

Parliamentary inquiry into the expansion of ACLEI's jurisdiction and the corruption vulnerabilities of law enforcement agencies' contracted services



Parliamentary Joint Committee on the
Australian Commission for Law Enforcement Integrity

Executive Summary

Serco has provided services to governments around Australia since 1989. Throughout this time we have prided ourselves on providing the Australian public with a high standard of services in all aspects of our work. As an organisation we take the integrity of our work incredibly seriously, we understand that for public servants the standards and expectations are higher.

Serco Asia Pacific employs 16,000 people across all states and territories. We are a diverse organisation with a cross section of employees that is unique to any other Australian company, including doctors and allied health professionals, engineers, technical specialists, master mariners, cleaners, call centre operators and most vocations in between.

The constant has been, and will always be, the importance citizens place on the quality of their public services.

Our success is built on the ability to stand behind our government customers and ensure the value delivered to the Australian public is maximised. We are a strategic partner that governments trust to deliver sensitive and complex public customer services and to implement successful first-generation outsourcing transitions.

We work closely with our government partners at all times to ensure that a high standard of services is provided, not just in output, but in how it is delivered.

In relation to the Committee's inquiry we believe that we can provide input in relation to parts:

- b. the additional corruption vulnerabilities that may exist from the contracting of services or functions by law enforcement agencies to external service providers;
- c. what systems or processes are in place within law enforcement agencies to identify, report and investigate potential corruption within external service providers;

How we operate as a Global Company and Division

Serco is a values based organisation with Care; Trust; Innovation and Pride at the centre of all that we do, every day. We believe that the world's leading companies must set and achieve high standards of performance and behaviour. We are clear about what we believe in and the ethics and business standards we will operate to. These standards define: expected individual and corporate behaviour in relation to all business conducted on the Company's behalf; provide direction on compliance with relevant laws and regulatory requirements where we work; and are sensitive to local customs, traditions and cultures.

As a contractor to Government we manage any perceived additional vulnerabilities through these processes, systems and contracting mechanisms. Our contracts are, rightly, scrutinised regularly by external agencies and audit procedures. We welcome this scrutiny and work with these agencies to ensure ethical behaviour across our business.

To promote the highest standards of ethical behaviour we have developed our code of conduct, it is there to protect the things we at Serco value. It describes the kind of workplace we want to work in, one where we always act with honesty and fairness, and demands we speak up when we see wrongdoing or injustice.

To uphold our Policy on Business Conduct and Ethics and maintain our values and integrity to ensure we limit any opportunity for wrong-doing and corruption we;

- Have zero tolerance to bribery and corruption. It doesn't matter how small or harmless it may seem, or what "local custom" may be – we make it clear to those we employ or contract that we don't ever give or accept any form of bribery or corruption (including facilitation payments).
- We'll always report anything we think could be a bribe or corrupt practice and promote a speak up system worldwide to ensure any inappropriate behaviour is reported and investigated.
- We communicate the consequences that those caught giving or taking a bribe, those involved will probably face dismissal, the end of their career and very possibly a prison sentence.
- Provide clear direction to ensure our we record and obtain receipts for every legitimate payment we make. These are fees that are fixed and clearly published – for example, to quickly process a visa application – and payment for them should be transparent and open.
- We take the greatest care if we give or receive gifts or entertainment. We have in place Gifts and Hospitality guidelines and a corporate register to capture any event so it can be reviewed by the Ethics lead we have in place in each Division
- When we find ourselves working with business partners, agents, contractors, and suppliers, we make sure we're comfortable with their honesty and integrity through our due diligence procedures. We have a separate supplier code of conduct that we communicate to them to ensure that they understand and follow the rules.
- We record cooperate sponsorship and charitable giving and community donations so they can be reviewed and considered by our ethics lead to ensure they are complaint with corporate standards and don't compromise our business integrity.
- Manage a conflict of interest process (personal and organisational) to ensure all our employees understand and declare any conflicts that may compromise the business and ensure they never accept any incentives that could give us any reason to act against the best interests of Serco, or do anything that might mean Serco has an unfair advantage.
- Prevent competition and anti trust abuse through clear policy and training to prevent anticompetitive agreements, the sharing of commercially sensitive information between competitors (unless it's been legally approved), Abuses of dominant market positions, And certain restrictions imposed on or agreed with distributors and other customers.

To ensure our standards are properly understood and followed we;

- Induct new employees through an ethical training program with commitments built into their contracts of employment
- Train our people annually on our code including antibribery and corruption legislation through a corporate training program called Serco essentials
- Manage ethics within a compliance review process at three levels covering global, Divisional and contract based compliance
- Build in legal clauses within our contracts with suppliers to ensure compliance with the law
- Employ an Ethics Compliance lead to manage activity and promote our Serco Management System which contains our ethical policy, procedures and standards
- Strategically manage ethics through quarterly Executive Leadership Team meetings and the allocation of our ongoing review of the bribery and corruption risk to our General Counsel
- Cascade our approach and promote initiatives using an ethics and integrity network connecting our Business Units and Contracts with our strategic approach

1. Serco's services to Sworn Agencies

Australian Border Force – SIS Contract

Serco is a leading provider of immigration services in Asia Pacific. Our services include the management of detention centres, transporting and escorting people locally, domestically and internationally, and the provision of support services for people while their immigration status is being resolved with government immigration departments.

We contribute to the Government's commitment to national security, with a demonstrated ability to be flexible and responsive to meet the needs of a dynamic onshore detention network with increasing operational complexity, while ensuring those in our care are treated with dignity and respect.

What we do to manage information:

- We meet with ACLEI regularly and provide our integrity frameworks, we take feedback when provided and discuss our processes.
- We also have more informal discussions on a regular basis with ACLEI on operational points.
- We have an Immigration Integrity Framework and based on this we conduct a number of planning, prevention and detection activities to reduce the likelihood of corrupt activity within the contract.

How we work with our customers:

- Regular, informal and formal discussions with the Department Integrity and Professional Standard Branch, Contracts Branch and ACLEI.
- Timely response to request for information related to allegations of corruption or misconduct.
- Informing the Department of Home Affairs of a breach of the code of conduct, or incident that may relate to corruption to the Department.
- Maintaining a register of integrity related issues, incidents and investigation, which is provided to the customer, maintaining transparency between our organisations.
- Contract performance measures which are specific to code of conduct breaches and are measured in collaboration with the Department in a structured format.

How we respond when we see it

- We have localised policies and procedures in place that deal with response and escalations agreed with our customer.

2. Regulatory Agencies

Australian Taxation Office

Serco manages multi-channel contact centres that provide accessible and responsive access to essential government services. Bespoke contact centre solutions are fully integrated with existing platforms, reducing costs and streamlining service outcomes.

Serco has extensive experience in operating multi-channel contact centres within complex, high security environments, enabling citizens to interact with government services seamlessly, in many different ways.

During the first wave of COVID-19 we worked with the ATO to deploy as many staff to work from home as possible over one weekend in July with the overall goal to have all staff capable to work from home shortly after. On the Saturday, first contact was made with around staff and by 9am Monday morning over 350 staff had been configured to work from home.

What we do to manage information:

- The majority of staff work exclusively with ATO IT equipment and infrastructure with limited access to outside networks including Serco's own intranet to ensure appropriate separation of duties.
- Transfer of information between Serco and ATO is strictly regulated and monitored. Secure data transfers is facilitated via the ATO's Data Transfer Facility, access to which is controlled and limited.
- All staff undergo extensive training regarding corruption and fraud, risks, impacts, controls and reporting/investigation mechanisms.
- Training is delivered using materials developed both internally by Serco and material developed by the ATO. Materials tend to echo and reflect similar messages, further reinforcing the material.
- Materials are revisited on a monthly basis with formal renewal annually and form part of governance reporting and compliance

How we work with our customers:

- Monthly governance reporting is provided to the ATO to affirm the completion of annual refresher training on staff anniversary dates as well delivery of monthly refresher topics to all staff

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- Serco develops case studies for discussion with staff outlining any reported examples where available, including reported taxpayers, tax practitioners or ATO staff and contractors
 - Serco have developed additional control documents to affirm staff understand and agreements
 - Potential or perceived conflicts of interest are reported to the ATO, controls agreed and a register maintained which is reported on monthly as part of our governance procedures

How we respond when we see it

- Any allegation of corruption is reported internally using our Assure incident reporting platform and reported to the ATO's commercial outsource management team
- Any staff member subject to an allegation would be placed on immediate suspension while the allegation was investigated and access to systems and premises restricted
- An outcome would be determined and reported both internally and to the ATO once any investigation was complete
- Serco is fully cognizant of the risks involved with access to the ATOs information databases and takes a strong, zero tolerance stance to allegations of corruption. Serco works with the ATO to determine appropriate outcomes up to and including termination of employment and criminal prosecution. No allegation is too small to investigate and no justification is sufficient to ameliorate the consequences