

Fraud and Corruption Control Policy

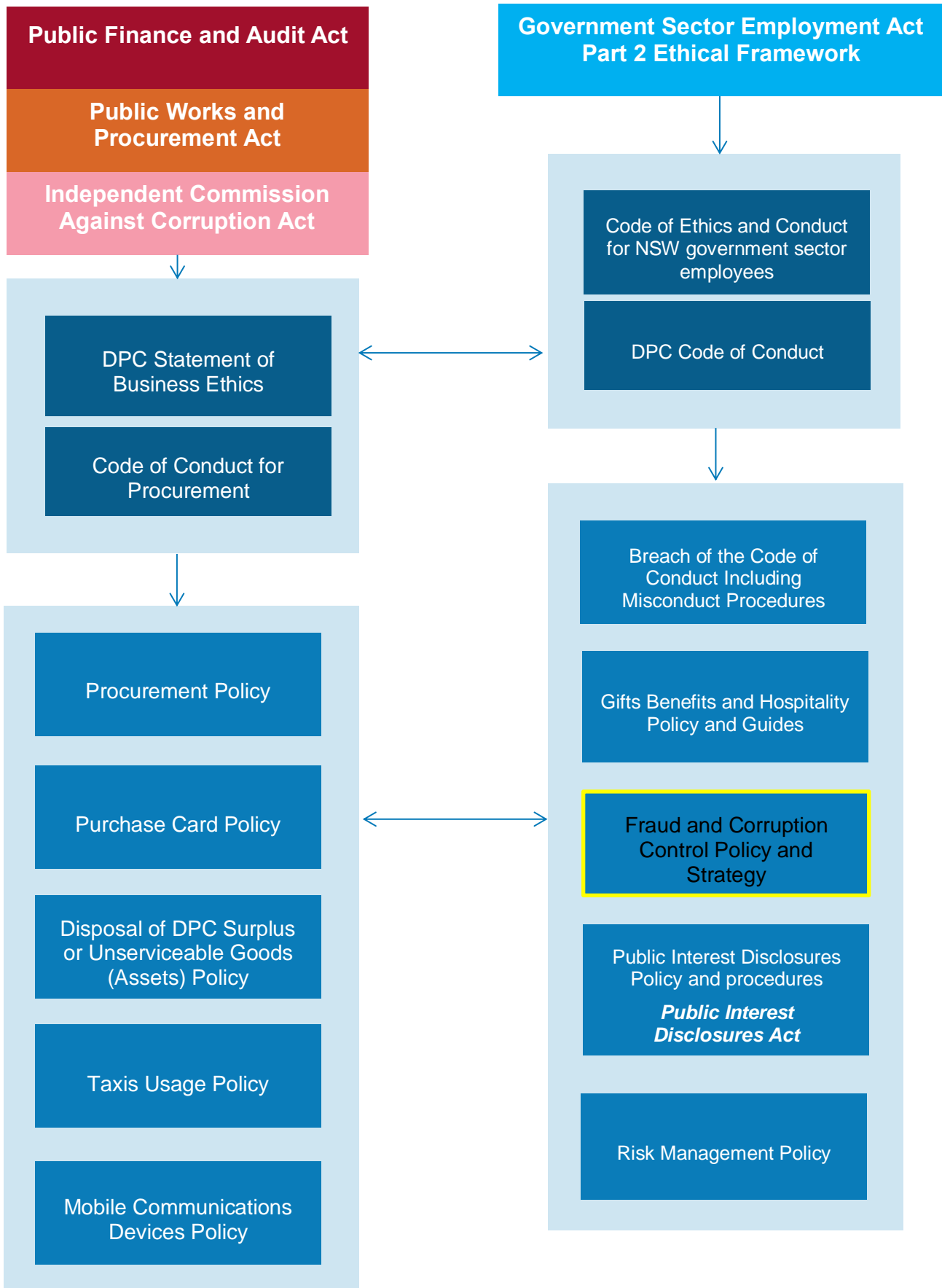
Corporate and Ministerial Services

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Relationship to Other Corporate Policies for Ethics and Risk Management



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1. Policy Statement

Policy statement

The Department of Premier and Cabinet (DPC) has an obligation to ensure that an effective system exists for the prevention, detection and reporting of fraud and corruption.

Fraud and corruption can negatively impact on DPC's financial operations and damage its reputation. DPC uses a risk-based approach to minimise the risk of fraud and corruption (see DPC's Risk Management Policy).

Commitment

DPC has significant responsibilities as the lead agency in support of the Premier, Cabinet and NSW Government. As such it sets the highest standards of professionalism and conduct and its employees are expected to meet those standards.

No level of fraud and corruption will be tolerated and immediate action will be taken whenever such activity is detected.

Instances of suspected fraud and corruption will be investigated and reported to Commission Against Corruption (ICAC) and where appropriate to NSW Police.

Objective

This Policy is intended to:

- provide a framework for dealing with fraud and corruption risks faced by DPC
- provide guidance to employees in the risk-based approach adopted by DPC for control of fraud and corruption
- ensure all employees are aware of their responsibilities in regard to fraud and corruption.

Relationship to other documents or legislation

The Government Sector Employment Act 2013 (GSE Act) gives the Secretary responsibility for the general conduct and management of DPC in accordance with the core values of the Ethical Framework, this includes the DPC Mission statement, Group Business Plans, Code of Conduct, Gifts and Benefits Policy and all policies that govern the work of DPC.

The DPC Code of Conduct outlines the standards of behaviour expected of all DPC employees. Employees are to discharge their duties with integrity, efficiency and impartiality. Managers are responsible for ensuring principles of the Code are applied in the workplace. The Code also provides a reference to relevant legislation, DPC Memoranda and Circulars, DPC policies and resources from relevant agencies such as ICAC and the NSW Ombudsman.

The Fraud and Corruption Control Strategy is modelled on the attributes from the Audit Office New South Wales' Fraud Control Improvement Kit.

This Policy augments but does not replace existing risk management, audit, compliance and control assurance activities. The Policy and these activities constitute DPC's control framework for prevention and detection of fraud and corruption.

All employees of DPC have a responsibility to comply with the internal control systems to prevent, detect and report any suspected cases of fraud and corruption. DPC's Public Interest Disclosures - Policy and Procedures explains how employees can make reports in such a way as to obtain protection under the Public Interest Disclosures Act 1994.

This policy should be read in conjunction with the:

- Fraud Control Strategy
- Public Interest Disclosures Policy & Procedures
- Purchase Card Policy

- [Gifts, Benefits and Hospitality Policy](#)
- [Procurement Policy](#)
- [Financial Delegations](#)
- [Procurement Delegations](#)
- [Digital Technologies Usage Policy for DPC Staff](#)

2. Who does this policy apply to?

The Policy applies to all DPC Groups and employees. Employees are those who are permanent, temporary or casual and include contractors and consultants. This policy also applies to volunteers.

3. Key Responsibilities

Secretary is responsible for:

- approving the Policy and ensuring fraud and corruption risks are addressed by DPC
- reporting instances of suspected fraud and corruption to ICAC and where appropriate to NSW Police.

Executive Director, Corporate Services is responsible for:

- coordinating implementation of the Policy
- regular review of the Policy
- receiving and actioning reports of suspected fraud and corruption
- including GovConnect in the control framework.

Senior Management (Deputy Secretaries, Executive Directors, Directors, and Managers) is responsible for:

- ensuring the Policy is implemented
- ensuring effective risk management and internal control systems are operating
- taking a leadership role in promoting ethical behaviour.
- considering new risks on a regular basis and adjusting systems where necessary
- ensuring employees understand the purpose of, and comply with, the internal control systems
- reporting suspected cases of fraud and corruption.

All employees are responsible for:

- complying with internal control systems, policies and procedures
- reporting suspected cases of fraud and corruption.

Audit and Risk Management Committee is responsible for:

- reviewing whether DPC has in place a current and appropriate enterprise risk management process and associated procedures for effective identification and management of fraud and corruption.

Public Interest Disclosure Officers (DPC nominated officers to receive allegations of fraud and corruption) are responsible for:

- dealing with disclosures impartially
- complying with the confidentiality obligations in the confidentiality section of this document

- supporting public officials who make public interest disclosures and take all reasonable steps to protect them from victimisation, harassment or any other form of reprisal
- ensuring officers who are the subject of a disclosure are treated fairly and reasonably
- assessing each disclosure to determine whether the disclosure appears to be a public interest disclosure within the meaning of the Act
- determining the appropriate action to be taken in relation to the disclosure
- if considered appropriate, carry out or co-ordinate any internal investigation arising out of a disclosure
- report on the findings of any investigation and recommend or determine any further action.

Service Provider (currently GovConnect) is responsible for:

- maintaining the confidentiality, integrity and availability of information in its custody
- maintaining the segregation of functions under the instructions of DPC
- periodically analysing client activity
- monitoring access to information and reporting any suspected fraudulent behaviour

4. What is fraud and corruption?

For full definitions refer to sections 8 and 9 of the *Independent Commission Against Corruption Act 1988*. In summary this includes the definitions below.

ICAC definitions of fraud and corruption include:

- Fraud: the dishonest obtaining of a financial or other benefit by deception
- Corruption: improper acts or omissions, improper use of influence or position and/or improper use of information.

Categories of fraud or corruption include:

- theft of equipment, consumables/stores, funds, information, intellectual property
- unauthorised use of equipment, staff resources, consumables/stores, system passwords, building access cards, corporate credit cards, corporate identity, confidential information, intellectual property
- falsification/fabrication of information, e.g. leave and attendance records, travel claims, petty cash claims, academic qualifications, records of work experience, purchase orders, and payment vouchers
- misuse of position or authority for personal gain or benefit of associates, e.g. seeking of bribes, providing biased advice to the NSW Government, nepotism in staff appointments, favouring uncompetitive suppliers, failure to obtain competitive quotes, accessing restricted areas, ordering of equipment or stores for personal use.

5. Risk Management

Conforming to the Policy will considerably reduce the following risks:

- misuse of position or authority
- loss of funds, equipment, stores and confidential information
- unauthorised use of equipment, staff resources, stores, confidential information
- damage to the reputation of DPC
- inability to meet corporate objectives

- detrimental effect on morale and performance.

6. Confidentiality

All staff has rights and responsibilities in relation to confidentiality. Information about fraud and corruption allegations made under the *Public Interest Disclosures Act 1994* should only be provided under the exceptions listed in section 22 of the Act. Those involved in fraud and corruption allegation have both the right to confidentiality, and the responsibility for maintaining confidentiality in respect of both the identity of those involved, as well as the subject matter. Documentation will be kept on a confidential file retained by the Public Interest Disclosure coordinator. Failure on the part of employees to maintain the confidentiality is a breach of the Code of Conduct and may breach the *Public Interest Disclosures Act*. This could result in action against the relevant employee.

7. Procedural Fairness

Decisions must be made fairly and respectfully. Before a finding of fraud and corruption is made against a person, the person should be informed of the substance of the allegation against them and provided with an opportunity to be heard. Additional support mechanisms may be available for all parties, where the party/ies choose to use them.

Procedural fairness is afforded to all parties by adhering to the DPC's prescribed process, including the Public Interest Disclosures Policy and Procedures.

8. Availability and Implementation

A copy of this policy will be placed on the DPC intranet.

This policy will be implemented by staff through:

- actioning the Fraud and Corruption Control Strategy
- undertaking risk assessments in accordance the DPC Risk Management Policy
- staff undertaking training, including the fraud and corruption eLearning module.
- updating information on the intranet
- following appropriate delegations, including the procurement, financial and employment delegations.
- adhering to DPC policies including the Code of Conduct, Gifts, Benefits and Hospitality policy, Purchase Card policy, travel policies, taxi usage, privacy obligations, ICT security policies.
- avoiding Conflicts of Interest and declare any real or perceived conflicts of interest.
- reporting any suspicion of fraud and corruption under the Public Interest Disclosures Policy and Procedures

All policies and procedures that govern the work of DPC are documented and available through the DPC Intranet.

Further information on fraud and corruption control can be obtained from DPC's Fraud and Corruption Control Strategy located on the Intranet.

References

DPC Policies and Procedures

- *DPC Code of Conduct*
- *DPC Risk Management Policy*
- *DPC Risk Management Framework*
- *DPC External Complaint Handling Policy*
- *DPC Public Interest Disclosures – Policy and Procedures*
- *DPC Fraud and Corruption Control Strategy*
- *DPC Purchase Card Policy and Procedures*
- *DPC Breach of the Code of Conduct including Misconduct Procedures*
- *DPC Gifts and Benefits - Policy and Guides*
- *DPC Expense Claims by Externals for Official Travel Guide*
- *DPC Taxi Usage Policy*
- *DPC Privacy Management Plan*
- *DPC Mobile Communication Devices Policy*
- *Digital Technologies Usage Policy for DPC Staff*

Legislation

- *Independent Commission Against Corruption Act 1988*
- *Public Interest Disclosures Act 1994*
- *Government Information (Public Access) Act 2009 (GIPA Act)*
- *Public Finance and Audit Act 1983*
- *Ombudsman Act 1974*
- *Public Sector Employment Act 2013*

Key References/further information

- Fraud Control Improvement Kit February 2015 – Audit Office of NSW
- Independent Commission Against Corruption website
- NSW Auditor-General's Report to Parliament, Volume 2, March 1994, "Fraud Control: Developing an Effective Strategy"
- Australian Auditing Standard AUS 240
- ICAC publications: "What is corrupt conduct", "Corruption prevention policy" and "Corruption prevention plan"
- NSW Government and Transport Policy 2016

Contacts

DPC

- Principle Governance Officer & Policy Officer governance@dpc.nsw.gov.au
- Manager Corporate Finance paul.pace@doc.nsw.gov.au
- Public Interest Disclosure Officers publicinterestdisclosure@dpc.nsw.gov.au
- Legal legalmail@dpc.nsw.gov.au
- Cyber Security Unit cybersecurity@dpc.nsw.gov.au

External to DPC (where applicable)

- Independent Commission Against Corruption (ICAC) Contact details 02 8281 5999
- NSW Ombudsman Contact details 02 92861000
- Auditor-General of the NSW Audit Officer Contact details 02 9275 7100
- Information Commissioner Contact details 1800 472 679