. Similarly, most proposals for a new national integrity commission provide little insight into how this might be changed. For example, the design put forward by The Australia Institute’s National Integrity Committee references corruption prevention as an object, but makes no further reference to it, other than reinforcing the educative value of public inquiries and reports about corruption.³¹ The Commonwealth Government’s Commonwealth Integrity Commission proposal also presents prevention as a secondary function, but as it opposes the use of public inquiries and reports for this purpose, the detail on how prevention would be served is even less.

²⁷ Hawkins, Catherine (21 April, 2016). Senate Committee Public Hearing on the Establishment of a National Integrity Commission, pp 4. Transcript. http://parlinfo.aph.gov.au/parlInfo/download/committees/commsen/fd9ab3c0-79be-433d-be89-91ccb912ae48/toc.pdf/Establishment%20of%20a%20National%20Integrity%20Commission_2016_04_21_4378_Official.pdf;fileType=application%2Fpdf#search=%22committees/commsen/fd9ab3c0-79be-433d-be89-91ccb912ae48/0000%22 (Accessed 10/7/2018)

²⁸ This is true of ACLEI, but also all proposals for a national “Integrity Commission” in Greens legislation, the Senate Select Committees into a National Integrity Commission, the Australian Labor Party commitment, the 2018 Bills, and the Commonwealth Government’s 2018 proposal.

²⁹ For background to this, see A J Brown (2005), ‘Federal anti-corruption policy takes a new turn... but which way? Issues and options for a Commonwealth integrity agency’, *Public Law Review* 16 (2): 93-98. ACLEI’s originally proposed title was Inspector-General of Law Enforcement.

³⁰ See e.g. NSW ICAC Act 1988, s.111E.

³¹ See The Australia Institute, Paper 2 (Objects).

Within the current Review of the Australian Public Service, it has been argued that proposals for a “national integrity commission” do not include significant enough shifts away from traditional core anti-corruption responsibilities to justify the shift in name – and that instead, the intended agency should just be termed an “anti-corruption commission”.³² On this model, more proactive, system-wide responsibility for building and preserving “integrity” would lie with a second agency, such as a “new” Australian Public Service Commission.

Apart from central ACA mandates and resources to fulfil them, some governments do have policy frameworks which are relevant for requiring and supporting prevention strategies at agency level.

For example, all Commonwealth agencies must have fraud control plans, under the fraud control policy mentioned in chapter 4. This has long been presumed to include corruption control, although not explicitly nor adequately. Even though “fraud” is defined quite broadly under the Policy, it remains inherently focused on risks and actions to control theft and direct financial loss, and the language of plans remains focused on the objectives ‘to deter, detect and deal with’ criminal acts, rather than a full suite of prevention approaches.³³ Indeed, neither the Commonwealth Fraud Control Policy³⁴ nor the Commonwealth Risk Management Policy³⁵ specifically mention corruption (or integrity), and provide no *direct* support or obligations upon agencies to develop plans that would equate to corruption prevention policies.³⁶ Nevertheless, in practice, individual agencies use this framework to develop ‘Fraud and Anti-Corruption Plans’ and ‘Fraud Control and Corruption Prevention Plans’.

³² Nikolas Kirby and Simone Webbe (2019). *Being a trusted and respected partner: the APS integrity framework*. An ANZSOG research paper for the Australian Public Service Review Panel. March 2019 < <https://www.apsreview.gov.au/resources/aps-integrity-framework>>. On the Australia & New Zealand School of Government’s endorsement of an ‘institution-first’ approach to integrity, as one of 9 priority focuses for the APS Review, see its submission, July 2018, p.12: <https://www.anzsoq.edu.au/preview-documents/publications-and-brochures/5283-anzsoq-submission-to-the-aps-review>. See also <https://www.themandarin.com.au/96690-nine-priority-areas-for-the-aps-review/> (2 August 2018).

³³ See e.g. <https://www.ag.gov.au/CrimeAndCorruption/FraudControl/Pages/default.aspx>, referencing the Fraud Control and Corruption Prevention Plan 2017–2019.

³⁴ Cth Fraud Control Plan (2017), consisting of the Fraud Rule, Fraud Policy and Fraud Guidance, the first being mandatory for all Commonwealth entities, and the second and third only advisory for corporate i.e. non-core Commonwealth entities: Retrieved 27 March 2019, from <https://www.ag.gov.au/Integrity/FraudControl/Documents/CommonwealthFraudControlFramework2017.PDF>. These only reference to corruption in the Fraud Guidance, which recognizes the availability of ACLEI to support its five agencies ‘to detect and prevent corrupt conduct’, and citing ‘internal and complex fraud incidents in these entities’ as also capable of being regarded as ‘corrupt conduct’ (par C5); and suggesting that ‘where corruption or other entity risks are concerned’, the guide be used ‘as a starting point... in conjunction with other appropriate guidance materials’ (par C6).

³⁵ Commonwealth Department of Finance, *Implementing the Commonwealth Risk Management Policy – Guidance, 2016 - Resource Management Guide 211*, p.15 <https://www.finance.gov.au/sites/default/files/implementing-the-rm-policy.docx>. Examples of suggested ‘specialist risk categories’ with their own legislation, standards, compliance and reporting obligations, and suggested ‘specialist programs and processes’, are: business continuity and disaster recovery; fraud control; workplace health and safety; and protective security.

³⁶ Despite its written submissions that the Commonwealth’s Fraud Control Framework is central to its anti-corruption plans, the Attorney-General’s Department also chose not to mention it in its in-person

Only one Australian jurisdiction goes further, with most NSW government agencies formally required, since 2018, to have a fraud and corruption control framework, under instructions from NSW Treasury.³⁷ This requirement makes it mandatory for agencies to have a suite of 'preventive' policies, procedures and controls, while providing no detail on their content.

Similarly, the *National Integrity Commission Bill 2018* proposed that every Commonwealth agency or entity must have an 'integrity and anti-corruption plan', defined as 'a plan to protect and enhance integrity in the performance of the agency's functions (including the prevention of corruption in its program delivery, use of financial assets and information, decision-making, and the conduct of its staff)'.³⁸ This would be supervised by agency audit committees, and supported by the central integrity commission in a variety of ways. The proposal does not spell out the content of corruption prevention plans, but if implemented, would be the most comprehensive statutory framework for corruption prevention to date. According to estimates previously released as part of this assessment, the resources needed to administer such a framework would amount to around 10% of the budget of a properly funded national ACA.³⁹

5.3. The way forward

Overall lessons on current activities

A key lesson is that the mandate of the agencies varies considerably, as do their resources. This means that there is unlikely to be a one-size-fits-all, best practice approach. In each jurisdiction the agencies involved in corruption prevention differ, as do the risks and priorities. While there are issues that apply across the board, care needs to be taken not to overlook local needs.

A second lesson is that for most agencies, prevention is currently understood and practiced in accordance with aspects of two of the models identified from the research literature – the law enforcement model and the bureaucratic model. As discussed, both models currently lack an evidence base to support their main underlying assumptions – that well publicized investigations and punishments deter wrongdoing, and that ad hoc bureaucratic measures are effective to detect corruption.

appearance before the Senate Select Committee on a National Integrity Commission: see Senate Select Committee, par. 2.251.

³⁷ NSW Fraud and Corruption Control Policy, Treasury Circular TC18-02, 6 April 2018 <https://www.treasury.nsw.gov.au/sites/default/files/2018-04/TC18-02%20NSW%20Fraud%20and%20Corruption%20Control%20Policy%20pdf.pdf>. Applying to all public sector agencies and state-owned corporations, but not local governments or universities.

³⁸ *National Integrity Commission Bill 2018*, Part 3 (**Error! No text of specified style in document.**), Divisions 1-5, sections 18-31: House of Representatives, 26 November 2018: www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6217; Senator Waters (Greens), Senate, 29 November 2018:

www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=s1154.

³⁹ See Brown et al (2018), *A National Integrity Commission: Options for Australia*, Griffith University, August 2018, p9.59-60.

The lack of evidence to support these approaches is potentially problematic, given the emphasis currently afforded to them. Most agencies pay far less attention to identifying situational factors that could be manipulated to reduce opportunities for offending. And no ACA currently adopts a cohesive framework around its bureaucratic measures, such as is used in responsive regulation that has been shown to effectively improve compliance and invoke deterrence.

A third lesson is that all ACAs struggle with assessing the impact of their prevention activities. As discussed, measuring prevention is inherently hard, but the respondents have identified ways in which this endeavor could be improved.

In summary, there is considerable similarity but also some important differences across the ACAs included in this research, in relation to their approaches to corruption prevention. Key findings include:

1. ACA prevention leaders largely rely on ad hoc ways of integrating their prevention efforts, both with other agencies in their jurisdiction, and across the other Australian jurisdictions. They draw heavily on personal networks and contacts.
2. For the most part, while prevention is seen as an important aspect of the work of ACAs, its profile tends to be lower than other aspects of ACA work, especially investigations and enforcement. This is reflected in resource allocation, especially staffing.
3. While some ACAs have developed a corruption prevention strategy or approach statement, these tend to be general and framed around legislated or organisational priorities, rather than more evidence-based models about what works, or might work, in prevention.
4. Most ACAs report engaging in a broad range of prevention activities and techniques. These tend to cluster in three nodes – law enforcement, where prevention activities are embedded in or follow specific investigations; educative, where awareness, training or advice resources are developed and delivered in various ways; bureaucratic, using audits, intelligence or data analysis to identify and respond to problems or trends. Bureaucratic measures tend to be least used, and where they are incorporated, this tends to occur in response to an investigation or intelligence report, rather than as part of any comprehensive strategy.
5. The selection of prevention strategies at most ACAs is strongly influenced by resource constraints.
6. Most assessments of prevention are reliant on the counting of input activities, or compliance reviews by oversight bodies. Much less attention is paid to attempting to measure the outcomes or impact of prevention activities.
7. Overall the Commonwealth suffers from an incomplete approach to corruption prevention. While ACLEI has devoted some resources to prevention, its limited jurisdictional mandate – as recognised in proposals for an enlarged national or Commonwealth integrity commission – leaves out most of the Commonwealth sector.

An optimal corruption prevention framework?

As noted earlier, international studies suggest that effective corruption prevention efforts require, among other factors:⁴⁰

- Effective use of research on corruption and anti-corruption;
- Comprehensive, publicly reported risk-analysis across all public bodies and sectors;
- Engagement of senior management in designing and promoting integrity measures;
- Building adequate prevention systems including clear rules and practical tools, guidance, training, monitoring and enforcement;
- Development of better measures, and collection of appropriate data on corruption prevention;
- Ensuring effective and transparent inter-institutional coordination in corruption prevention.

As this research shows, most of these elements remain missing in all Australian jurisdictions. While prevention activity does occur, it is ad hoc, and too dependent on strategies which lack an evidence-base to support their effectiveness, while more proven approaches are not pursued due to resource restrictions. Individual agencies risk developing standards, approaches and integrity measures in a vacuum.

Within any framework, there is also a need for local nuances⁴¹ that reflect different constructions of particular acts of corruption and local norms and practices. However, there is a need for a much more systemic, coordinated, evidence-based approach that draws on international best practice. From the evidence to date, a cohesive strategic framework for prevention activities needs to include the following essential elements::

- A range of activities across the spectrum of education and information programs, system-wide guidelines and policies, regular monitoring and audits to detect potential problem areas, collection of data and intelligence to inform more targeted audits and reviews, and early intervention systems when problems are detected.
- System-wide, agency specific, and function specific analysis to identify situational contexts conducive to corruption and integrity breaches and how they can be reduced. This should include both strengthening of guardianship and hardening of targets.
- Where integrity breaches are detected, the adoption of a graduated system of responses and sanctions that is sensitive to the context in which offending has occurred, and the prospect of voluntary compliance being achieved. Sanctions should incorporate a range of options from education, through warnings and administrative measures.
- Law enforcement measures, including criminal sanctions, for egregious misconduct. To have an effective deterrent effect, these measures need to be as swift, certain and public as possible.

⁴⁰ OECD Anti-Corruption Network for Eastern Europe and Central Asia (2015)

⁴¹ Quah (2017). Learning from Singapore's effective anti-corruption strategy: Policy recommendations for South Korea; Tunley et al (2018). Preventing occupational corruption: utilising situational crime prevention techniques and theory to enhance organisational resilience.

- The development of performance measures and collection of relevant data to assess the effectiveness of prevention activities, including feedback loops to modify and improve practices where needed.

In addition, while developments show the importance placed by ACAs on developing this more strategic approach to corruption prevention, and its value for agencies, efforts to date are not being adequately supported nor embedded in governance and public administration frameworks.

There is forward movement in NSW, and within some proposals for a National Integrity Commission. However, a stronger approach would see a lead prevention agency with a coordinating role in every jurisdiction, enabling them to develop and test new approaches, promote effective prevention across the public sectors with the support of mandatory requirements, and advocate for sufficient resources. At present, lead agencies are limited in these abilities, and are largely unsupported by systemic cross-agency cooperation.

An optimal prevention framework needs to specifically address issues including mandate and coordination, the embedding of prevention as a primary focus, resources, and the development of a strategic, evidence-based prevention model. The time is right, given debates about the appropriate model for a broad integrity commission at the national level.

5.4. Conclusions and recommendations

The first conclusion is the need for a clear prevention mandate and a defined role for the coordination of prevention focused activities, in each jurisdiction. The evidence shows that current approaches are at best ad hoc, patchy and inconsistent. While ACAs see this as their responsibility, this is often not reflected in formal structures.

In each jurisdiction there needs to be a lead agency, usually the relevant ACA, with a role and responsibility to lead and coordinate prevention efforts. This prevention mandate needs to be embedded in legislative and policy frameworks, so that it is given due weight within an integrated integrity framework. Part of this embedding process needs to involve the imposition on public sector agencies of responsibility to develop and publicly report on their own prevention activities.

While these conclusions relate primarily to ACAs, it is clear that effective prevention involves integration of a wide range of integrity issues within any organisation, as well as alignment of objectives, information and outreach between integrity agencies. Some of the implications for better coordination are discussed in chapter 10. However it is already apparent that all integrity agencies need to play a role in defining agency-level requirements, and will all play a role in determining, based on complaints and compliance, whether corruption prevention and broader integrity-building strategies are working. Strengthened institutional arrangements therefore also need to reflect these needs.

Recommendation 6: Strengthened corruption prevention mandates

That the Commonwealth and each State government **strengthen the legislative and policy mandate of their lead agency for corruption prevention**, to include:

- Responsibility to implement and monitor a proactive program of corruption prevention and resistance-building
- Clear statutory requirements for all public sector entities to develop their own corruption prevention frameworks, which are publicly available and reported, and regularly monitored by the lead integrity agency, and
- Formal coordination and information sharing mechanisms across other integrity agencies within the jurisdiction and across jurisdictions.

*This recommendation relates to: the **Commonwealth** and **all States and Territories**.*

Secondly, resourcing has emerged as a key constraint limiting the range of prevention activities undertaken across the jurisdictions. While resources will always be limited and contested, budget allocations to ACAs, and within ACAs or other relevant integrity agencies, need to reflect the true needs as well as true value – in cost-benefit or return-on-investment terms – of corruption prevention activities. Within their own budgetary allocation processes, ACAs need to take particular care that resources notionally allocated to prevention are appropriately spread between reactive strategies (e.g. embedded within investigations) and more proactive measures focused on preventing wrongdoing from occurring in the first place.

Recommendation 7: Resources for prevention

That as part of the proposed national benchmarking review of integrity expenditure (Recommendation 25), the Commonwealth and States identify **minimum thresholds for investment in a full program of corruption prevention activities**, incorporating reactive and proactive strategies, as a proportion of:

- Total public expenditure
- Total core integrity agency expenditure, and
- Lead anti-corruption agency expenditure.

Further, that ACAs and/or other integrity agencies responsible for prevention allocate a significant portion of their budget (greater than 5 per cent) to their prevention program, and publicly report on how the budget allocation is apportioned between prevention, investigations and other responsibilities.

*This recommendation relates to: the **Commonwealth** and **all States and Territories**.*

Thirdly, within the prevention function, there is a need for lead agencies to develop a cohesive strategic framework for prevention activities that is based on research evidence on what works most effectively in prevention. There is no one-size-fits-all model, but essential elements are known. With this framework, the real work and value of corruption prevention can be achieved.

Recommendation 8: A comprehensive corruption prevention framework

That the lead integrity agency of each jurisdiction develop and publicly articulate **an agreed framework for best practice in corruption prevention and resistance-building programs**, based on:

- A broad range of activities that does not over-emphasise education or law enforcement at the expense of other activities
- System-wide, agency specific and function specific strategies that specifically address situational contexts
- Graduated responses to detected breaches to maximise voluntary compliance (see also Recommendation 16)
- Targeted use of law enforcement

A comprehensive approach to performance measurement and data collection, focused on prevention outcomes rather than input activities.

*This recommendation relates to: the **Commonwealth** and **all States and Territories**.*

DRAFT