



## The Challenge to adapt: Corruption risk in an ever-evolving world

Australia and New Zealand's  
Bribery & Corruption Report 2023

September 2023

# About this report

Every two to three years, Deloitte Australia and New Zealand conduct a survey in which risk leaders across Australia and New Zealand can anonymously share their experiences and perspectives of bribery and corruption risk in their organisations.

The survey was conducted between March and June 2023 and the responses received from 130 respondents were used to inform the data in this report. Participants included C-suite executives, board members, General Counsel and risk managers from a cross-section of sectors, including ASX200 and NZX50 companies, public sector organisations, not-for-profit organisations and other private sector companies.

We then conducted interviews with other cross-sector risk leaders and Deloitte partners to obtain their industry and subject matter perspectives on bribery and corruption, focusing on the theme of our report this year, *The challenge to adapt: Corruption risk in an ever-evolving world*.

Unless otherwise stated, all percentages refer to the results from the survey responses. They are anonymous and confidential, with only aggregate responses reported. Deloitte compiled the information into a series of graphs with commentary based on the answers received in the survey.





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# Hear from Experts

In this report, we have compiled a diverse array of insights from risk leaders in the fields of integrity, bribery and corruption. These experts provide their perspectives on the survey results and current Australian and New Zealand landscape, allowing readers to understand the complexities and formulate effective strategies to combat bribery and corruption.



Right now, in Australia there is a crisis of enforcement and regulation when it comes to financial crime and especially foreign bribery.

**Nick McKenzie**

Australian Investigative Journalist



How an incident is dealt with by leadership is an important “integrity moment”. Do it well and it can build trust and improve an organisation’s integrity system overall.

**Sarah McGray**

Principal Policy Advisor, Office of the Auditor-General New Zealand Te Mana Arotake



...I don't think that the recent changes from pandemics, from regulatory changes and other world events make a difference... All those things have created problems that people are grappling with, but I think our business culture is really sound.

**Frazer Barton**

President of the New Zealand Law Society

# Introduction



**Frank O'Toole**

National Lead Partner  
Security & Justice, Forensic



**Lorinda Kelly**

Partner, Forensic

## Australia

The bribery and corruption landscape continues to change, and we have seen that dramatically over the past three years. Organisations have had to navigate through rapidly changing regulations, economic and financial instability, geopolitical uncertainty, and disruption to 'business-as-usual' processes and supplier networks.

Australian Government mandates required many organisations to close their doors or adapt to new ways of working, but most importantly, the geopolitical uncertainty and disruption had a direct impact on the economy and the livelihoods of the Australian people. Cost of living challenges are arguably more prevalent now than we have seen in a long time.

Despite this, many surveyed organisations were not aware of any known or suspected instances of corruption in their organisations over the past three years. Understanding the impact of perception gaps and organisation bias may be critical when interpreting lower levels of awareness surrounding corruption incidents in a risk environment that has been unnerved by global disruption and challenges.

The majority of surveyed organisations valued their reputation most in relation to corruption incidents and agreed that taking proactive action in improving the organisation's transparency and integrity can have a significant positive impact on an organisation's reputation.

In an ever-evolving world, there is more pressure and scrutiny on organisations to do more than just ticking the boxes of compliance, particularly in environmental, social and governance (ESG) areas. These expectations are especially high on organisations who operate or have extended supply chain networks abroad, and particularly in high-risk areas, necessitating organisations to re-evaluate and take action to reduce or mitigate corruption risk.

The Australia and New Zealand bribery and corruption report acknowledges the importance of capturing diverse perspectives from risk leaders across Australia and New Zealand. By exploring different viewpoints and insights, we prompt organisations to critically evaluate their approaches to managing bribery and corruption risk in an ever-evolving world.

## New Zealand

Our world is changing. More and more, we are experiencing change from effects of global unrest and how we are responding. Since our last Bribery and Corruption survey we have endured a global pandemic and are continuing to be challenged globally with wars and natural disasters.

This year has been particularly challenging in New Zealand as extreme weather events continue to put additional strain on infrastructure and food supply. Global financial conditions are leading to hikes in interest rates in many countries, including New Zealand, increasing the cost of living. These challenges mean that now, more than ever, organisations must be vigilant with bribery and corruption prevention and detection efforts. Organisations must have a plan for preventing bribery and corruption, a way for their people to comfortably report suspected instances and clear detection pathways. Sometimes we don't see bribery and corruption, but that doesn't mean it's not happening.

In our work, we see that some organisations are taking steps to create a culture of integrity, to elevate the organisation to be one that actively embodies an anti-bribery and corruption culture. A culture that focuses on its people and enables them to make good choices aligned with organisational values. For many organisations though, organisational integrity maturity is still in a development phase.

This year's survey highlights that there is still work to be done. A combination of government/regulatory changes, COVID-19, supply chain disruptions and rising interest rates are perceived as having the greatest impact on our survey respondents in the past three years.

The survey also highlights the potential that there is a gap between the perceived and actual risk of bribery and corruption occurring. The reality is that the opportunity for bribery and corruption is high because there is so much disruption and change to the way we do business and there always will be. This begs the question – are we actively looking in the right place or passively assuming 'She'll be right' because of all the other pressures that organisations face in our ever-evolving world.

# Executive Summary

## What you don't know can hurt you

Crisis and disruption can create opportunities, motivation and rationalisation to engage in corrupt behaviour. But a significant majority of organisations, 88% and 96%, were not aware of any known and/or suspected instances of domestic or foreign corruption, respectively, in their organisations. We have seen the significant negative impact undetected corruption can have on organisations firsthand.



## It's all about connections

The most common types of corruption that occurred related to providing confidential information to a third party and undisclosed conflicts of interest. While undisclosed conflicts of interest were also the most common type of corruption in prior surveys, there has been a significant increase in the percentage of those occurrences. Organisations need to assess their control environment and take proactive action.

Instances have decreased, but organisations rely on employees to report instances

## You are not in control

Tip-offs or disclosure through a confidential reporting mechanism, such as a whistleblowing platform, have remained the most common channel for identifying instances of bribery and/or corruption. Increased tip-offs suggest whistleblowing law reforms have been positive, but organisations are relying on the morality of their employees to report corrupt behaviour. Australasian organisations need to increase their control in detecting and preventing corruption instances by enhancing their controls environment.



## Outsource with confidence – let the experts handle it

The top three constraints to carrying out bribery and corruption risk assessments are related to resourcing or competency limitations, yet 62% of organisations do not engage third parties to conduct these assessments. Budgetary constraints and managers not seeing the value of conducting risk assessments were only factors preventing managers from carrying out risk assessments for 33% of respondents. Organisations should prioritise bribery and corruption risk assessments, which are essential to ensure legal compliance, protect their reputation, fulfill ethical responsibilities, manage financial risks, gain a competitive advantage and enhance governance practices to increase defensibility.

## Sustainability drives the everyday but there is a blind spot for anti-bribery and corruption

A total of 60% of organisations surveyed either strongly or very strongly believe that ESG principles underpin their day-to-day operational considerations, but 76% of organisations are either unsure or fail to incorporate ESG issues to inform their anti-bribery and corruption processes. When bribery or corruption takes place, it can have a detrimental impact on an organisation's reputation, shareholder value, environmental and social performance, as well as the communities they work with.

## Nobody thinks it will happen to them, right?

Supply chain disruptions, the COVID-19 pandemic, government /regulatory changes, and rising interest rates had the greatest impact on Australasian organisations' corruption risks over the past three years. Yet over 60% of organisations perceive bribery and/or corruption risk to remain low or very low. Organisations need to review and update their bribery and corruption risk controls, in order to reassess their risk profile in the current and relevant environment.

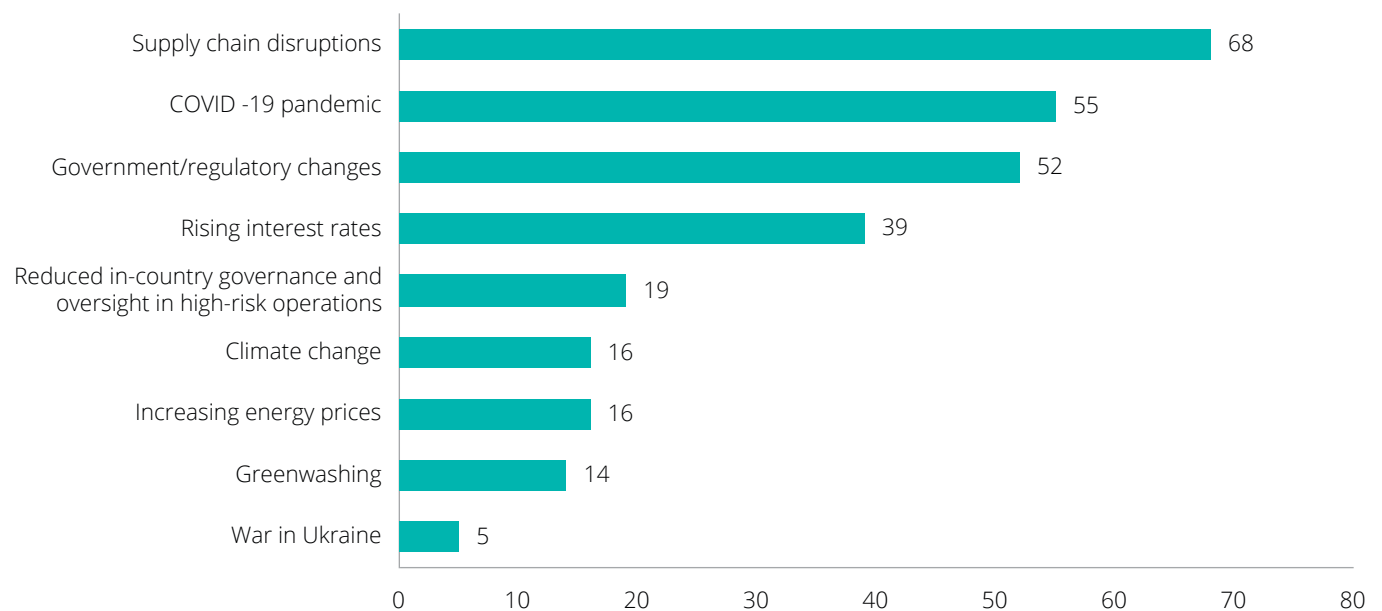


# Emerging issues and the interminable strain on bribery and corruption risk

Our 2023 survey results have identified the emerging issues impacting bribery and corruption risk of most concern to our respondents are supply chain disruption, COVID-19, regulatory change, and rising interest rates.

In an ever-evolving world, where global events disrupt the status quo, supply chains take the brunt of these unexpected changes. Supply chains themselves are an ecosystem of suppliers, manufacturers, distributors, and consumers who have a strategic interest in the production of their goods or services.

## Emerging issues that have had the greatest impact on organisations' bribery and corruption risk in the past three years\*



\*Respondents could select up to 3 issues



## Permacrisis of geopolitical proportions

Concurrent global events such as COVID-19, the ongoing invasion of Ukraine and increasing geopolitical tensions have all impacted the free flow of supply chains. Long held ways of doing business have had to acclimatise to the effects of unrelenting disruptions, and constant change.



**Relentless inflationary pressures** have in turn increased interest rates around the world which has led some organisations to offshoring to reduce the cost of production and maintain profit margins.



**Sanctions imposed on Russia** due to the ongoing invasion of Ukraine have forced organisations to change trading partners or create new, or the perception of new, supply chains altogether. Imposing sanctions on Russia, the world's second largest oil producer, indirectly limited the supply of oil, which placed a premium on fuel.



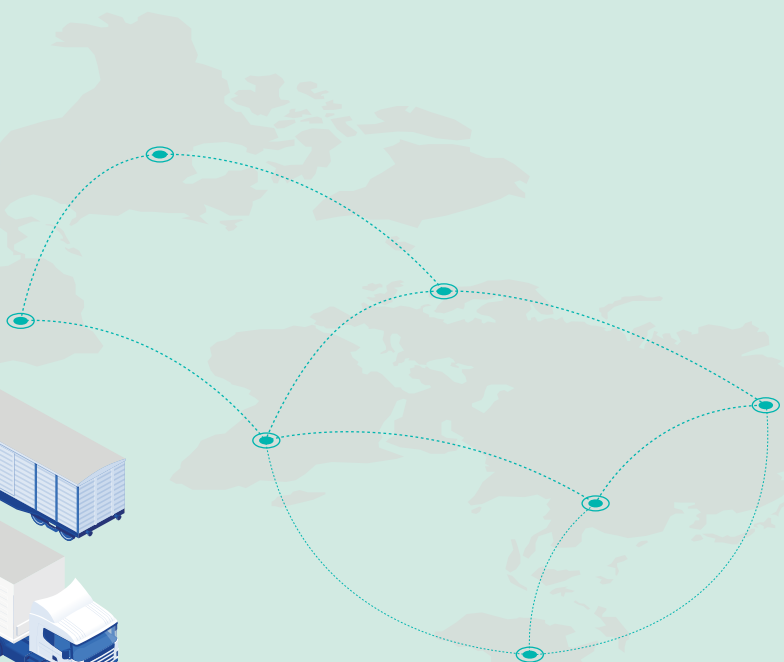
**Protracted periods of lockdown** and shutdown of businesses during **COVID-19** have increased vulnerability in the supply of essential goods such as microchips, and semiconductors, to produce critical technology much of the world relies on.



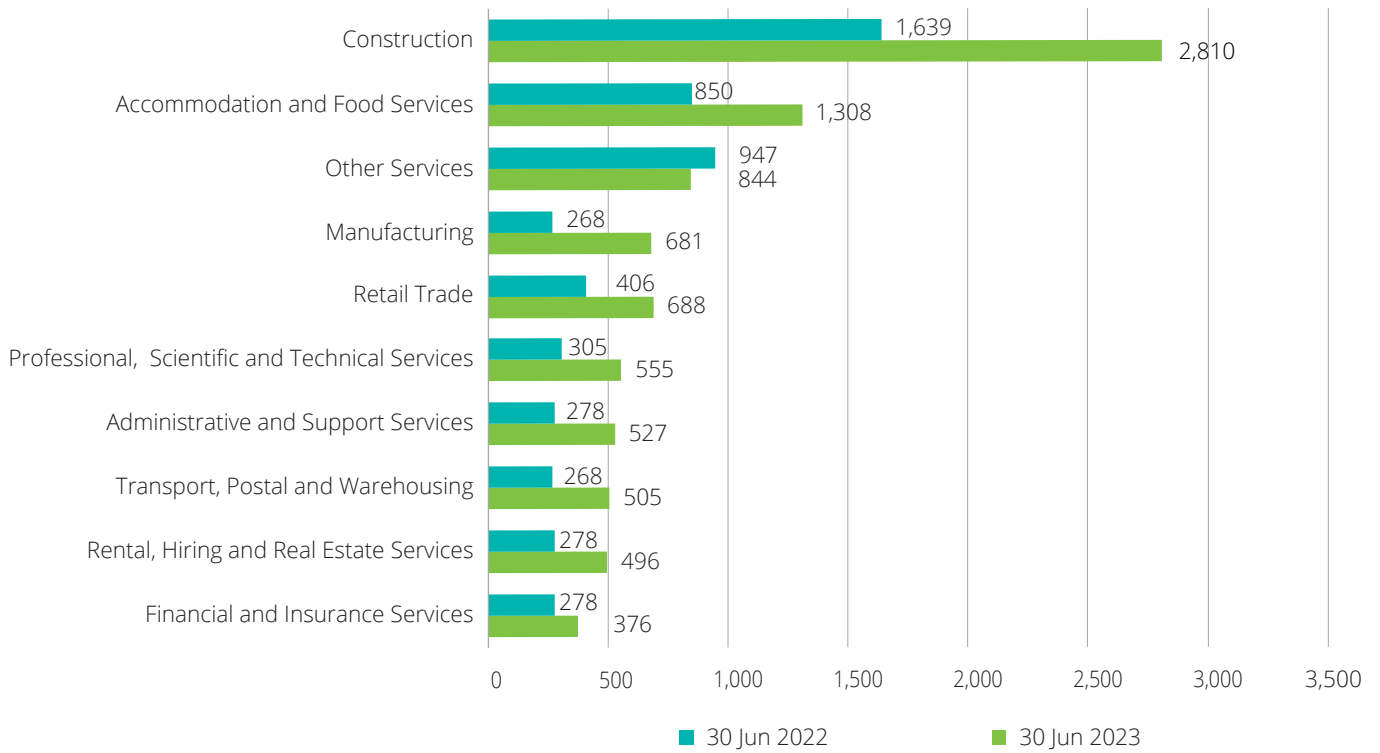
**China's increasing dominance geopolitically** has caused **trade tensions and uncertainty**, "rewiring" supply chains towards resilient, long term and trusted trading partners instead of conventionally resorting to low-cost, short term and transactional trading partners.



**Climate change** has caused extreme weather events, such as severe droughts, wildfires, and flash flooding disrupting supply chains, especially in the farming of fruit, vegetables, and livestock, and ultimately increasing the price of food.



**Australian Insolvency Statistics**  
**Australian Securities & Investments Commission 24 July 2023<sup>2</sup>**



In Australia, the cumulative effect of these geopolitical events caused disruption across all industries. However, the construction industry recorded the highest number of insolvencies by industry in the 2022-2023 financial year.<sup>2</sup> Similarly, New Zealand’s Companies Office reports a consistent story with New Zealand’s construction industry dominating insolvencies from 2021 through 2023.

A surge in new home building stimulated by government incentives and a decade of low interest rates have left construction companies unable to keep up with pre-existing building contracts due to inflationary pressures. Disruptions in the supply of raw materials, increased costs in fuel, freight and electricity, and the shortage of labour have caused significant delays in building, or caused building work to cease altogether. This ‘perfect storm’ has directly impacted the construction industry<sup>3</sup> leaving thousands of properties unfinished<sup>4</sup>, further fuelling an already chronic shortage of dwellings in Australia.

“ Three years of COVID placed a strong stress on a number of businesses to do what they needed to do to survive, and there are clearly compliance risks in that situation. **ASX-listed participant, Mining** ”

**61%** of respondents perceive bribery and corruption risk to be a low or very low risk to their organisation

**Out of sight, out of mind**

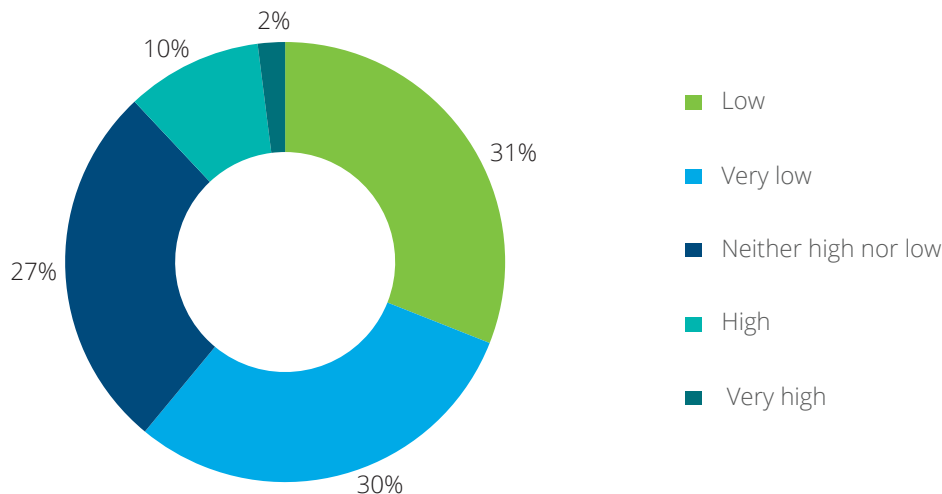
Despite our respondents' awareness of the impact of these emerging issues on bribery and corruption risk, 61% have indicated bribery and corruption to be a low or very low risk to their organisation. A third of the respondents have offshore operations, and of these, 64% said they believe offshore operations only contribute to a small extent or not at all, to their perceived risk of bribery and corruption.



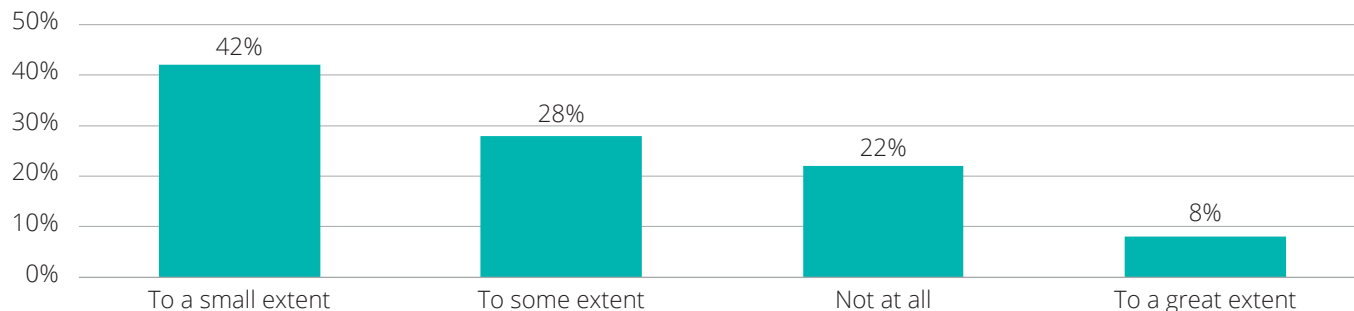
I don't think inability to see what a staff member is doing on a day-to-day basis increases corruption risk. In our experience, the risk increases when we have an employee doing project work at a manufacturing site in one country but reporting to a manager in another country who is not there periodically overseeing the work and understanding the cultural context associated with the site and the work that the employee is undertaking.

**ASX-listed participant  
Manufacturing with Global Operations**

**Perceptions of bribery and/or corruption risk amidst COVID-19 pandemic and global political disruption**



**Extent to which an organisation's offshore operations contribute to the perceived risk of bribery and/or corruption over the past three years**



Our results showed many respondents who had offshore operations were still confident bribery and corruption risk were of minimal impact to their organisations despite acknowledging geopolitical events disrupt supply chains, and often thrive in offshore operations where oversight was likely compromised during protracted lockdowns.

### Fraud in favour of bribery when in stimulus

Our survey results have shown a perplexing contradiction of our respondents' awareness of emerging issues and how they impact bribery and corruption risk, while remaining confident they have sufficient controls in place to detect corruption.

12% (domestic) and 4% (foreign) of respondents in this year's survey reported known and/or suspected domestic and foreign corruption, noting that many of those respondents reported multiple incidents and a small number reported foreign and domestic incidents.

In a permacrisis, where environments are continuously disrupted and shifting, controls may no longer be appropriate and adaptable to detect or prevent bribery and corruption. Left untested, and especially in a remote working environment, businesses are exposed to workers taking opportunities to circumvent controls, or controls breaking down altogether.

When the world was in protracted COVID-19 lockdowns, governments provided rapid aid as businesses had to shut down and workers were precluded from working due to illness, quarantine, or furlough, or were made redundant due to the shortage of work.



Governments rarely throw as much money into an economy as we saw during COVID-19. From a compliance risk perspective, it could lead to a perfect storm of having a lot of stimulus money swilling around at the same time as having many people fearful for the survival of their businesses, their jobs, their livelihoods.

ASX-listed participant, Mining

In Australia, \$88.82 billion<sup>5</sup> was paid under the JobKeeper scheme to sustain businesses and workers during the initial 18 months of the pandemic. In Aotearoa New Zealand, the Ministry of Social Development (MSD) paid out approximately \$18.8 billion to support more than 1.8 million jobs through the Wage Subsidy scheme.<sup>6</sup> In an uncertain COVID-19 environment, as workers were desperate for work, and businesses struggled to stay afloat, the Australian and New Zealand governments were ready and willing to introduce billions of dollars into the economy to save workers from losing their jobs.

According to media reports,<sup>7</sup> the ATO received thousands of complaints about JobKeeper fraud involving allegations of businesses manipulating cashflow to meet the decline in turnover tests to access financial support. The ATO and MSD have since recovered millions in ineligible payments and launched criminal investigations into fraud against the scheme.



Prior to COVID we were most concerned with outgoing bribery to government officials and that's still very much a concern for us. It hasn't gone away, but we are seeing greater instances of individuals in our commercial and procurement teams getting into arrangements whereby they receive kickbacks in exchange for directing work to particular vendors, [such as] recommending those vendors for particular work or for when multiple requests for quotes go out to the market, [by disclosing] information on the detailed design specifications [to specific vendors].

ASX-listed participant, Manufacturing with Global Operations



Companies are not paying enough attention to bribery and corruption due to self-interest.

Nick McKenzie, Australian Investigative Journalist



## Focus on

### Offshoring – a cost consideration which may turn costly

As supply chains have evolved into complex, interconnected networks, any disruptions caused by global events will put downward pressure on the weakest links. In these current conditions, many organisations have resorted to offshoring as a stopgap to reducing costs and maintaining margins.

Offshoring attracts reduced costs to procure goods and services, however the risks involved with distanced oversight and maintaining the same standard of business practices in offshore countries may outweigh any cost-saving benefits.

Bribery and corruption risks are usually heightened for companies with offshore operations, particularly in countries where the Transparency International Corruption Perceptions Index (CPI) score is low<sup>8</sup> (with low indicating the country is perceived as having a greater corruption risk). Enhanced diligence is required in these offshore locations to ensure the trading partner's credentials and their dealings with their third parties are authenticated and

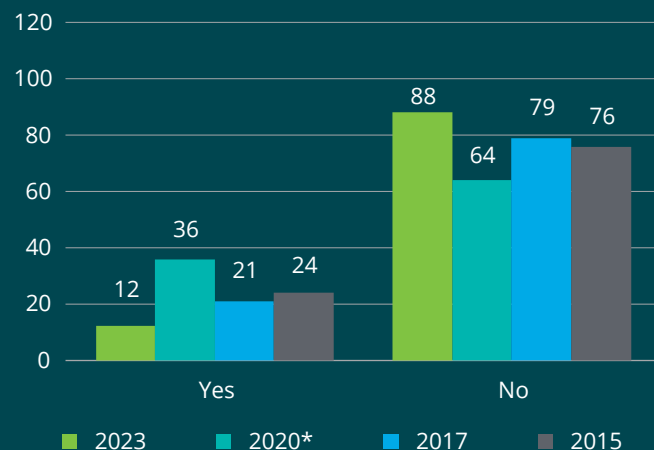
legitimate. Although unintended, accidental trading with sanctioned and corrupt organisations will likely result in reputational damage, legal consequences, and financial losses for the organisation involved.

Bribery of a foreign official is a serious crime under Australian and New Zealand law, punishable by fines and imprisonment. Most countries have laws that prohibit offering or giving a benefit to government officials to improperly influence their actions. Australasian organisations may be subject to prosecution under multiple foreign and domestic laws in multiple jurisdictions if they operate in offshore countries.

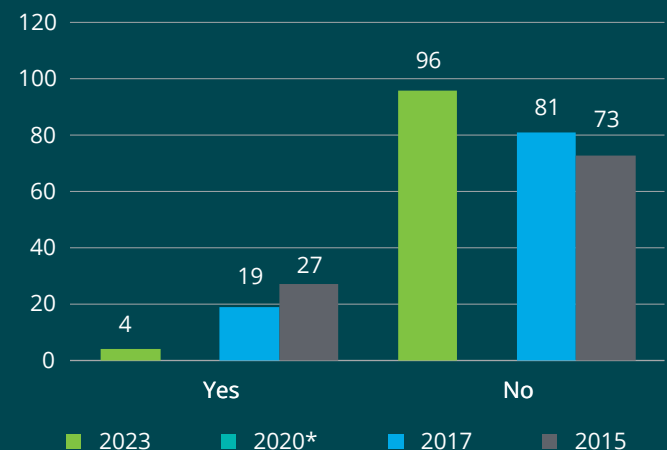
All our interviewees agreed that COVID-19 has had a significant impact on the ability to monitor supply chains and undertake internal investigations due to restricted travel and quarantine conditions, likely contributing to the decline in the number of known and/or suspected instances of domestic or foreign corruption reported in our respondent organisations surveyed.

#### Awareness of known and/or suspected instances of domestic/foreign bribery or corruption in the past three years

##### Domestic



##### Foreign



\* The 2020 survey did not report a breakdown of the domestic and foreign instances



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Remote working of the type seen at the height of COVID makes it harder to keep an eye on what your suppliers are doing and harder to actually know them, if you've not done business with them before...that's the business case for having your monitoring controls turned up.

ASX-listed participant, Mining

Since the 1997 ratification of the Organisation for Economic Co-operation and Development (OECD) convention on 'Combating Bribery of Foreign Public Officials in International Business Transactions', there has been a global focus on enacting anti-bribery and corruption legislation. The United States Foreign Corrupt Practices Act (FCPA) and the United Kingdom Bribery Act 2010 are well-known for their wide reach if offshore operations fall foul within their remits. In Australia, the OECD Anti-Bribery Convention was implemented in 1999 when the anti-bribery and corruption provisions were enacted in the Criminal Code Act 1995 (Cth). Under the Criminal Code, the intention to bribe a foreign official is not necessary to establish the offence.

Australia maintained its position as the 13th least corrupt country in the world in the latest CPI report<sup>9</sup> however, it has progressively dropped its rank from 7th position since the current CPI ranking began ten years ago. Australia has also been rated as a 'moderate enforcer'<sup>10</sup> due to the number of foreign bribery investigations and cases with sanctions against its share of global exports, and weaknesses identified by Transparency International in the Australian legal framework and enforcement system. Meanwhile, New Zealand is still perceived as having little corruption with a ranking of 2nd equal. However, both the score and the ranking were a decrease from the previous index, with New Zealand losing its 1st place ranking for the first time since 2018.

“

Companies are taking the risks because there is little fear of detection and penalty. Australia's legislative and enforcement regime is flawed and ineffective compared to the US.

Nick McKenzie, Australian Investigative Journalist



# Perceptions versus reality: the need for transparency in the community

## Confidence in combatting corruption

The focus on integrity and the prevention of corruption has never been higher in Australia and New Zealand, driving response by governments to make changes in legislation and regulations to address regulatory gaps in the corruption landscape, with the most recent example being the establishment of a new, national anti-corruption commission in Australia.

The National Anti-Corruption Commission (NACC) is an agency independent from government, set up to investigate alleged corruption and report on what it finds, which has the potential to significantly impact Australia's fight against corruption. In the latest update,<sup>11</sup> the NACC disclosed it had received 738 referrals of corrupt conduct since its commencement of operations on 1 July 2023, that is, in the space of 59 days.

The New Zealand equivalent, Serious Fraud Office ('SFO') is a well-established government department that focuses on crimes that could undermine confidence in the public sector or are of significant public interest. Changing economic

landscapes have also led to changes in the SFO with the establishment of specialised services to aid the public sector in increasing counter fraud capability by supporting the design and implementation of effective fraud and corruption prevention systems. This is in recognition of allegations of abuse of the Government's COVID-19 Wage Subsidy Scheme and other frauds related to relief funds.<sup>12</sup>

Over 64% of our survey respondents are very confident or confident in their organisation's anti-bribery and corruption due diligence processes in view of recent emerging issues. We can see that confidence levels vary based on the sector-type, with private sector organisations generally being more confident than public or not-for-profit organisations. This could be attributable to numerous factors, such as the competitive markets that private sectors operate in and the higher standards of accountability and transparency or stricter regulations and laws. At the same time, there has been significant shift in the perceived risk of fraud and corruption as a result of recent emerging issues, that could potentially distort the perceptions and reality of organisations' confidence levels.

## Confidence in anti-bribery and corruption due diligence processes amidst recent emerging issues

	Very confident	Confident	Slightly confident	Not confident
Private sector – listed	24%	58%	12%	6%
Private sector – not listed	20%	41%	33%	6%
Public	13%	48%	39%	0%
Not for profit sector	11%	44%	22%	23%



Respondents are more worried about their people being corrupted, than doing the corrupting



If it's perceived the risk is lower, it's not because the risk is lower, it's because it's simply not being enforced and regulated.

**Nick McKenzie**  
Australian Investigative Journalist

Corruption can be complex and can often involve sophisticated schemes or collusion. Even organisations with robust anti-corruption measures may find it challenging to prevent or detect every instance of corruption or organisations may be unable to identify any vulnerabilities in their systems and processes.

Instances of corruption can erode public trust in government institutions. The ability for organisations like the NACC and SFO to independently investigate corruption allegations and hold individuals accountable can help restore and keep public confidence in the government and its commitment to combating corruption. Allegations of corruption against federal public officials, including politicians, public servants, and law enforcement agencies are within the NACC and SFO's remit. In simpler terms, it means that any person, including companies and employees who provide goods or services under Commonwealth Contracts, can be investigated.

#### **Knowledge is prevention**

The knowledge that there is a dedicated body with the authority to investigate and prosecute corruption cases can discourage individuals from engaging in corrupt activities, thereby preventing corruption before it occurs. Therefore, it is important for organisations to increase their understanding of anti-bribery legislation so that they can take proactive action to prevent corruption from taking place, operate within the boundaries of the law and contribute to a culture of integrity and responsible business practices, benefiting both the organisation and society at large.



I wouldn't expect non-lawyers to know chapter and verse on all relevant legislation but to understand the principles. People should have general knowledge of what's involved in those areas applicable to them...Focusing people's minds on that without boring them with all the detail is important.

**Frazer Barton, President of the New Zealand Law Society**

51% of respondents recorded that they had limited or no working knowledge or were unsure of the following corruption legislation applicable to their organisation. Despite this, 53% of respondents were unsure or not concerned with risks arising from non-compliance with the applicable legislation. Organisations should direct efforts towards understanding and building their compliance with these complex (and in some instances new) regulations using a values-based approach.



Companies are often a little bit reluctant to kind of opening the doors and open the bonnet and let people kind of peer in... Where entities are operating in high-risk jurisdictions, particularly when there's a history of allegations of corruption or corruption actually taking place. I would strongly encourage strong self-assessment, but also external independent assessments as well.

**CEO, Non-Government Organisation, Australia**

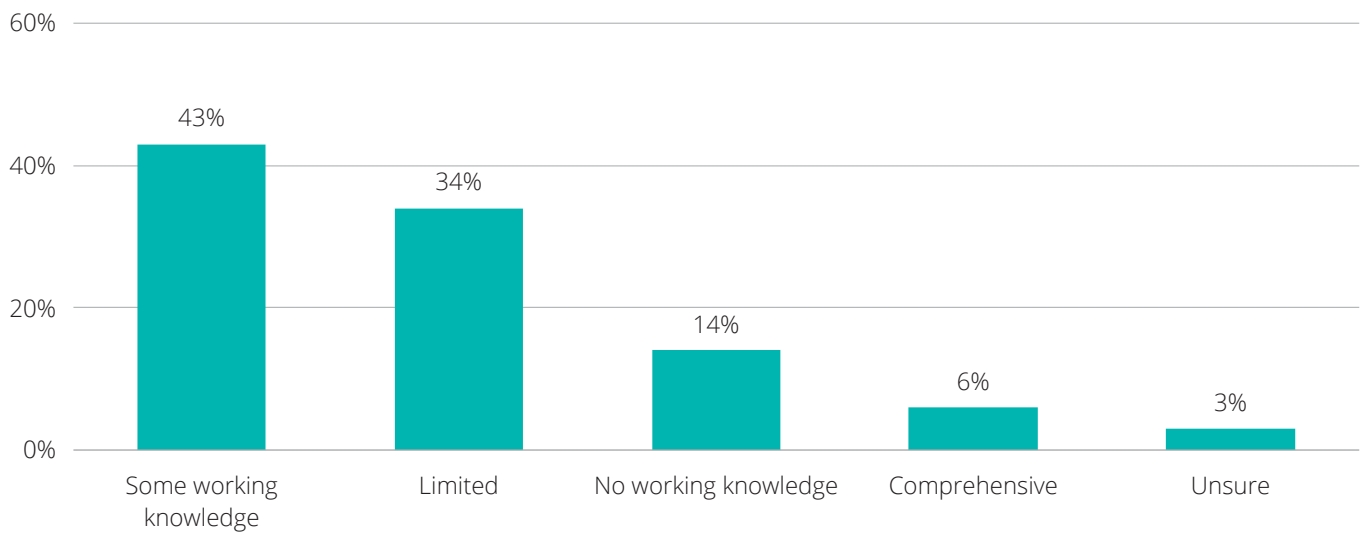


## Relevant anti-bribery and corruption legislation in Australia and New Zealand

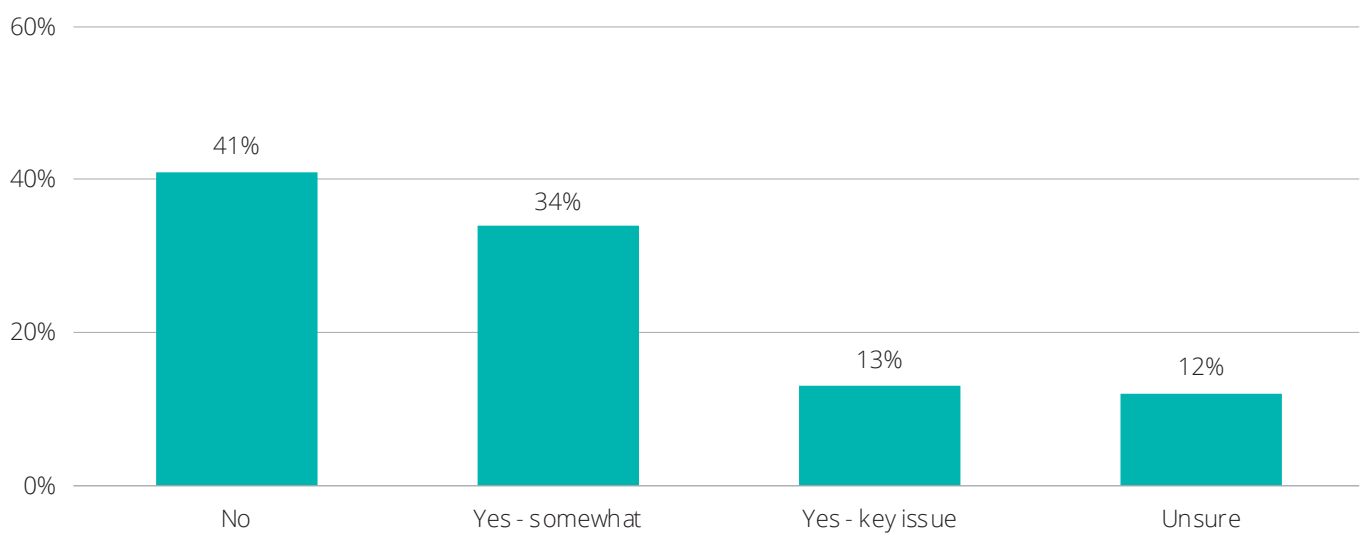
- Australian Criminal Code Act 1995 (Cth)
- Australian whistleblower obligations under the Corporations Act 2001 (Cth)
- Taxation Administration Act 1953 (Cth) and the Public Interest Disclosure Act 2013 (Cth)
- Australian National Anti-Corruption Commission Act 2022
- New Zealand Crimes Act 1961 and the Secret Commissions Act 1910
- NZ Protected Disclosures (Protection of Whistleblowers) Act 2022
- US Foreign Corrupt Practices Act 1977 (FCPA)
- UK Bribery Act 2010
- Other anti-bribery and corruption legislation of countries in which you operate



### Respondents level of knowledge regarding applicable anti-bribery and corruption legislation



### Organisational concerns about risks from non-compliance with applicable anti-bribery and corruption legislation



**Government Procurement – the roles of organisations and the government**

Government procurement and contractors play a significant role in the context of bribery and corruption due to the potential for abuse of power, favouritism, and illicit financial transactions.

Government procurement often involves the acquisition of goods, services, and infrastructure projects using public funds. The large sums of money involved, complex procurement processes, and discretionary decision-making create opportunities for bribery and corruption. Contractors may attempt to secure contracts through illicit means, such as offering bribes or kickbacks to government officials.

When bribery and corruption influence government procurement, it distorts fair competition, giving some organisations an unfair advantage over competitors, leading to market inefficiencies and reduced opportunities for legitimate businesses. This can stifle innovation, hinder economic growth, and limit the participation of small and medium-sized enterprises in public contracts.



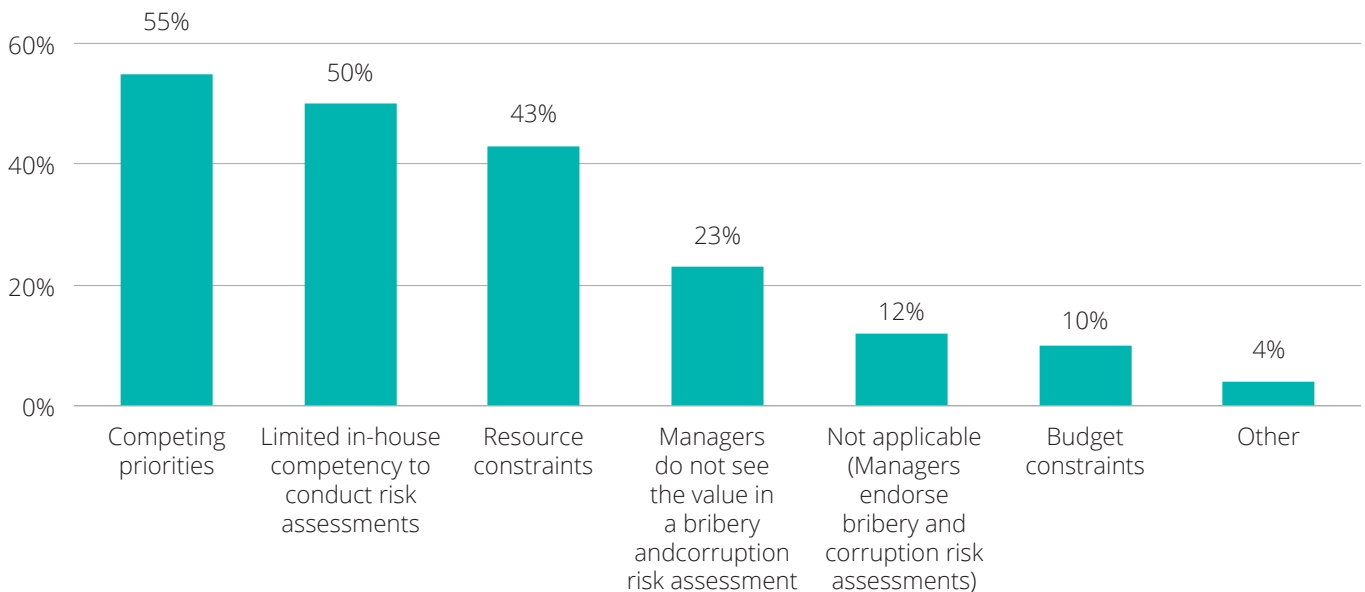
One organisation experienced **seven** instances of suspected/known domestic corruption over the past three years

Governments have increasingly recognised the need to address corruption in procurement and have implemented laws and regulations to combat it. Companies involved in bribery and corruption face legal consequences, including fines, imprisonment, and reputational damage. Governments may also impose sanctions, debarment, or exclusion from future procurement opportunities for companies found guilty of corrupt practices.

Respondents selected competing priorities, limited in-house competency and resource constraints, as the top three constraints to carrying out bribery and corruption risk assessments. Other constraints such as budget constraints

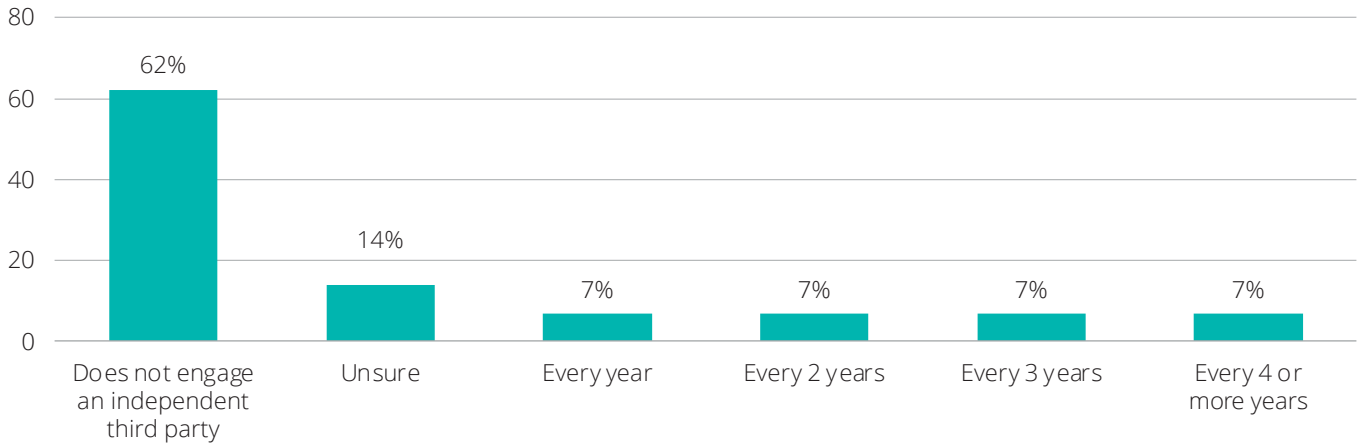
and managers not seeing the value in conducting bribery and corruption risk assessments, were only factors for 33% of respondents. Yet an overwhelming 62% of organisations do not engage third parties to conduct these assessments. If the most significant factors preventing managers from carrying out bribery and corruption risk assessments are due to constraints related to in-house capacity or competency limitations, why aren't more organisations seeking external help? Organisations should be conducting bribery and corruption risk assessments at least every two years and engaging an independent third party to conduct a review and uplift of these assessments every three years.

**Factors likely to prevent business managers from carrying out bribery and corruption risk assessments\***



\*Respondents could select up to 3 factors

Frequency of engaging independent third party for bribery and corruption risk assessments



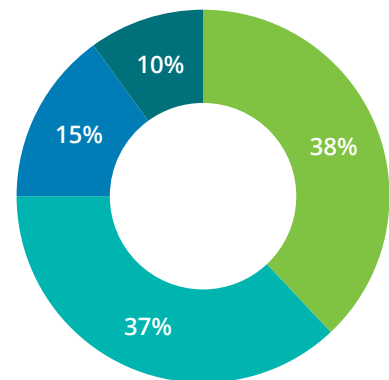
However, 38% of organisations have indicated they are planning on reviewing their anti-bribery and corruption programs in the next 24 months. Establishing a good review and monitoring cadence is an essential element of an effective program.



I am a firm believer that by bringing in outside help, by way of a consultant, you are sharing a problem. The situation/problem being faced may be opaque and convoluted wrapped in emotion and/or be complex subject matter. In the mind of the consultant it might not have that complexity given their experience. I knew we had a problem, I needed Deloitte to assist me in validating it and to help solve it.

**ASX-listed participant, Commercial & Professional Services industry**

Organisations planning to review anti-bribery and corruption program within the next 24 months



■ Yes      ■ Will be guided by circumstances  
■ Unsure    ■ No



The Integrity Framework is about building your integrity system where everything is aligned – at no point will you have no incidents – it’s about building an environment where there are clear expectations and values – if you have included everyone and you have the right policies then you are getting intel as early as possible and you can monitor it...then you are positioned to have the right conversations before things happen.

**Sarah McGray, Principal Policy Advisor, Office of the Auditor-General Te Mana Arotake**

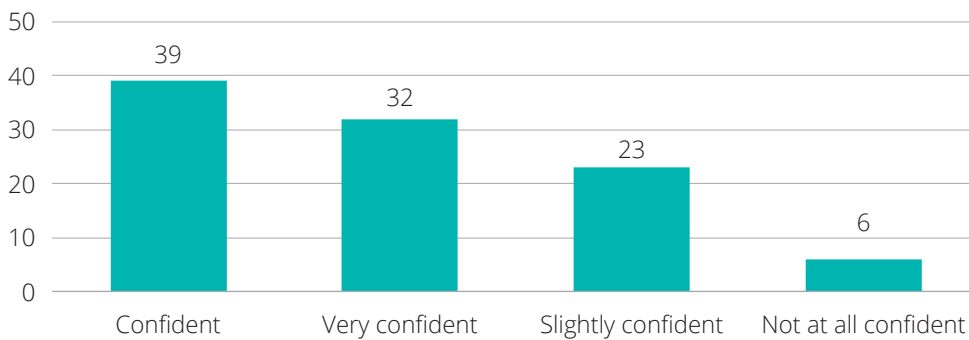
18% of respondents have a strategy/program in place to manage bribery and corruption risks.

To mitigate the risks of bribery and corruption, governments need to establish robust procurement frameworks that prioritise transparency and accountability. This includes implementing clear guidelines, conducting due diligence on contractors, promoting fair competition, and ensuring effective oversight and monitoring mechanisms. Whistleblower protection and reporting mechanisms are also crucial to encourage the reporting of corrupt activities.

The robustness of systems and procedures in place to protect the confidentiality of the informant, the culture of the organisation and the morale of employees are crucial elements impacting the effectiveness of such reporting platforms.

More than two-thirds of respondents indicated that they were either confident or very confident that the employees in their organisation could report on suspected bribery or corruption without fear of reprisal.

**Confidence that employees can report suspected bribery or corruption without fear of reprisal**



95% of respondents also believe their organisation would objectively investigate allegations or suspicions of bribery or corruption within their organisation. However, this dropped slightly to 91% of respondents who were executive board members and 92% of respondents who were in senior management roles.

Addressing bribery and corruption in government procurement and contractors is crucial for promoting transparency, accountability, and fair competition. Governments and organisations must implement robust frameworks, understand and comply with anti-corruption laws, and conduct regular risk assessments to mitigate the risks. The introduction of the NACC in Australia, establishing a robust anti-bribery and corruption program, is just the start.

56%

of respondents who had identified instances of bribery and/or corruption in the last three years recorded that one of the methods of disclosure was through a confidential reporting mechanism (such as a whistleblowing platform )

50%

of respondents who had identified instances of bribery and/or corruption in the last three years recorded that one of the methods of disclosure was by direct report to a manager

22%

22% of respondent's organisations never review and update their key bribery and corruption risk controls



The minute that the community stops genuinely benefiting from an organisation's presence then serious questions need to be asked. If organisations get things right on the anti-corruption side, then that's tremendous support for true sustainability in the community.

ASX-listed participant, Commercial & Professional Services industry



## Focus on

### Greenwashing – an emerging ESG issue

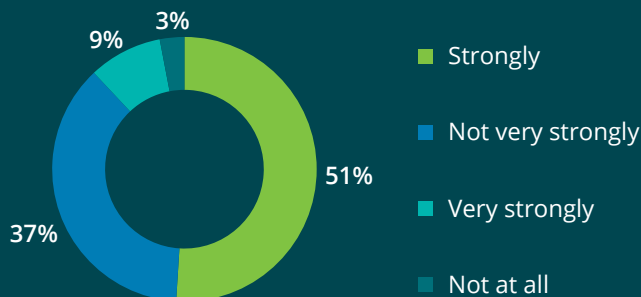
Greenwashing is a deceptive marketing practice employed by companies to create a false perception of environmental responsibility. It involves the use of misleading or exaggerated claims about a product or company's environmental impact to appeal to environmentally conscious consumers.

The link between greenwashing and bribery and corruption lies in the dishonesty and manipulation involved. It is an Environmental Social Governance (ESG)

issue due to its impact on the assessment and reporting of an organisation's environmental performance.

Bribery and corruption can have detrimental effects on the society and communities in which they operate. While 60% of respondents strongly or very strongly believe ESG principles underpin their day-to-day operational activities, only 24% believe their anti-bribery and corruption processes are informed by ESG issues.

#### ESG principles informing day-to-day operational activities

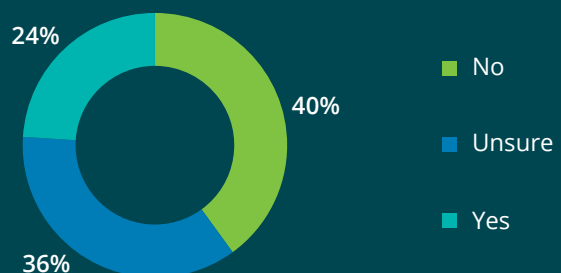


ESG is starting to be codified into compliance and there is greater scrutiny and wider expectations on responsibility of organisations that extend beyond ticking the boxes for compliance. When you do not consider the social and ethical aspects in decision making, it has a direct impact on an organisation's anti-bribery and corruption risks.

In recent years, there has been a growing concern for the environment, with consumers becoming more conscious of their purchasing decisions. This has led companies to capitalise on this trend by presenting themselves as environmentally friendly, even if their practices do not align with their claims. Greenwashing can take various forms, such as using vague or unverifiable terms like "eco-friendly" or "green," displaying misleading labels or certifications, or highlighting a single environmentally friendly aspect while ignoring other harmful practices.

The consequences of greenwashing are significant. Firstly, it misleads consumers who genuinely want to make environmentally responsible choices. By presenting false or exaggerated claims, companies manipulate consumer

#### ESG principles informing anti-bribery and corruption processes



perceptions and divert attention from their actual environmental impact. This can lead to a false sense of satisfaction among consumers who believe they are making a positive difference when, in reality, they are not.

Secondly, greenwashing undermines the efforts of genuinely sustainable companies. Businesses that invest in environmentally friendly practices and products may struggle to compete with those engaging in greenwashing. This can create an unfair advantage for companies that prioritize profit over sustainability, ultimately hindering progress towards a more sustainable future.

To combat greenwashing, it is crucial for consumers to be vigilant and informed. They should look beyond marketing claims and seek evidence of a company's environmental practices. This can include researching a company's sustainability reports, certifications from reputable organizations, or independent third-party assessments. Additionally, consumers can support companies that are transparent about their environmental impact and hold accountable those engaging in greenwashing through boycotts or public pressure.



Furthermore, governments and regulatory bodies play a vital role in addressing greenwashing. They should establish clear guidelines and standards for environmental claims, ensuring that companies are held accountable for their marketing practices. Increased enforcement and penalties for greenwashing can act as a deterrent and promote more responsible behaviour.

The Australian Securities and Investments Commission (ASIC) recently issued notices regarding greenwashing. ASIC's notices highlight the importance of accurate and transparent disclosure in relation to environmental claims. The notices emphasise that companies must ensure their statements align with the actual environmental impact of their offerings and should not mislead consumers or investors. ASIC's actions aim to combat greenwashing and promote greater accountability and integrity in environmental marketing practices.

“

Anti-bribery and corruption governance is essential to an organisation's ability to remain in the community on a sustainable basis.

ASX-listed participant, Mining

“

Managing bribery and corruption risk is absolutely tied to ESG. I think when the lens zooms out a little bit, we can see how these things are complementary.

ASX-listed participant, Mining

“

I think one big emerging issue is the race to a clean energy future where we're seeing record amounts of critical minerals being extracted licenses and permits being allocated with far less regulation... We need to make our Paris climate goals to tackle global warming but the energy transition shouldn't result in increased rates of corruption that ultimately affect communities who are coming into contact with our supply chains as well.

CEO, Non-Government Organisation, Australia



# Are we turning a blind eye? How perceptions are impacting actions

88% of survey respondents reported that they'd had no known instances of domestic bribery and corruption and 96% reported no known instances of foreign bribery and corruption. These figures have increased significantly from 2015 through 2020 survey results. Domestic instances of known and/or suspected bribery and corruption are consistently reported to be higher than foreign instances, but both have reported a decrease in known incidents in 2023. On the face of it, the results are positive; however, this can also be a double-edged sword. While organisations may not know of instances, there is a risk that they don't have the right bribery and corruption controls and processes in place to identify possible instances in the first place. This can create a false sense of security because no organisation is immune to the threat of bribery and corruption.



Failing to disclose or manage conflicts is often not intentional, but it still undermines trust in the public sector. Poor processes and lack of documentation can have the same impact as if an incident actually occurred.

**Sarah McGray, Principal Policy Advisor, Office of the Auditor-General Te Mana Arotake**

Anti-Bribery and Corruption programs should be 'fit for purpose' and regularly reviewed to assess and mitigate risk unique to your organisation.

A strong program helps to establish a positive culture of integrity and strong ethical business practices.

Effective management of Anti-Bribery and Corruption programs works to better position organisations to respond if an incident does happen.

**Programs should include elements in the following principle areas:**



**Planning & Prevention**



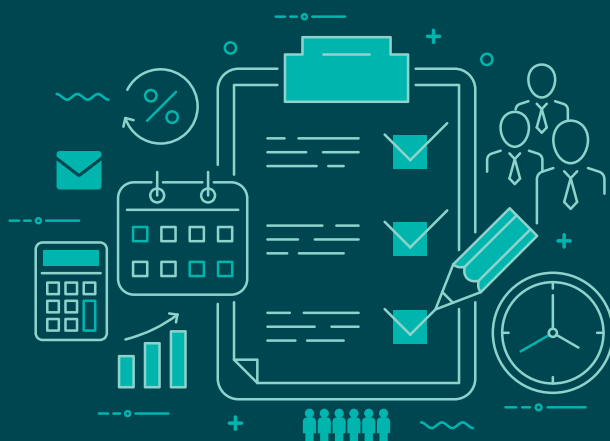
**Detection**



**Response**



**Remediation**



Controls are fundamental in protecting against and detecting instances of bribery and corruption. These controls should be part of an organisations’ anti-bribery and corruption program, which includes both preventative controls and detective controls – both work hand in hand to mitigate risk. The need for controls is highlighted by the survey findings, which asked those who reported an instance (or instances) of bribery and/or corruption in the last three years, how the instances were identified. The majority were identified through monitoring controls or avenues available for individuals to report.

Specifically, tip-offs through a confidential reporting mechanism, such as a whistleblowing platform, was the most common mechanism to identify instances of bribery and corruption. The reliance on whistleblowing is consistent with legislation putting requirements on Public Sector to have more robust reporting mechanisms, creating increased awareness. Reliance on employee reporting depends on the integrity of employees to observe, understand and report suspected incidents; relying heavily on employee trust and corporate culture. Confidential reporting platforms should be one part of a suite of controls used within the organisation. Organisations should be confident that they are not relying heavily on only one method of prevention and/or detection.



Almost one in three respondents conduct training and awareness in relation to the whistleblower program at onboarding only

**How bribery and/or corruption incidents were identified\***

Response	2023*	2020*
Tip through a confidential reporting mechanism	56%	51%
Direct report to a manager	50%	27%
IT controls or electronic monitoring	50%	9%
Internal audit	25%	29%
Admission by the perpetrator	19%	-
Data analytics	13%	9%
Management or financial review	19%	35%
External audit	13%	5%
Notified by law enforcement / regulator	13%	15%
Other	6%	16%

\*Proportion of respondents, noting that some had multiple incidents

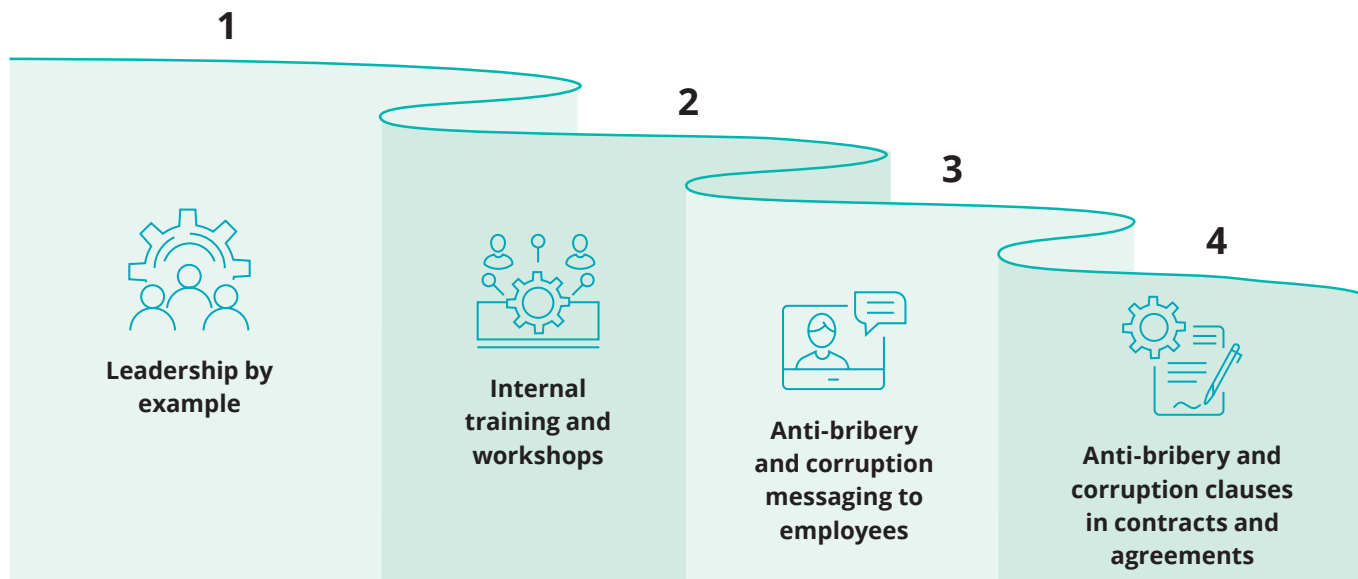


If you’ve got good governance principles, that should translate into mitigating bribery and corruption risks... if you’re running the organisation in the correct way, you have the right policies in place, then you’re hedging against risk including bribery and corruption risk.

Frazer Barton, President of the New Zealand Law Society



**Organisations reported that the most used ways to build capabilities to manage risk, in order of reported effectiveness are:**



This shows organisations are utilising preventative controls, but detective controls may be lacking.

**How effective is your organisation’s bribery and corruption program?**

Survey respondents were asked to rate the effectiveness of their organisation’s key bribery and corruption risk controls. Confidence was evident in bribery and corruption risk management, with 94% of respondents believing that their preventative controls were partially effective or effective, and 83% believing that their detective controls were partially effective or effective.

Respondents added to this confidence when asked about the commitment of their organisations’ leadership and tone from the top with 86% responding that they were confident or very confident of their top-level commitment to a no-tolerance approach to bribery and corruption.

Despite the heightened levels of confidence, results also show that there may be a disconnect with the actions taken

within the organisation. 53% of survey respondents say that bribery and corruption risk is tabled for discussion by organisation leadership either on an ad-hoc basis, they were unsure, or not at all. Of the “C-Suite” respondents, 49% stated ad-hoc/rarely or not at all. Furthermore, 36% of respondents “will be guided by circumstances” for the timing of the next review of their bribery and corruption program and an additional 10% did not plan to review their program in the next 24 months.

This begs the question – are organisations looking in the right place for bribery and corruption risk, or is there comfort and confirmation bias creating a perception gap between risk and action? Are organisations actively trying to uncover things, given other pressures that they are facing such as political pressures resulting from an election year, or the potential impacts on their reputation?

**Effectiveness of key bribery and corruption risk controls**

2023	Non-existent	Ineffective	Partially effective	Effective
Prevention controls	2%	4%	33%	61%
Risk management	1%	5%	41%	53%
Detective controls	9%	8%	37%	46%
Response	8%	6%	44%	4%
Training & Communication	10%	9%	52%	29%
Strategy & Governance	14%	15%	34%	37%



Even if your operations are confined to Australia, bribery and corruption risks should never be categorised as ‘very low’.

**ASX-listed participant  
Manufacturing with  
Global Operations**

**The impact of bribery & corruption**

Reputational risk was cited by 70% of survey respondents as the worst consequence of a corruption incident. This should be a motivating factor to increase governance and bribery & corruption controls, allowing organisations to proportionately respond to risk and preserve their reputation should an incident arise, but this finding suggests organisations are not considering the full extent of bribery and corruption risks. The impact incidents have internally, with diversion of management and employee time and the negative impact on employee morale can be at least as damaging as reputational ramifications. Organisational leaders should consider putting more focus on implementing business practices that prevent and detect incidents, and promote and uphold a culture of integrity.

**Perceptions of the worst consequence of a corruption incident**

Response	2023	2017	2015
Reputational risk	70%	65%	60%
Financial - cost to investigate/litigate etc.	9%	8%	11%
Diversion of management and employee time	7%	10%	12%
Negative impact on employee morale	6%	4%	4%
Fines, settlements, imprisonment	5%	4%	5%
Remediation costs	2%	2%	1%
Other	1%	1%	2%
Not applicable to my organisation	-	6%	5%

NB, this question was not included in the 2020 survey

Organisations know the risk of bribery and corruption but there doesn't appear to be the proportionate action to address and minimise these risks. If bribery and corruption risks are not tabled regularly for discussion, how can leadership be confident that the actions implemented are adequate to mitigate the risks faced by their organisations? If there is too much reliance on employee reporting, how can they be sure that there is a culture of integrity? During these times of change, all entities must navigate the political landscape while balancing this with sufficient governance over the threat of bribery and corruption.



The focus on reputational risk is perhaps missing the huge impact on staff and morale within an organisation when an incident occurs especially if not dealt with well.

**Sarah McGray, Principal Policy Advisor  
Office of the Auditor-General Te Mana Arotake**



Culture is critical, but culture is also enormous and very difficult to change, measure and analyse. Put simply, culture is set by leadership.

**Nick McKenzie  
Australian Investigative Journalist**

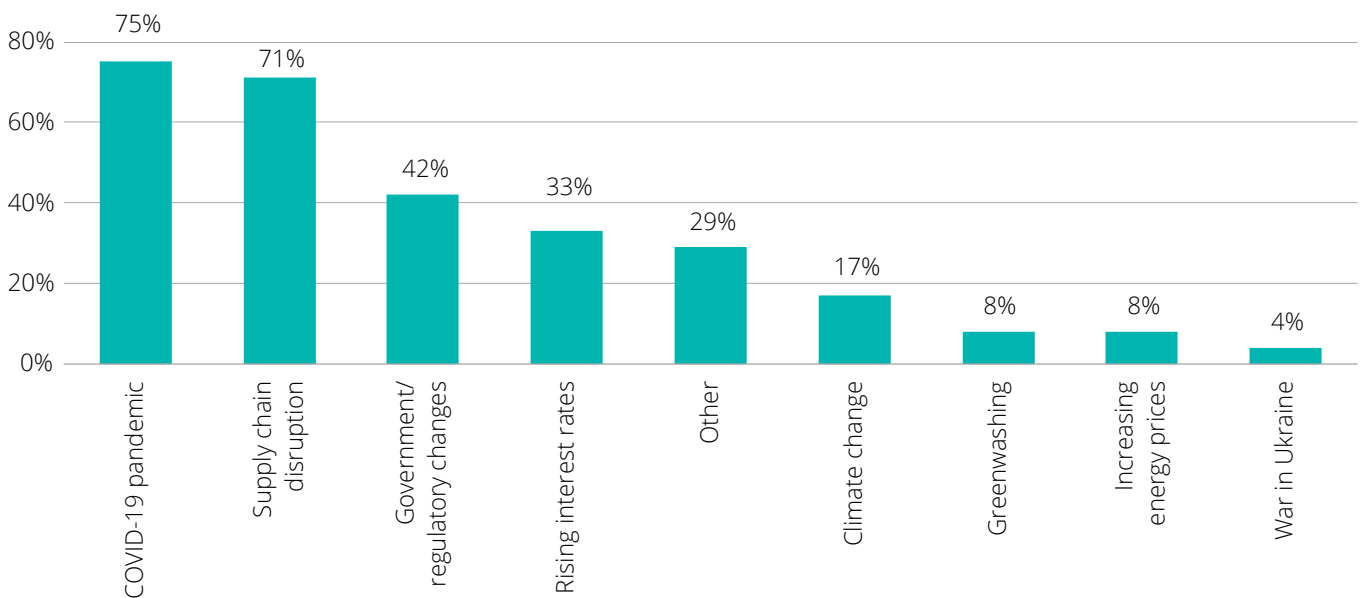
**The challenge to adapt: The Public Sector and the ‘high-trust’ model**

A significant proportion of public sector entities operate with a ‘high trust’ model. Particularly with COVID-19 and an increasing number of recent natural disasters, such as cyclones and wildfires, there has been an urgent need to help; pushing money into the economy with limits on due diligence or controls. 75% of public sector survey respondents indicated that COVID-19 was one of the emerging issues that has had the greatest impact on their bribery and corruption risk in the past three years, yet only 4% perceived the risk to be high. Public sector entities have to provide support in times of need and crisis, and often

proportionate controls and accountability come second. A high trust environment is ripe for risk of bribery and corruption.

An entity can determine its risk appetite, but it must have sufficient preventative controls at the beginning and detective controls at the back-end to identify wrongdoing. 100% of public sector survey respondents said that their organisation has a whistleblowing policy, this is a great step to making sure there are back-end processes available for reporting suspected incidents, but this needs to be supplemented with more proactive actions.

**Emerging issues with the greatest impact on bribery and corruption risk [Public sector only]**



Reputational risk is a big fear that organisations have, but I think organisations are more interested in instilling policies because it’s the right thing to do – rather than from a fear of damage to their reputation. It’s better for an organisation’s reputation to create and follow good principles.

**Frazer Barton, President of the New Zealand Law Society**



People can often define conflicts to only relate to financial conflict – they can be wider to include other forms of relationships.

**Sarah McGray, Principal Policy Advisor Office of the Auditor-General Te Mana Arotake**



We have to understand what a good high-trust model looks like. Building trust is how we are going to work through complex problems... High trust models are okay but you can't have it at both sides – if it's at the front end then you need to build in some controls later on in the process, you can have trust but you also need to verify.

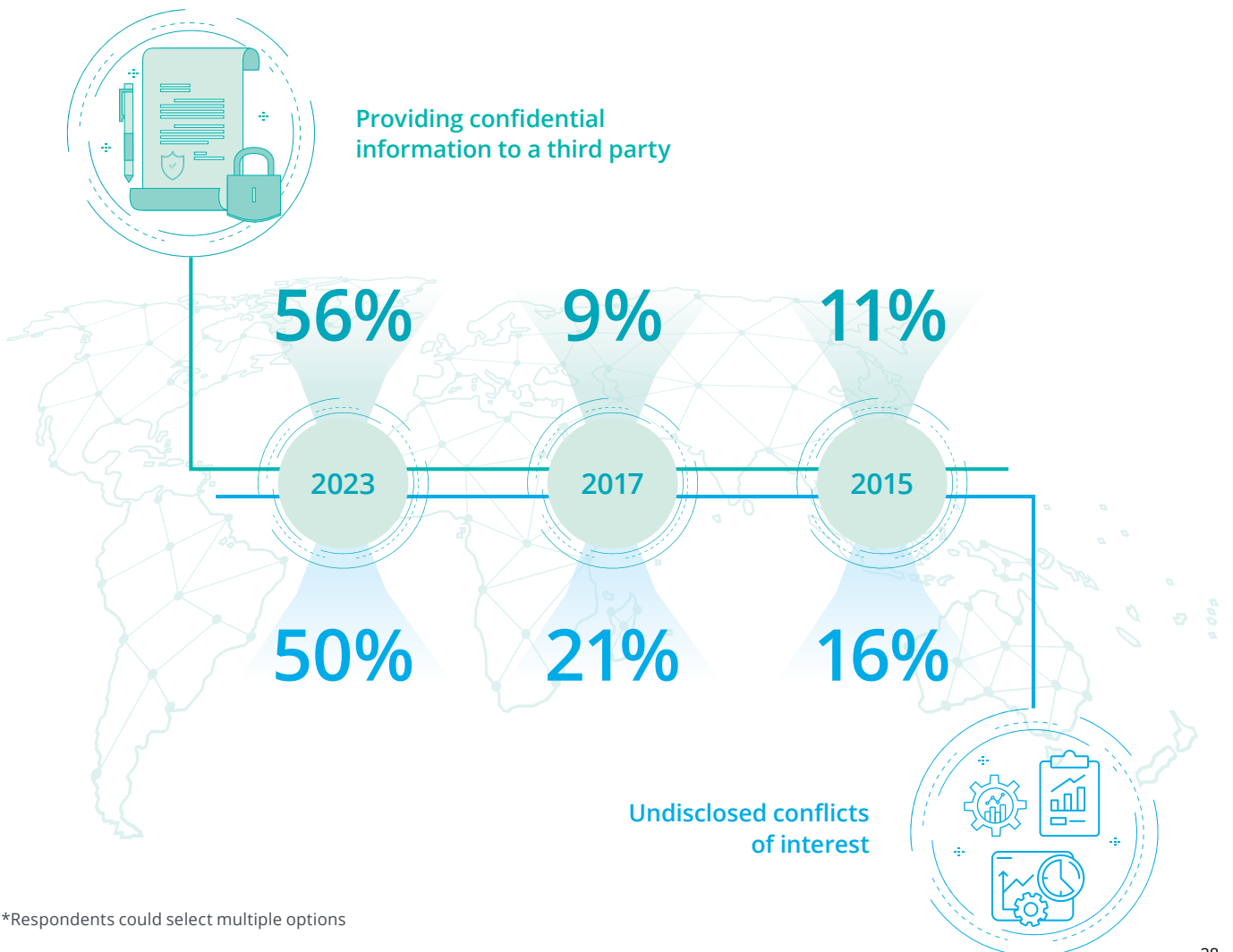
Sarah McGray, Principal Policy Advisor  
Office of the Auditor-General Te Mana Arotake

**It's all about connections (and transparency)**

The most common types of corruption that occurred related to providing confidential information to a third party and undisclosed conflicts of interest. While undisclosed conflicts of interest were the most common type of corruption in prior surveys, there has been a significant increase in the percentage of those occurrences. Of the respondents who reported being aware of incidents, 50% were aware of an incident with an undisclosed conflict of interest, and 56% were aware of confidential info being provided to a third party.

Having a connection to a person or organisation is not automatically a conflict, but this is something that is not always well understood. Undisclosed interests and unmanaged conflicts are things that we see at many organisations. This is usually a result of immaturity of processes and poor understanding of what a conflict of interest is. So, what does a good process look like?

**Most common types of corruption experienced by respondents\***



\*Respondents could select multiple options



In some organisations, people wouldn't know that there is a conflict because they are not having conversations. It is good practice to declare interests up front then people are in a better position to identify a conflict. It is important that this built into an organisation's process.

Sarah McGray, Principal Policy Advisor  
Office of the Auditor-General Te Mana Arotake

## Elements of a good process



**Disclosure:** Disclosure of all interests needs to happen when a person joins an organisation. Circumstances change, so this needs to be updated on a regular basis. An annual declaration works well for many organisations.



**A centralised disclosure platform:** A conflict cannot be identified if disclosed interests are filed away and never seen again. An effective process requires accessibility to declared interests that can be assessed as different situations arise. For example, if a project with a new partner is proposed, the disclosed interests of participants can be quickly checked to determine if a potential or perceived conflict may arise.



**Documentation of conflict management:** Once a perceived or actual conflict is identified, it must be well managed and be seen to be managed. A conflicts register that simply records "conflict declared and managed" is unlikely to be helpful if an organisation is later challenged on the actions that were taken.



**Education:** People need to understand what an interest is and what a conflict is, to enable them to make appropriate disclosures and take appropriate actions. Some people may be reluctant to declare an interest as they have the misperception that will mean no interaction can take place with the interested party. Others might believe that as long as an interest is disclosed no further action is required. While others may apply a narrow definition and focus only on financial conflicts. Everyone needs to be able to recognise a conflict and be comfortable talking about it. More than 86% of survey respondents perceived internal or external training to be one of their top three most effective methods to build the capabilities of employees to manage bribery and corruption risks, compared to 53% who currently undertake them.



**Transparency:** Consistent across all these elements is a need for transparency. If interests are disclosed and conflict management is thoroughly documented, and people are comfortable discussing conflicts, then an organisation will have a transparent process. Transparency builds trust and confidence and enables actions to be easier to defend going forward.

### Most effective methods to build capabilities of employees to manage bribery and corruption considered by respondents

By leadership example	75%
Internal training courses and workshops	61%
Anti-bribery and corruption messaging embedded in employee communications, e.g. handbooks or intranet guidance	53%
Anti-bribery and corruption clauses are included in contracts and agreements	39%
External training courses and accreditation	25%
Strategy/program	18%
Policy attestations	16%
Events and meetings, such as sales conferences and town halls	7%
Other	4%
Publications, such as annual reports	2%

\*Respondents could select multiple options

### Measures currently undertaken by respondents to manage bribery and corruption risks

By leadership example	65%
Anti-bribery and corruption messaging embedded in employee communications, e.g. handbooks or intranet guidance	59%
Anti-bribery and corruption clauses are included in contracts and agreements	50%
Internal training courses and workshops	42%
Policy attestations	36%
Publications, such as annual reports	20%
Events and meetings, such as sales conferences and town halls	18%
Strategy/program	18%
External training courses and accreditation	11%
None of the above	8%
Other	2%

\*Respondents could select multiple options

Personal connections are essential and should not be seen as a hindrance to doing business, but the perceived conflicts arising from those connections can be very problematic if they are not disclosed or effectively managed. Transparency is vital to avoid this perception and a good process to manage perceived conflicts of interest will assist the identification of intentional conflicts and corruption if it does arise.



## Focus on

### Exploitation and corruption in the time of war

Corruption in the Commonwealth of Independent States (CIS) has long been an issue, and its volumes have increased dramatically since the start of the war in Ukraine. We can see evidence of it from media and journalist investigations. Companies with presence in CIS region face the challenges of disrupted logistics and supply chains as well as new sanctions regimes and massive corruption risks. As governments and organisations struggle to retain control, bribe-seeking officials and illicit networks often exploit these weaknesses, and foster thriving corrupt practices.

#### Examples of how the war impacts the businesses operating in the CIS:

**Supply Chain Disruptions:** War disrupts supply chains leading to increased risks of corruption in procurement processes. Sanctions imposed on Russia in many cases require international businesses to develop new supply chains and discontinue using those related to Russian sanctioned companies and individuals. Emerging inefficiencies, lack of transparency, and diversion of resources may occur and lead to overpricing, supply of counterfeit goods and kickbacks.

**Compromised Due Diligence:** Simple Know Your Counterparty (KYC) procedures in the time of war are becoming insufficient. Sanctioned entities develop long international chains of companies to avoid sanctions. This exposes companies to the greater risk of being involved in shadow business activities with corrupt or sanctioned entities, which may result in reputational damage, legal consequences, and financial losses.



They [criminals and entities] move much quicker than regulators, legislative frameworks and organisations to find the weakest link.

CEO, Non-Government Organisation, Australia



### How to mitigate risks?

#### Here are some examples of practical procedures to mitigate the risks:

- **KYC procedures:** Firstly, counterparty due diligence procedures should be done on a regular basis (not only once) depending on the level of risk associated with the counterparty. Secondly, the analysis should not be limited to the counterparty itself but should cover all beneficiaries involved. Instead of analysing a supplier or customer – the whole logistic chain and the entities and geographies involved should be reviewed. These steps are important from both corruption and sanctions perspectives.
- **Anti-bribery and corruption review of transactions:** If your business is operating in the CIS, performing sample anti-bribery and corruption analysis at least once a year is strongly recommended. Some of the risky areas to bear in mind are:
  - a) **Fictitious services:** One of the easiest ways to generate cash for fraud and corruption purposes. The most important action is to analyse proof of services performed and challenge the adequacy and quality. The common areas at risk are management consulting, legal services, and marketing services.
  - b) **Charity donations:** This is specific for the pharma industry, as governmental hospitals are the main clients but this is relevant for many industries. It's important to know the management of the organisation receiving the donation, their potential relations to government, presence, and quality of charity reports.
  - c) **Questionable employee expenses and petty cash transactions:** The focus here is unreasonable petty cash and credit card expenses lacking proofing documents.

*By Pavel Rykalin, Deloitte Partner, Financial Advisory - Forensic, Perth, Australia. Pavel was formerly a Partner at Deloitte CIS (Russia) until 2022.*

*Pavel has advised domestic and multinational clients in Russia and Kazakhstan and has acquired a deep understanding of the Mining & Metals and Oil & Gas industries throughout his many years of service.*



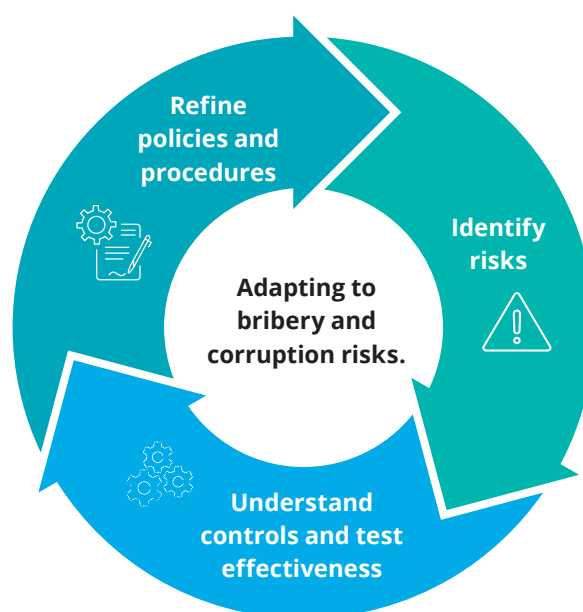


# The Challenge: Adapting to corruption risk in an ever-evolving world

## You must respond as risks change

Although not unique to our jurisdiction, Australasia has faced numerous complex crises and disruptions throughout this reporting period, each with their own unique challenges leading to a compounded impact on organisations. In addition to these challenges increasing, we have seen changes in societies expectations of how entities and their staff behave.

The survey indicates less than one third of organisations review their bribery and corruption controls every year, with competing priorities being one factor preventing managers conducting bribery and corruption risk assessments for 59% of respondents. This may align with why we are seeing such a high volume (61%) of people still considering the risk to their organisation as low or very low. It is critical that entities regularly undertake a comprehensive bribery and corruption risk assessment to stay abreast of how these changes impact their operations and may require updates to controls. It is recommended that a bribery and corruption risk assessment is completed at least every two years with a refresh when new issues emerge. These risk assessments should cover a range of factors and seek to identify risks associated with the emerging challenges, such as COVID, greenwashing, and increased geopolitical sensitivities.



The not for profit sector is the least confident in their anti-bribery and corruption due diligence processes

In addition to a formal risk assessment process, entities should ensure they remain aware of their immediate risks and refine controls in due course. There are two key ways this can be done:



If a suspected instance of bribery and corruption is identified, entities should review where existing preventative controls may have failed and make changes as necessary.

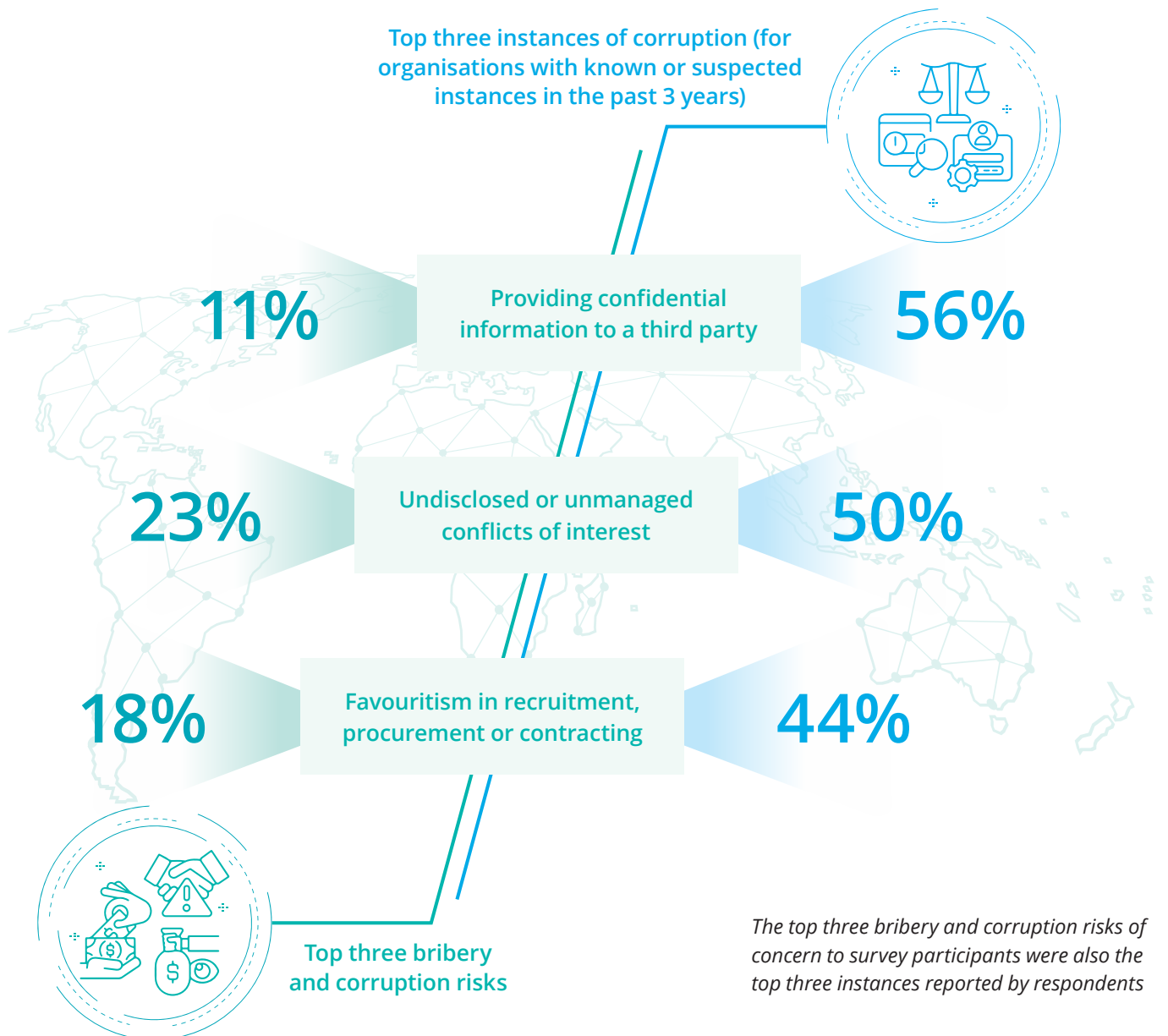


Complete due diligence on suppliers and their beneficiaries, as well as employees to understand their risk profiles and revisit this using a risk-based approach.

**It is up to you to embed a culture of compliance**

As with many other regulatory requirements, maintaining an entity’s ability to respond to evolving risks relies on everyone being on the same page and empowered to do the right thing. One way this can be done is by building a culture of trust and valuing employees, with respondents noting issues affecting the personal lives of employees potentially increase bribery and corruption risk.

Entities should encourage employees, suppliers and contractors to voice their concerns in a timely manner. This seems to be an ongoing challenge given undisclosed or unmanaged reports of conflicts of interests was considered to be the top bribery and corruption risk for 23% of survey respondents. Identifying real or potential bribery and corruption issues in a timely manner is critical in supporting voluntary declarations to law enforcement/third parties and responding appropriately through the revision of policies and procedures. Management should also seek to incorporate key organisational risks in training and regular communication to make it ‘real’ to their personnel.



*The top three bribery and corruption risks of concern to survey participants were also the top three instances reported by respondents*

**You don't have to go it alone**

Internal knowledge of an entity's risk environment and mitigating policies and procedures is the first step in managing risks appropriately, but this can be difficult, with 50% of survey respondents citing limited in-house competency as a factor preventing bribery and corruption risk assessments being carried out. To enhance your

approach, an independent review by external bribery and corruption experts should be undertaken on occasion to test and challenge your assumptions and effectiveness of controls. Such specialists can also provide unique and detailed insights into how different regulatory regimes may affect you, as well as shaping your risk-based approach to better reflect contemporary risks and prioritise your responses.



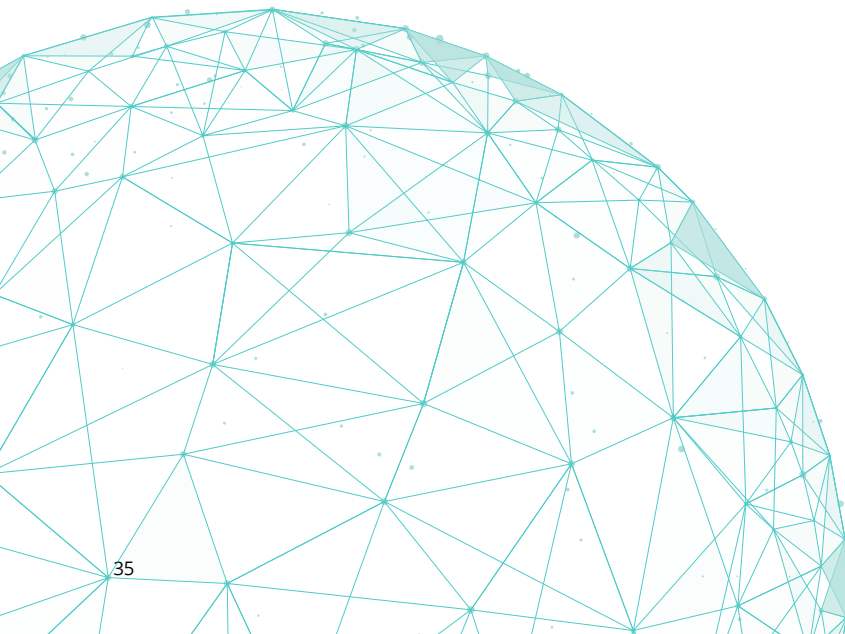
If you've got a really good culture, it'll play a foundational role in helping an organisation survive those kinds of shifts and seismic changes.

**ASX-listed participant, Mining**



Given the matter we were dealing with, we had to uplift our governance on ABC. Not only was it good governance, several regulators required it of us to remain in operations. It was a no brainer to get Deloitte in to assist us improving this. We need to demonstrate best practise and having Deloitte support our efforts provided the expertise and just as important credibility.

**ASX-listed participant  
Commercial & Professional Services industry**





# Our respondents

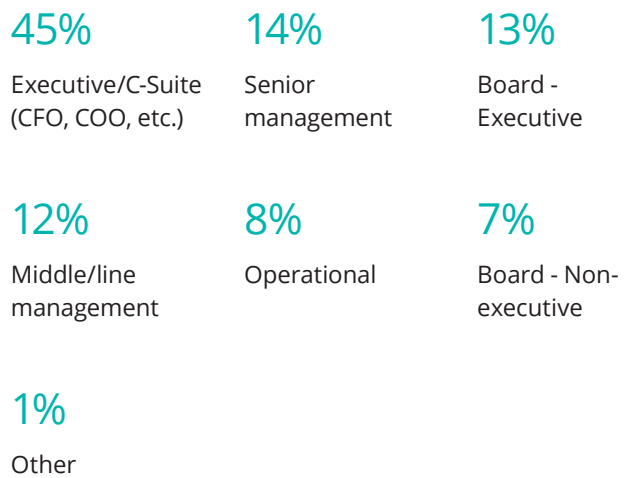
The insights and analysis of this report are based on 130 survey participants and interviews with risk leaders across Australia and New Zealand. The respondents presented a broad range of sectors, positions and industries. Our survey, therefore, represents an analysis of bribery and corruption perceptions and practices that can assist organisations, policymakers and other stakeholders in developing targeted strategies and measures to combat bribery and corruption effectively.



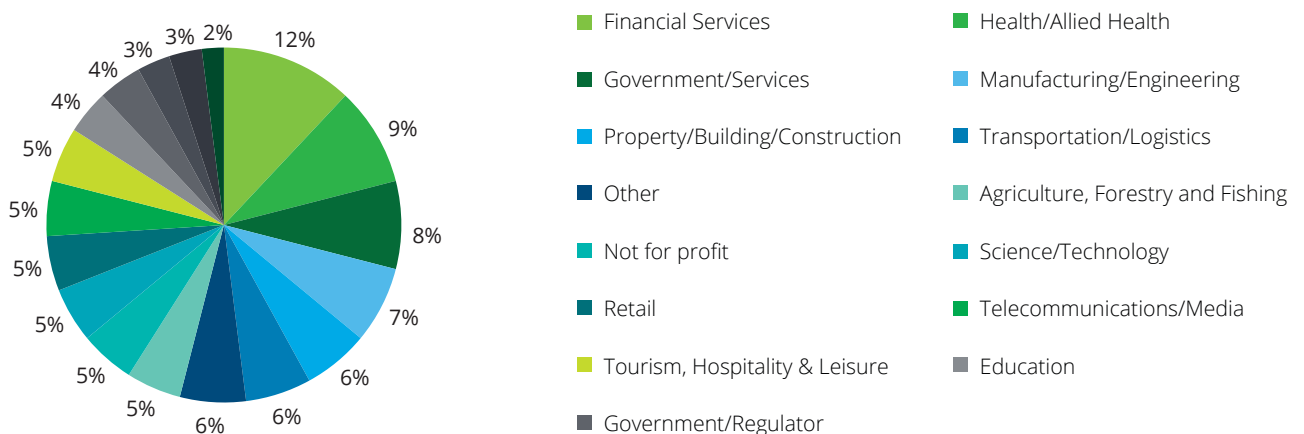
## Sector in which the organisation operates

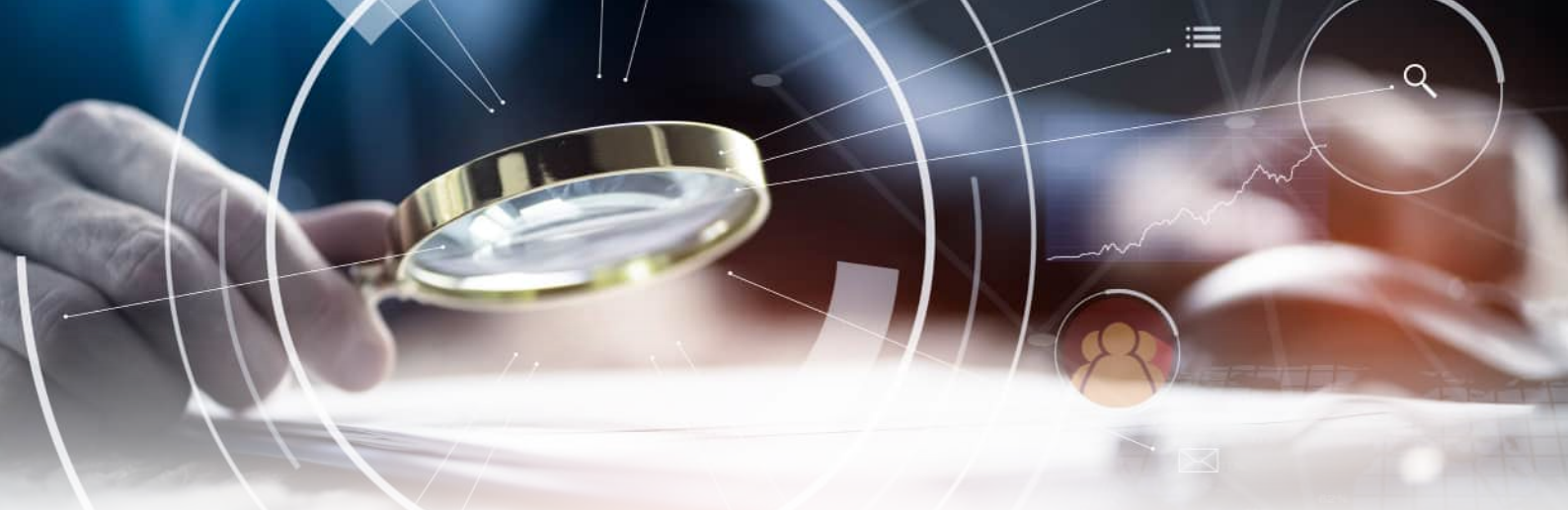


## Position / role of respondents



## Industry in which the organisation operates

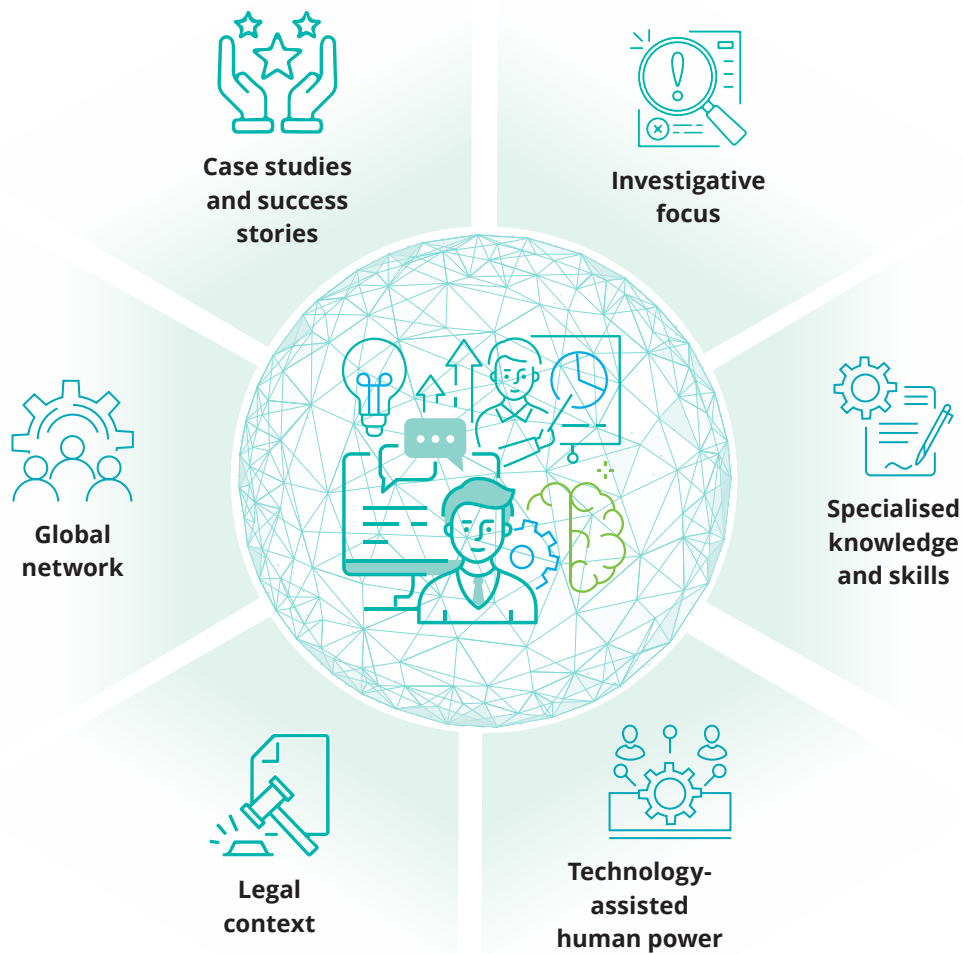




# Deloitte Forensic: More than...

Deloitte Forensic helps our clients act quickly and confidently in the face of regulatory concerns and actions, or sensitive investigations into fraud, corruption, misconduct or financial crime compliance. We are more than your typical accountant or advisor. Our global network allows us to combine an

understanding of industry and regulatory issues to provide the advisory insights, forensic analysis and practical solutions our clients need to resolve difficult problems, strengthen risk and compliance programs and confidently manage crises and challenges.



**Our Services**

Our team of experts include experienced forensic accountants, subject matter experts, auditors, lawyers, forensic technologists, corporate investigators, ex-law enforcement officers and former regulators.

Deloitte Forensic				
Deloitte & Forensic Accounting	Investigations	Advisory	Discovery & Data Management	Financial Crime Analytics
Expert Witness Consulting Expert Class Action Assistance International Arbitration Expert Determination Insurance	Financial & Accounting Investigations Bribery & Corruption Fraud Workshop Misconduct Contract Inspection	Business Intelligence Services Reputation Protection (Anti-Fraud, Corruption, AML, Sanctions) M&A Compliance & Integrity	Advisory Services eForensics & Expert Testimony eDiscovery eHearings Insights & Emerging Solutions	Advance & Predictive Fraud Analytics Data Visualisation Economic & Statistical Analysis Forensic Analysis
Supported by: Local & global industry and subject matter specialists				



Our matter involved complex legal concerns with a broad range of consequences. Given the fiduciary responsibilities of the company and people in charge of governing the company it was imperative to seek external advice. The advisors we bought on were very experienced, well qualified and could look at our business from multiple perspectives. Our external advisor was independent and not aligned to prevailing points of view within our business hence could provide an unbiased view. Our external advisor also had relationships with regulators and held memberships of relevant professional bodies that assisted in staying up to date with current legislative changes and relevant technological advances.

ASX-listed participant, Commercial & Professional Services industry



**Asia Pacific**  
127 offices in  
31 countries

**Asia Pacific**  
Over 90 Partners and  
1,564 Practitioners

# Contacts

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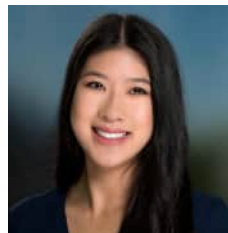
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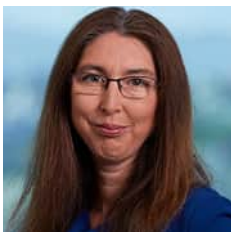
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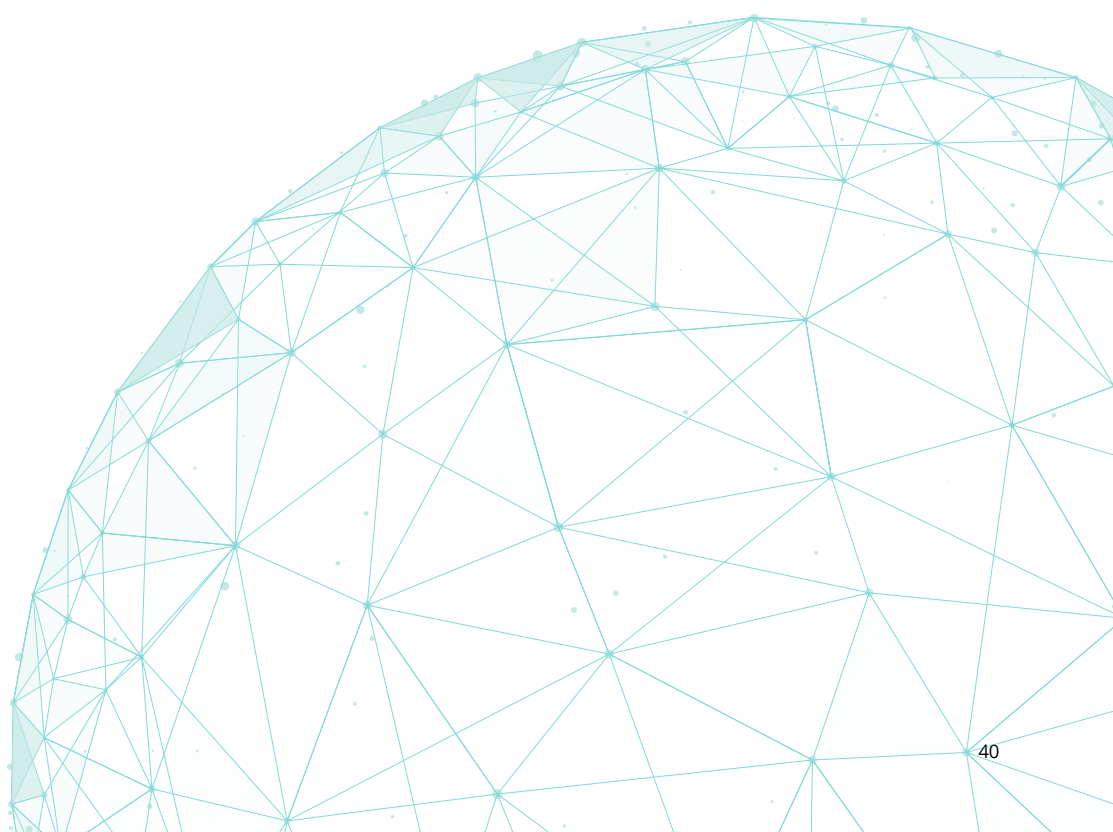


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# Endnotes

- 1 <https://www.csis.org/analysis/great-rewiring-how-global-supply-chains-are-reacting-todays-geopolitics>
- 2 <https://asic.gov.au/regulatory-resources/find-a-document/statistics/insolvency-statistics/insolvency-statistics-current/>
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- 4 <https://www.news.com.au/finance/real-estate/sydney-nsw/more-than-27000-new-home-projects-shelved-by-crisis-hit-construction-industry/news-story/f055c0a76908accbf082812a301645ff>
- 5 Australian National Audit Office (ANAO) Performance Audit (Auditor-General Report No.22 of 2021-22) <https://www.anao.gov.au/work/performance-audit/administration-the-jobkeeper-scheme>
- 6 Ministry of Social Development media release 3 July 2023
- 7 [https://www.abc.net.au/news/2020-10-27/jobkeeper-payments-clawed-back-by-ato-early-release-of-super/12817626?utm\\_campaign=abc\\_news\\_web&utm\\_content=link&utm\\_medium=content\\_shared&utm\\_source=abc\\_news\\_web](https://www.abc.net.au/news/2020-10-27/jobkeeper-payments-clawed-back-by-ato-early-release-of-super/12817626?utm_campaign=abc_news_web&utm_content=link&utm_medium=content_shared&utm_source=abc_news_web)
- 8 <https://www.transparency.org/en/cpi/2022>
- 9 [https://transparency.org.au/media\\_release/global-corruption-index-australia-lags/](https://transparency.org.au/media_release/global-corruption-index-australia-lags/)
- 10 <https://transparency.org.au/exporting-corruption-2022/>
- 11 Update: Reports made to the National Anti-Corruption Commission dated 29 August 2023 [https://www.nacc.gov.au/sites/default/files/documents/2023-08/media\\_alert\\_230829.pdf](https://www.nacc.gov.au/sites/default/files/documents/2023-08/media_alert_230829.pdf)
- 12 Serious Fraud Office – Annual Report 2022 [Annual-Report-2022-Web.pdf \(sfo.govt.nz\)](https://www.sfo.govt.nz/annual-report-2022)







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