



Integrity State Vol.4

2024-25

Commissioner's foreword

This is the fourth Integrity State report published by the Commission, and the first since I commenced as Commissioner. It outlines corruption prevention recommendations made to public authorities as a result of Commission investigations conducted between 1 July 2024 and 30 June 2025.

While not all Commission investigations result in a referral for prosecution, an investigation can identify vulnerabilities in organisational practices, policies, and procedures that heighten the risk of corruption. In such cases, the Commission makes recommendations to address that risk.

During the 2024/2025 financial year, two significant areas of corruption vulnerability emerged from the Commission's recommendations.

First, consistent with previous Integrity State reports, conflicts of interest continue to present a significant corruption risk for public authorities. This year's report highlights the risks that conflicts of interest can pose at various stages of procurement processes.

The second area is the risk of public officers misusing power and resources entrusted to them for personal gain. Examples include the misuse of confidential information or other public assets, and the acceptance of gifts or other benefits in exchange for preferential treatment. Such impropriety undermines the integrity of public administration and diminishes public trust.

This report is prepared in accordance with section 41(2) of the *Independent Commission Against Corruption Act 2012 (SA)* as it reports on recommendations made in response to issues observed by the Commission in the course of its investigations.



Emma Townsend
Commissioner

Overview of prevention letters

Detail	Number of Letters
Type of public authority	
Health	1
Legal and law enforcement	1
Local government	1
Statutory authority or corporation	5
Total	8
Integrity theme	
Conflicts of interest in public procurement	4
Misuse of power and resources	4
Total	8
Letter resulted from	
Completed corruption investigation – no criminal proceedings	6
Completed corruption investigation – no criminal proceedings, matter referred to public authority for further investigation and disciplinary action	2
Total	8

Conflicts of Interest in public procurement

Procurement is a business function inherently vulnerable to corruption, given the often large sums of money involved and the wide discretion exercised by public officers. Undisclosed or poorly managed conflicts of interest at any stage of a procurement process can undermine the impartiality of decision-making and the confidence the public places in it.

ReturnToWorkSA

Undeclared conflicts of interest with a former associate

Date: November 2024

The Commission investigated allegations of corruption in a procurement at ReturnToWorkSA (RTWSA). It was alleged that the procurement process was improperly influenced by a public officer with an undeclared conflict of interest.

The investigation identified a prior professional association between an employee of RTWSA, who was involved in the procurement process, and an employee of the company that was awarded the contract. This association did not appear to have been disclosed. While there was no evidence that the procurement was influenced as a result of this association, there was nevertheless a perception that the impartiality of the process may have been undermined.

The project involved a high-value multi-stage contract with several contract variations. Contract variations are particularly vulnerable to exploitation for corrupt purposes due to factors such as changes in scope, inflated costs, limited transparency and opportunities for collusion.

RTWSA's initial business case stated that existing agreements could be varied without the need to return to market. However, guidelines published by Procurement Services SA¹ only allow for variations in specific circumstances.

The Commission recommended that:

1. RTWSA ensures that public officers involved in procurement decisions declare conflicts of interest, and that those conflicts are appropriately managed.

¹ Procurement Services SA, [Contract Extensions and Variations Guidelines](#) (20 February 2024).

2. All RTWSA staff attend training on integrity issues, including completing the Commission's online courses on Conflicts of Interest and Preserving Integrity in Public Administration.
3. Contracts include a clause alerting contractors to their obligations under the *Independent Commission Against Corruption Act 2012 (SA)*.
4. RTWSA ensures that the use of contract variations adhere to the requirements of South Australia's Procurement Framework.

RTWSA accepted all recommendations. The agency has updated its Procurement Conflict of Interest Declaration and contract template to strengthen integrity and probity in procurement. It has also introduced mandatory training for all staff on their integrity obligations and issues as public officers.

Berri Barmera Council

Misuse of information and conflicts of interest during the tender process

Date: March 2025

The Commission investigated allegations that the awarding of a high-value contract was improperly influenced by an employee of the Berri Barmera Council (the Council).

The investigation did not result in a referral for prosecution. The procurement process was a protracted one and involved changes in personnel as it progressed. There was also an apparent lack of clarity about how information was being shared among stakeholders. All of this may have contributed to perceptions of impropriety.

Information obtained in the investigation also suggested that a Council employee had failed to complete a conflict of interest declaration form in a timely manner, including prior to entering into discussions about potential contractors.

The Commission recommended that the Council review its procurement practices, policies and procedures to ensure that:

1. All confidential information is appropriately and securely managed, and procurement decisions are adequately documented. This should include maintaining transparent records of all conflicts of interest and communications between relevant parties.
2. Conflicts of interest are declared by all Council officers involved in procurement evaluations at the outset of the process, before entering into any communications with or about potential

contractors. Conflicts of interest ought to be reassessed on an ongoing basis. This ensures that they are appropriately managed as circumstances change (for example, personnel or scope changes).

The Council responded that it has reviewed its procurement policy and associated practices. This review will ensure the secure management of information and robust documentation of decision-making.

The Council also emphasised its commitment to keeping adequate and transparent records of conflicts of interest and communications between relevant parties during procurement processes.

SA Water

Managing conflicts of interest in the procurement of a subcontractor

Date: May 2025

The Commission investigated allegations of corruption by an employee of a company contracted to provide services (the contractor) to SA Water. It was alleged that this employee, who also worked for a second company, was involved in SA Water's decision to engage that second company as a subcontractor.

The Commission's investigation did not find evidence of criminal wrongdoing. However, it identified areas where SA Water could improve its processes for managing contractors. This included more effective management of conflicts of interest and improving contractors' awareness of the reporting obligations which arise from their status as public officers.²

During the Commission's investigation, information was obtained that suggested the contractor had awarded several contracts to the second company. It also appeared that the employee had mentioned their employment with the second company to a manager when the second company was initially engaged. Notwithstanding this, the employee was not told to complete a conflict of interest declaration. Later, when a further contract was awarded, the employee did complete a declaration.

² In accordance with Schedule 1 of the *Independent Commission Against Corruption Act 2012* (SA), 'a person performing contract work for a public authority or the Crown' are public officers and have statutory obligations to report any matters that they reasonably suspect involve corruption in public administration to the Office for Public Integrity (OPI). These obligations are set out in the [Directions and Guidelines](#) issued by the OPI.

The prevention letter noted that the Commission had made previous recommendations to SA Water about corruption risks relating to the engagement of contractors and subcontractors.³

The Commission made the following further recommendations to SA Water:

1. Conduct an audit of SA Water contractor inductions to identify any contractors (especially those on historical contracts) who may not have received an induction within the last two years. Ensure any contractors identified receive refresher training.
2. Explore the feasibility of updating any historical SA Water contracts to ensure they include the following:
 - a. A requirement to declare conflicts of interest as outlined in the SA Water Conflict of Interest Framework.
 - b. Information outlining contractors' public officer status as defined in Schedule 1 of the *Independent Commission Against Corruption Act 2012 (SA)*.
 - c. Obligations to report suspected corruption as set out in the Directions and Guidelines issued by the Office for Public Integrity.
3. Consider sending a copy of the Commission's Contractor Factsheet⁴ to all SA Water contractors and subcontractors.

SA Water accepted all recommendations and is committed to provide quarterly updates to the Commission about their implementation.

Central Adelaide Local Health Network

Managing conflicts of interest in the procurement of information systems

Date: June 2025

The Commission investigated allegations that a conflict of interest had improperly influenced a procurement undertaken by the Central Adelaide Local Health Network (the Network).

³ In 2022, the Commission provided five recommendations to SA Water following an investigation of allegations into corruption by a contractor. These recommendations, which include raising awareness among contractors of conflicts of interest and the duty to disclose them, were published in [Integrity State 2022-2023](#) (see p. 13).

⁴ The factsheet was attached in the original letter to SA Water. Please also see the Appendix in this report.

The matter did not result in a referral for potential prosecution or disciplinary action.

The investigation underscored the need for all conflicts of interest to be declared and documented, along with the steps taken to manage them. This is so regardless of whether the conflict of interest is widely known or informally known by those involved in the relevant decision-making process.

An important part of dealing with any conflict of interest is ensuring that it is managed in a considered, open and transparent way. This helps safeguard the integrity and impartiality of decision-making, and the trust and confidence others place in it.

It is also important that all conflicts of interest be declared and managed, not just those that result in pecuniary benefit. The prospect of a non-financial advantage can influence a decision-making process, and how it is perceived, in much the same way as a potential financial gain.

The Commission recommended that the Network review its procedures and processes to ensure that:

1. Conflicts of interest are declared and managed (pecuniary or otherwise) by all Network officers involved in procurement evaluations. This should include those officers acting as advisors or providing feedback or expert advice to an evaluation team.
2. Where public officers have disclosed conflicts of interest, conflicts of interest management plans ensure appropriate involvement by these officers in procurement evaluations.
3. Patients are advised that their consent is optional for their information to be entered into any externally managed data systems and the privacy policies of external companies that manage such systems accompany patient consent forms.
4. All procurements and unsolicited proposals are assessed in accordance with relevant Treasurer's Instructions, Procurement SA guidelines, internal policies and compliance standards regardless of there being no cost to the Network or whether the procurement is classified as a 'simple acquisition'.

The Network accepted all recommendations and has reviewed its procedures and processes with respect to procurement and the disclosure and management of conflicts of interest.

Misuse of power and resources

The misuse of power and resources entrusted to a public officer can involve accessing and using confidential information for personal gain or improperly influencing decision-making. Using entrusted public power to pursue self-interest, and not the public interest, erodes the trust and confidence the community places in the public sector.

South Australian Country Arts Trust

The use of a government fleet vehicle for unauthorised purposes

Date: August 2024

The Commission investigated allegations that a public officer at the South Australian Country Arts Trust (Country Arts SA) had misused public funds to pay traffic expiation notices and impounding fees to release a government fleet vehicle.

The investigation established that no public funds were misused. However, the matter highlighted the need for Country Arts SA to review and strengthen its practices, policies and procedures relating to the management of government fleet vehicles.

The use of fleet vehicles at Country Arts SA is governed by both the Fleet Allocation and Procurement Policy (the Policy) and the Fleet Motor Vehicle Policy Directive (the Directive).

Information obtained in the investigation suggested that some of the requirements these documents created were not being adhered to, indicating a need for improved communication of the Policy and the Directive to staff. Further, the Directive did not specify the steps to be taken in the event of vehicle theft or unauthorised use.

The Commission made the following recommendations to improve the Policy and Directive:

1. Update the Directive to include the requirement that any person responsible for a fleet vehicle must report instances of motor vehicle theft or unauthorised use to their immediate manager and the Chief Executive, and that records must be created in line with 4.12 of the Directive in the same manner as for vehicle accidents.
2. Amend 4.8 and 4.9 of the Directive to require drivers to report any traffic offences, and any drink or drug driving offences to the Chief Executive.

3. Amend the Policy and Directive to reflect the use of the 'LogBookMe' system.⁵
4. Review the communication and training provided to users of fleet vehicles to ensure users are aware of their obligations under the Policy and Directive.

Country Arts SA accepted all recommendations. The agency has updated the Policy and Directive and has reviewed communication and training for fleet users.

Office for Recreation, Sport and Racing

Lack of awareness of integrity obligations

Date: September 2024

The Commission investigated allegations that an employee of the South Australian Sports Institute (SASI), a division of the South Australian Office for Recreation, Sport and Racing (the ORSR), improperly accepted gifts from another in return for favourable treatment.

The investigation did not result in a referral for further investigation and potential prosecution. However, it identified a lack of awareness within SASI – among both employees and athletes – that, in certain circumstances, scholarship recipients might be classified as government contractors and therefore have obligations as public officers.⁶

The Commission recommended that the ORSR:

1. Provide an induction and periodic training to SASI scholarship recipients concerning their status as public officers and integrity obligations that arise as a result. This training ought to include materials relating to understanding and reporting corruption, misconduct and maladministration.
2. Ensure that SASI's employees:

⁵ Country Arts SA utilises an electronic logbook system, called 'LogBookMe', for recording fleet vehicle usage. This system records when a vehicle is used, the kilometres travelled and prompts the driver to enter a reason for travel. Country Arts SA's use of this system is not acknowledged in the Policy nor Directive.

⁶ For the purposes of the *Independent Commission Against Corruption Act 2012 (SA)*, athletes receiving scholarships may be public officers because they have signed a contract with a public sector agency to fulfil certain duties in return for specific benefits. They may therefore be performing contract work for a public authority.

- a. are aware of the integrity obligations of scholarship recipients, in addition to their own status as public officers; and
- b. provide periodic reminders to scholarship recipients about their obligations.

The ORSR accepted these recommendations and committed to providing integrity-related training to staff and athletes to highlight the obligations of public officers. However, the ORSR also indicated that not all of its scholarship recipients may be categorised as contractors, and therefore as public officers. This would depend on the specific terms of the scholarship agreement, and the ORSR indicated it would seek further advice on the matter.

The Commission acknowledged that this is a complex issue and agreed that it is appropriate for the ORSR to obtain such advice.

Department for Correctional Services

Poor oversight in the management of evidence

Date: May 2025

The Commission investigated allegations into potential corruption at the Adelaide Remand Centre (the ARC). It was alleged that evidence had been improperly removed from secure storage and could not be located.

Ultimately, the investigation could not identify who had removed the evidence, or when it had been accessed and removed.

The investigation did not result in a referral for prosecution. However, it uncovered several deficiencies in the ARC's policies, practices, and procedures in relation to the seizure, storage, disposal and destruction of seized packages, items, or contraband. These deficiencies increased the risk of corruption and other impropriety.

The Commission made the following recommendations to the Department for Correctional Services:

1. The Department undertake a more extensive review of practices for the handling, storage, disposal and destruction of evidence and prohibited items at the ARC to identify and address any departure from Departmental policies and procedures.⁷
2. The Department review its Standard Operating Procedures relating to the collection, preservation, handling, storage, disposal and destruction of evidence and prohibited items to ensure that:
 - a. the Employee Report Information Pack (SOP 004-F001) includes reference to the importance of establishing the chain of custody and what details need to be recorded.
 - b. there is a clear policy about the threshold of what is reported to SA Police and what is destroyed; including what is classed as a significant amount (clarifying the managerial discretion in determining and reporting Type 1 and Type 2 Incidents referred to in SOP 004 (Incident Reporting and Recording)) and what details need to be recorded.
 - c. there is a reporting policy for when evidence and prohibited items go missing.
 - d. standard Operating Procedures are regularly reviewed and kept up to date.
3. A review is undertaken to ensure that facilities' Local Interpretation Statements align with Standard Operating Procedures and cater for various site-specific details.
4. ARC managers review the communication and training provided to staff to ensure they are aware of the importance of maintaining the chain of evidence, the implications of any breaches and their obligations under the procedure.

The Department advised that it conducted a thorough review and incorporated the recommendations into the relevant Standard Operating Procedure, and that it is committed to monitoring implementation and compliance.

⁷ The Commission issued this recommendation as the Department for Correctional Services was scheduled to review its SOP 054 – Chain of Evidence in April 2025, in line with its four-year review cycle. It advised that the review be conducted more extensively and comprehensively.

Conclusion

This edition of *Integrity State* shows that conflicts of interest continue to be a recurring theme in the Commission's investigations. It underscores the importance of ensuring all conflicts of interest are properly declared and managed, including those involving private interests which are perceived to be widely known or those that result in a non-financial benefit.

The report also highlights the importance of ensuring that all public officers, including contractors and subcontractors, are aware of their integrity and reporting obligations, and that they are provided with policies, procedures, and other guidance that clearly set out expectations.

Appendix 1



Are you a government contractor?

As a public officer, you have the same ethical responsibilities as those who are employed by a public authority.

Contract work in public administration

State and local government agencies regularly contract people or companies to undertake work or provide services they cannot deliver themselves.

Contractors might be engaged to deliver major infrastructure projects, to assist in delivering core business services, or to provide internal services such as cleaning, security and waste management. They could be tradespeople, consultants and advisers, or temporary staff engaged through labour hire companies.

Contractors as public officers

If you are contracted to a public authority, or working for a company contracted to a public authority, then you are a public officer while you are performing that contract work.

As a public officer, you have the same ethical responsibilities as those who are employed by a public authority. You are expected to act honestly and diligently and you are expected to speak up if you notice that others are not meeting this expectation.

More specifically, you are obliged to report your suspicions of corruption, misconduct and maladministration in public administration. As a contractor you can be investigated for alleged corruption, misconduct and maladministration.

Are you a government contractor?

