



FRAUD AND CORRUPTION CONTROL

POLICY

APRIL 2019

Document management

Approved	Danielle Smalley Chief Operating Officer Finance and Government Committee
Author	Rachael Lemon Manager Government Services
Revision history	Version 1 - April 2019
Next review date	April 2021
Responsible branch	Operations and Governance

Table of Contents

1. Policy Statement	4
2. Who does this Policy apply to?.....	4
3. Key responsibilities	4
4. What is fraud and corruption?.....	6
5. Risk Management.....	6
5.1. Prevention	7
Risk assessment	7
Staff awareness.....	7
External party awareness.....	7
5.2. Detection.....	7
Reporting	7
Detection systems.....	7
5.3. Response	8
6. Reporting	8
Confidentiality.....	8
Procedural fairness	8
7. Breaches of the Fraud and Corruption Control Policy.....	8
8. Further information and resources	9
8.1. Internal Policies	9
8.2. Legislation	9
8.3. Other resources.....	9
8.4. Support and/or advice	9
8.5. Contacts.....	10
Appendix 1.....	11

1. Policy Statement

The Greater Sydney Commission (the Commission) has zero tolerance for any form of fraud and corruption. Fraud and corruption can negatively impact the Commission's financial operations and damage its reputation. It is expected that all staff representing the Commission set and meet the highest standards of professionalism and conduct.

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

This Policy is intended to:

- provide a framework for dealing with fraud and corruption risks faced by the Commission;
- provide guidance to staff in the risk-based approach adopted by the Commission for control of fraud and corruption; and
- ensure all staff are aware of their responsibilities in regards to fraud and corruption, including how to report wrongdoing.

2. Who does this Policy apply to?

The Fraud and Corruption Control Policy applies to Commission members (Commissioners), Youth Panel and all employees including:

- permanent staff;
- temporary staff;
- casual staff;
- other Government sector employees who are on secondment or assigned to the Commission;
- contractors;
- consultants;
- volunteers; and
- employees of organisations who provide services under contract to the Commission.

For the purposes of this Policy, "staff" refers to all people to whom this Policy applies.

In this Policy, a reference to a senior executive manager means:

- Chief Executive Officer;
- Executive Director; and
- Director.

3. Key responsibilities

Commissioners

Commissioners and Youth Panel must always act lawfully, ethically and honestly, and in accordance with the Commission's Code of Ethics and Conduct for Members of Greater Sydney Commission.

Chief Executive Officer

Responsible for:

- ensuring fraud and corruption risks are addressed by the Commission;

- demonstrating commitment to, and compliance with, this Policy to promote an ethical working culture;
- reporting instances of fraud and corruption to ICAC and, where appropriate, the NSW Police.

Senior executive managers and other managers

A senior executive manager or manager responsible for supervising or managing an individual or group of staff, is responsible for:

- ensuring this 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 staff understand the purpose of, and comply with, the internal control systems; and
- reporting suspected cases of fraud and corruption.

Public Interest Disclosure Officers

When receiving any allegations of fraud and corruption, Public Interest Disclosure Officers are responsible for:

- dealing with disclosures impartially;
- complying with the confidentiality obligations outlined in the Commission's Public Interest Disclosures Policy and Procedure;
- 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 *Public Interest Disclosures Act 1994*;
- determining the appropriate action to be taken in relation to the disclosure;
- if considered appropriate, carrying out or coordinating any internal investigation arising out of a disclosure; and
- reporting on the findings of any investigation and recommending or determining any further action.

All staff

All staff have a responsibility to:

- always act lawfully, ethically and honestly, and in accordance with the Commission's Code of Ethics and Conduct Policy;
- understand and comply with internal control systems, policies and procedures;
- act within their delegated authority;
- report instances of suspected fraud and corruption; and
- provide assistance in investigations when requested.

Finance and Governance Committee

- assist the Commission in meeting its statutory responsibilities; and

- ensure policies and protocols are in place to meet good governance practice.

The Audit and Risk Committee (ARC)

The Commission's Audit and Risk Committee is responsible for:

- providing independent assistance to the Commission by overseeing and monitoring governance, risk and control frameworks, and external accountability requirements;
- identifying whether management has in place a current and appropriate enterprise risk management system for the effective identification and management of financial and business risks, including fraud and corruption risks;
- reviewing the Commission's fraud and corruption controls and satisfying itself that there are appropriate processes and systems in place to capture and effectively investigate fraud related information; and
- determining whether management has taken adequate steps to embed a risk culture which is committed to ethical and lawful behaviour.

Service Providers

GovConnect and the Department of Planning and Environment are responsible for:

- maintaining the confidentiality, integrity and availability of information in its custody;
- maintaining the segregation of functions under the instructions of the Commission;
- periodically analysing client activity; and
- 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, proper 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, eg 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, eg 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 this 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 and confidential information;
- damage to the Commission's reputation;
- inability to meet corporate objectives; and
- detrimental effect on morale and performance.

5.1. Prevention

Risk assessment

The Commission undertakes periodic risk assessment of its fraud and corruption control systems, through its internal audit process.

Senior executive managers and the Audit and Risk Committee (ARC) monitor fraud and corruption control, in addition to other organisational risks. Should any internal or external audit findings be presented to the Commission, they will be managed and overseen by the senior executive managers and the ARC.

Staff awareness

Staff (including Commissioners and Youth Panel) are required to undertake mandatory training to gain an understanding and appreciation of:

- what fraud and corruption are;
- their responsibilities for preventing, detecting and reporting fraud and corruption; and
- how they can act to address the risks of fraud and corruption.

External party awareness

Customers, suppliers and stakeholders are aware of the Commission's approach to managing fraud and corruption risks through the Commission's published policies and guidelines. These include the following policies:

- Fraud and Corruption Control Policy;
- Code of Ethics and Conduct Policy;
- Gifts, Benefits and Hospitality; and
- Engaging with Lobbyists and Business Contacts.

5.2. Detection

Reporting

The Commission does not tolerate any reprisal action against people who report wrongdoing. This Policy and the following policies and procedures are in place to facilitate internal reporting of suspected fraud and conduct:

- Code of Ethics and Conduct Policy;
- Public Interest Disclosures Policy;
- Conflicts of Interest Policy;
- Gifts, benefits and hospitality Policy.

Detection systems

Systems and data access controls are in place and regularly monitored to ensure that irregularities and early warning signals are identified at an early stage for investigation and monitoring. These include internal audit, external audit, systems to manage human resources, payroll, access control, procurement and financial transactions.

5.3. Response

The Chief Operating Officer is responsible for ensuring risk management and reporting responsibilities are undertaken. The Chief Operating Officer will also oversee any relevant report and/or investigation into suspected fraud and corruption.

The responsible person assisting the Chief Operating Officer will ensure confidential records of all reports and actions are recorded in the Commission's records management system, with documents afforded the appropriate security settings to maintain confidentiality.

All reports of suspected fraud and corruption are managed through:

- preliminary inquiry;
- investigation;
- disciplinary procedures;
- recovery action; and/or
- mandatory external reporting.

6. Reporting

All public officials have an obligation to report instances of suspected or detected fraud and/or corruption. Reporting actual or suspected corruption is in the public interest. It helps public officials and public sector organisations to prevent corruption and to deal with it promptly and effectively when it does occur.

Confidentiality

All staff have rights and responsibilities in relation to confidentiality. Information about fraud and corruption allegations made under the *Public Interest Disclosures Act 1994* should be managed following the Public Interest Disclosures Policy and Procedures.

Failure to maintain confidentiality is a breach of the Code of Ethics and Conduct and may also breach the *Public Interest Disclosures Act 1994*. This may result in action against the relevant employee.

Procedural fairness

Decisions must be made fairly and respectfully. Before a finding of fraud or corruption is made against a person, they 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 they are required.

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

7. Breaches of the Fraud and Corruption Control Policy

The Commission has zero tolerance for any form of fraud or corruption. Failing to report suspicion or detection of fraud or corruption can undermine the Commission's compliance with its statutory obligations and affect the working relationships of individual staff, as well as the Commission's reputation. Behaviour that is contrary to this policy must be reported to your supervisor or manager, or to a senior executive manager.

Engaging in fraud and/or corruption can result in disciplinary proceedings for misconduct, as well as criminal prosecution.

The *Government Sector Employment Act 2013* and the *Government Sector Employment Rules* (in particular Part 8) establish procedures for dealing with allegations of misconduct, and actions may be taken. Those actions may range from a caution to termination of employment.

The Independent Commission Against Corruption (ICAC) has significant statutory powers to investigate serious corrupt conduct in all NSW Government departments and agencies. The Commission provides reports of suspected fraud and/or corrupt conduct to the ICAC, and in some cases, to the NSW Police.

8. Further information and resources

8.1. Internal Policies

- Greater Sydney Commission Code of Ethics and Conduct Policy
- Greater Sydney Commission Gifts, Benefits and Hospitality Policy
- Greater Sydney Commission Engaging with Lobbyists and Business Contacts Policy
- Greater Sydney Commission Public Interest Disclosures Policy and Procedures
- Greater Sydney Commission Use of Official Resources – ICT
- (Draft) Greater Sydney Commission Procurement Policy
- (Draft) Greater Sydney Commission Purchasing Cards Policy
- Department of Planning and Environment Risk Management Policy
- Department of Planning and Environment Official Travel

8.2. Legislation

NSW

- *Independent Commission Against Corruption Act 1988*
- *Public Interest Disclosures Act 1994*
- *Government Information (Public Access) Act 2009*
- *Ombudsman Act 1974*
- *Public Finance and Audit Act 1983*
- *Government Sector Finance Act 2019*
- *Government Sector Employment Act 2013*

8.3. Other resources

Audit Office of NSW - Fraud Control Improvement Kit February 2015

Independent Commission Against Corruption website – “About Corruption”, “Reporting Corruption” and “Preventing Corruption”

8.4. Support and/or advice

Employee Assistance Program – (AccessEAP)	1800 818 728 info@accesseap.com.au
Safework NSW – Information, advice or assistance	13 10 50

8.5. Contacts

Commission

Public interest disclosure reports can be made to any of the following Commission employees:

Name, Position	Role in PID reports	Phone / email
Chief Executive Officer	Principal Officer	8289 6230 / 0491 212 767 Sarah.hill@gsc.nsw.gov.au
Manager Government Services	PID Coordinator	8289 6258 / 0428 095 637 Rachael.lemon@gsc.nsw.gov.au
Chief Operating Officer	PID Officer	8289 6261 / 0478 406 935 Danielle.smalley@gsc.nsw.gov.au
Senior Manager Human Resources	PID Officer	8289 6185 / 0459 895 330 Simone.westcott@gsc.nsw.gov.au
Company Secretary	PID Officer	8289 6215 / 0428 373141 Angela.leonello@gsc.nsw.gov.au
Senior Communications Manager	PID Officer	8289 6226 / 0411 898 627 Marie.tritsaris@gsc.nsw.gov.au
Team Leader, City Planning Strategy	PID Officer	8289 6242 Andrew.jordan@gsc.nsw.gov.au

Any other notifications should be made to your manager or the Senior Manager, Human Resources.

External

Independent Commission Against Corruption	(02) 8281 5999
NSW Ombudsman	(02) 9286 1000
Information Commissioner	1800 472 679

DEFINED TERMS

in the Fraud and Corruption Control policy

<p>Corrupt Conduct</p>	<p>has the same meaning as in the <i>Independent Commission Against Corruption Act 1988 (ICAC Act)</i> and may involve:</p> <ul style="list-style-type: none"> • any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority, • any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of his or her official functions. • any conduct of a public official or former public official that constitutes or involves a breach of public trust, • any conduct of a public official or former public official that involves the misuse of information or material that he or she has acquired in the course of his or her official functions, whether or not for his or her benefit or for the benefit of any other person. • any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the exercise of official functions by any public official, any group or body of public officials or any public authority and which could involve any of the following matters: <ul style="list-style-type: none"> ○ official misconduct (including breach of trust, fraud in office, nonfeasance, misfeasance, malfeasance, oppression, extortion or imposition), ○ bribery, ○ blackmail, ○ obtaining or offering secret commissions, ○ fraud, ○ theft, ○ perverting the course of justice, ○ embezzlement, ○ election bribery, ○ election funding offences, ○ election fraud, ○ treating, ○ tax evasion, ○ revenue evasion, ○ currency violations, ○ illegal drug dealings, ○ illegal gambling, ○ obtaining financial benefit by vice engaged in by others, ○ bankruptcy and company violations, ○ harbouring criminals, ○ forgery, ○ treason or other offences against the Sovereign, ○ homicide or violence, ○ matters of the same or a similar nature to any listed above, ○ any conspiracy or attempt in relation to any of the above.
-------------------------------	---

	<ul style="list-style-type: none"> • <i>any conduct of any person (whether or not a public official) that impairs, or that could impair, public confidence in public administration and which could involve any of the following matters:</i> <ul style="list-style-type: none"> ○ <i>collusive tendering,</i> ○ <i>fraud in relation to applications for licences, permits or other authorities under legislation designed to protect health and safety or the environment or designed to facilitate the management and commercial exploitation of resources,</i> ○ <i>dishonestly obtaining or assisting in obtaining, or dishonestly benefiting from, the payment or application of public funds for private advantage or the disposition of public assets for private advantage,</i> ○ <i>defrauding the public revenue,</i> ○ <i>fraudulently obtaining or retaining employment or appointment as a public official.</i> <p>However, under the ICAC Act, in order to be corrupt conduct, the conduct must also be a criminal offence, a disciplinary offence or reasonable grounds for dismissal, dispensing with the services of a public official or otherwise terminating the services of a public official.</p>
Fraud	Means dishonest activity by any employee that causes actual or potential financial loss to the Commission or the Government, including theft of moneys or other property. It includes deliberate fabrication, concealment, destruction or improper use of documentation used for a normal business purpose or the improper use of other information or position.
Public authority	includes an agency or department of the NSW Government or a statutory body representing the Crown.
Public Interest Disclosure Officer	Nominated officers for dealing with public interest disclosures under the Commission's <i>Public Interest Disclosures Procedure</i>
Public official	means: <ul style="list-style-type: none"> • the head of a Public Service agency; • a person employed in the Public Service of New South Wales, the Transport Service of New South Wales, or any other service of the Crown or other public authority; • an individual who is engaged under a contract to provide services to, or on behalf of the Public Service of New South Wales, or any other service of the Crown or other public authority; or • a member (however expressed) of. or the governing body of a statutory body.