

Probity Guidelines

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Probity Guidelines

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1. INTRODUCTION

Probity means that decisions are made with integrity, honesty and fairness while observing due process as necessary in the pursuit of value for money.

The foundations of probity are accountability and those of dignity, equitability, prudence, openness and honesty and goodwill. Stakeholders must be confident that commitments are made carefully and on their merits alone. Any undertaking involving a decision with significant risk warrants some level of probity assurance.

Probity is most often considered in relation to procurement but should be considered as a normal part of any significant decision making. Good decision making can be explained, defended and substantiated and is an essential quality of good governance giving confidence to stakeholders.

Probity is important for:

- Avoidance of conflicts and/or problems
- Avoidance of corrupt practices
- Improvement in integrity
- Reassurance to stakeholders, the community and other potential organisations thinking of doing business with the public sector in the future
- Provision of objective and independent review on probity of the process
- Minimisation of potential litigation

2. PROBITY PRINCIPLES

When operating effectively probity in decision making will have observable and desirable conditions namely:

- **Value for money** – involves the consideration of all relevant factors in achieving the defined objective, not just monetary value
 - Encourage and open and competitive environment
 - Result in best value
 - If one supplier have adequate comparative information or justification
 - Not just about procurement
 - Includes performance, quality and risk
- **Impartiality and Fairness**
 - Bias can jeopardize integrity
 - To avoid delays caused by withdrawal, withholding of ideas or decline in responses in the future from dissatisfied participants
 - To avoid potential legal action by dissatisfied participants who believe process may have been prejudiced
 - Avoid delay, financial and reputation costs
- **Removal of improper influence from conflicts of interest**
 - Many probity complaints originate from conflict of interest issues, whether real, potential or perceived
 - These need to be managed
 - Potential and perceived conflicts can be as damaging as actual conflicts
 - Arise when a person with an official role could be influenced, or appear to be influenced by private interests

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- Other parties such as advisers and proponents themselves may also have conflicts
- **Accountability and transparency**
 - Accountability means being able to justify the use of their resources
 - This means being responsible for past and future performance, involving a management trail through keeping records
 - Transparency means willingness to open decision making to scrutiny and providing relevant stakeholders with reasons for all decisions
 - Accountability and transparency give stakeholders confidence in decisions
 - Reduces opportunity for corrupt conduct, fraud and omission
- **Confidentiality and Security**
 - While considering transparency some information needs to remain confidential
 - Often this includes proponents proposals, intellectual property, pricing and profit structures, details of assessments, deliberations of evaluations and negotiation and submissions and reports
- **Development of a Probity Plan where appropriate** (VGPB advises over \$10,000,000)

3. PROBITY AT THE VICTORIAN PLANNING AUTHORITY

The Board of the Victorian Planning Authority (VPA) mandates the adoption and application of probity principles in all business dealings by VPA.

PROBITY DEFINED

Probity may be defined as uprightness in one's dealings; integrity; firm adherence to an ethical code of values. In common use, the term 'probity' includes concepts of uprightness, honesty, proper and ethical conduct and propriety in dealings. Probity is often also used in government in a general sense to mean good process.

The behaviours and actions on which this policy is based are consistent with those detailed in the *Public Administration Act 2004* and the Public Sector Code of Conduct.

All VPA staff are responsible for applying probity by:

- being honest, open and transparent in their dealings
- using powers responsibly
- reporting improper conduct
- avoiding and reporting any real or apparent conflicts of interest
- be aware of the ethical framework for public sector employees
- striving to earn and sustain a high level of public trust
- being familiar with the organisational and administrative policies and procedures of the MPA
- developing probity plans

ETHICAL FRAMEWORK

Ethics refers to the judgements that people make and the process of arriving at those judgements. It is the process by which people make value based decisions.

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At the VPA, the Public Sector Code of Conduct and the VPA values and behaviours provide the ethical framework for decision making. The VPA values and behaviours are:

- Leadership:** We provide clarity and certainty, develop new and innovative solutions to problems, provide authoritative advice and lead by example to get things done and make a positive difference.
- Partnership:** We work in collaboration with our stakeholders through genuine consultation, sharing of information, and harnessing their expertise and resources.
- Professionalism:** We act with honesty and openness, are accountable for our actions, are respected for our expertise and high quality and balanced advice.
- Responsiveness:** We are aware of the needs of our stakeholders and strive to provide a high level of service and advice at all times.

POTENTIAL CONFLICTS OF INTEREST

It is important to avoid both the substance and the perception of any conflict. Employees must keep in mind potential conflicts of interest that might arise and must not use their position to accept, gain, or seek to gain a benefit for themselves or any benefit for any person or party with whom they have an association. Refer to the Conflict of Interest Policy for Staff for further information.

4. PROBITY FOR PROCUREMENT

In order to ensure that procurement activities meet probity requirements, it is essential to follow the procurement process outlined in the Procurement Policy and Procedures. This includes:

- Obtaining the required approval (from the CEO or your Director) before proceeding with any procurement activity;
- Ensuring the correct process (e.g. Request for Quote, tender, etc.) is followed depending on the value of the procurement;
- Preparing a Procurement Conduct Plan if required (e.g. for all tenders);
- Declaring and managing any conflicts of interest;
- Ensuring confidentiality is maintained throughout the procurement process;
- Evaluating tenders or quotes based solely on the stated evaluation criteria; and
- Completing all necessary documentation and saving it in TRIM.

5. PROBITY FOR PLANNING ACTIVITIES

A PSP Probity Plan (see D/11/3097) should be completed for all Precinct Structure Plans. To ensure that planning activities meet probity requirements:

- All staff and contractors involved in preparing the PSP should declare any conflicts of interest, and ensure these are managed appropriately;
- Confidential information, such as draft planning proposals, must be appropriately protected; and
- All necessary documentation (including meeting minutes, external emails, correspondence, background reports, etc.) must be saved in the appropriate folder in TRIM.

Where a PSP is delivered through third party funding, or through work being undertaken by a third party such as a council, then an agreement must be in place with the third party that meets all relevant probity requirements. Please refer to the Greenfield PSP Preparation and Funding Procedures for further information.

6. FURTHER INFORMATION

Further information can be found in the following documentation:

D/11/3097- PSP Probity Plan – for completing a PSP Management Form

D/15/690 – Greenfield PSP Preparation and Funding Procedures

D/13/4469 – Procurement Policy and Procedures

D/11/1968 – Internal Corporate Procurement process approvals required

D/11/2052 – Guidelines for meeting notes

D/07/4708 – Appointment of External Probity Advisor

D/09/5706 – Australian Standard HB 325-2008 Assuring Probity in Decision-making