**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 METROPOLITAN PLANNING AUTHORITY

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

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. An example is Integrity:

All MPA 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
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**ETHICAL FRAMEWORK**

The State Services Authority’s *An Ethics Framework* sets out in more detail the ethical standards and behaviours to apply in the Victorian public sector in general and these are to be specifically applied at MPA.

*An Ethics Framework* defines ethics as the ‘guiding values, principles and standards that help people determine how ‘things ought to be done’.

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.

**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 material contained in Victorian Government Code of Conduct, Victorian Public Sector Conflict of Interest Policy Framework and the MPA’s Corporate Information Management Policy.

**4. PROBITY CHECKLIST FOR PROCUREMENT**

For Procurement:
- Project Plan completed
- Evaluation of Expression of Interest checklist completed
- Evaluation panel Specification checklist completed
- Summary of Tender Documents Issued Sheet completed
- Tender Documents Amendment Advice Sheet completed
- Tender Submission Register completed
- Evaluation of Tenders checklist completed
- Conflict of Interest / confidentiality Statement completed
- Review of Information Sought and Questions put to tenderers
- Review of Information Obtained and Responses Received from tenderers
- Review of Negotiations with tenderers
- Rise and Fall Provisions considered
- GST Issues considered
- Competitive Neutral Price Adjustment considered
- Evaluation Panel Tender Report Checklist completed and signed by all Panel members
- Evaluation Report completed
- Letter of Acceptance sent
- Letter to unsuccessful tenderers sent
- Adequate security of documentation provided
- Unsuccessful tenderers feedback documented

**5. PROBITY CHECKLIST FOR PLANNING ACTIVITIES**

For Planning activities:
- Personnel
- Records/information management arrangements
- Conflict of Interest declarations
- Confidentiality declarations
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- Communication documentation
- Probity compliance sign off

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/07/7653 - 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