

Fraud & Corruption Control Policy

Purpose

This policy forms the basis of NSW Trustee & Guardian's (NSWTG's) fraud and corruption control framework and reflects NSWTG's commitment to prevent, detect and respond to fraud and corruption by:

- promoting ethical behaviour, professional conduct and risk-aware decision making.
- protecting the reputation of the NSWTG as an honest and credible organisation.
- responding appropriately to allegations and incidents of fraud or corruption.
- assigning accountability and responsibility for implementation of fraud and corruption control arrangements.
- ensuring public and client finances and assets are protected.

Policy statement

NSWTG holds its staff to the highest standards of ethical conduct in accordance with the [Code of Ethics and Conduct for NSW Government Sector Employees](#). NSWTG does not tolerate any act of, or attempt to conduct, fraud or corrupt conduct.

All reports of suspected or attempted fraud or corrupt conduct will be reviewed and actioned in accordance with this policy and relevant legislation.

The ethical, transparent and accountable conduct of NSWTG staff is essential for the maintenance of public confidence in NSWTG and its ability to achieve its objectives.

Preventing fraud and corruption

All NSWTG staff (including contingent labour) and service providers have a responsibility to be aware of fraud risk in NSWTG and to act to prevent fraud and corruption. These obligations are set out in Code of Ethical Conduct and the [Statement of Business Ethics](#).

NSWTG integrates the management of fraud and corruption risk in its overall business activities.

Internal controls to minimise the risk of fraud and corruption in NSWTG include:

- regular monitoring and management of the risk of fraud and corruption by the Executive Leadership Team in accordance with [NSWTG's Risk Management Policy](#).
- review and oversight by the Audit & Risk Committee (ARC) of NSWTG's fraud control activities, in accordance with the ARC Charter.
- completion of a fraud and corruption risk assessment at least annually, and the implementation of actions to mitigate significant risks that are identified.
- compliance with relevant NSW Treasury Policies, including [TPP 17-06 Certifying the Effectiveness of Financial Controls](#) and [Internal Audit and Risk Management Policy for the General Government Sector \(TPP 20-08\)](#) which require NSWTG to assess internal controls in relation to fraud (including in relation to third party out-sourced service providers) and have this process overseen by the independent ARC.
- internal audit considering and evaluating fraud and corruption risks as a component of audit planning and delivery in accordance with the Internal Audit Charter.
- fraud and corruption awareness training to staff through induction and at regular intervals, including the processes for reporting wrongdoing.

Detecting and reporting fraud and corruption

All NSWTG staff (including contingent labour) have a role in detecting fraud and other corrupt conduct and must be aware of fraud risks in their business area.

Supervisors and managers are to provide active supervision and checking of work to ensure indicators of fraud and corruption are detected. This includes regular monitoring of relevant reports and that established controls are working effectively.

Where there is a reasonable belief that fraud or corrupt conduct has occurred/is occurring, reports are to be immediately forwarded to the Director Strategy & Governance for assessment and management in accordance with the [Internal Reporting Policy](#) and [Procedure](#) and [Public Interest Disclosure Act 1994](#) (PID). Staff may also report suspected or corrupt conduct directly to the [Independent Commission Against Corruption](#) (ICAC).

The NSWTG Chief Executive Officer (CEO) is obligated by the [ICAC Act 1988](#) (s11) to report any matter suspected on reasonable grounds to be considered fraudulent or corrupt to the ICAC.

Responding to fraud and corruption

Upon receipt of advice or a referral from ICAC, NSWTG will conduct a review of any report of suspected fraud or corrupt conduct.

Depending on the nature of the reported fraud or corrupt conduct, an internal investigation may be conducted including the use of investigators and auditors, under the oversight of the Director, Strategy & Governance. Any investigation will be carried out in accordance with the law and the principles of natural justice and procedural fairness.

Allegations may be dealt with as misconduct in accordance with Section 69 of the [Government Sector Employment Act 2013](#) and Part 8 of the [Government Sector Employment \(General\) Rules 2014](#).

Findings of fraud or corrupt conduct may also lead to criminal proceedings.

NSWTG will seek to recover any loss of funds or resources due to fraud or corrupt conduct, where possible.

Roles and Responsibilities

All staff (including contingent labour) will:

- act ethically and in accordance with Code of Ethical Conduct and all relevant NSWTG policies including the [Internal Reporting Policy](#) and [Procedure](#).
- be aware of fraud and corruption risks in the relevant business area and use best endeavours to prevent and detect fraud and corrupt conduct at NSWTG.
- report suspected fraud or corrupt conduct to the Chief Executive Officer, Director, Strategy & Governance, or a nominated officer to receive reports under the [Internal Reporting Policy](#) and [Procedure](#).
- keep full and accurate records of business activities in accordance with the [Records Management Policy](#).

NSWTG CEO

The **NSWTG CEO** is ultimately responsible for the implementation of the measures to prevent, detect and address fraud & corruption at NSWTG and will:

- report suspected fraud or corrupt conduct to ICAC in accordance with [ICAC Act 1988](#) (s11).
- authorise any investigation of fraud or corrupt conduct if advised or referred by ICAC.

- approve NSWTCG's ethical conduct and fraud and corruption control policies and procedures.

Executive Leadership Team (ELT)

The **ELT** will:

- provide oversight and ensure respective operational areas comply with the fraud and corruption policy.
- understand current and emerging fraud and corruption risks within their area of responsibility.
- provide oversight by reviewing the annual fraud risk assessment outcomes and ensuring remedial recommendations are implemented or addressed.

Director, Strategy, People & Governance

The **Director, Strategy, People & Governance** will:

- oversee the reporting of relevant fraud and corruption information to the ARC and report any suspected fraud or corrupt conduct to the ARC and the CEO.
- advise staff in relation to reporting procedures and requirements if requested, including in relation to obligations under the [Internal Reporting Policy](#) and [Procedure](#).
- ensure regular information and training is provided to staff in the area of ethical conduct and fraud control.
- oversee and manage any investigation of fraud or corrupt conduct in accordance with the CEO's approval and relevant legislation, policies and procedures.

Audit, Risk & Compliance team

The **Audit, Risk & Compliance team** will:

- deliver ethics and risk management training, advice and support to staff including how to establish and maintain fraud and corruption controls.
- facilitate an annual fraud and corruption risk assessment of all business areas.
- assist the Director, Strategy & Governance as required following a report of suspected fraud or corrupt conduct, including conducting or facilitating any investigation required.

People & Performance team

The **People & Performance team** will:

- Manage and investigate any reports of misconduct, in accordance with Section 69 of the *Government Sector Employment Act 2013* and Part 8 of the *Government Sector Employment (General) Rules 2014*.
- Provide advice and support to managers in reviewing employees with excess recreation leave balances, which can create opportunities for staff to commit fraud undetected.

Supervisors and managers

Supervisors and managers will:

- model ethical behaviour and promote a culture of compliance.
- contribute to the detection and prevention of fraud and corrupt conduct.
- ensure staff are aware of this policy, the Code of Ethical Conduct and other relevant NSWTCG policies and their obligations under those policies.

- conduct regular reviews of current operations and practises and develop controls that mitigate or detect acts of fraud or corruption, including developing plans to reduce excess recreational leave balances for staff.
- immediately inform the Chief Executive Officer, Director, Strategy & Governance, or a nominated officer to receive reports under the [Internal Reporting Policy](#) and [Procedure](#) if a report has been made by staff of suspected fraud or corrupt conduct.

Scope

This policy is specific to the prevention, detection, reporting and response to any type of fraud or corruption perpetrated against NSWTG or its customers by any party employed, engaged or contracted by NSWTG.

Incidents of suspected or detected fraud against NSWTG's customers by parties not directly employed, engaged or contracted by NSWTG, such as prior financial abuse by family members of a customer under a financial management order, are managed in accordance with the Responding to Client Financial Abuse Policy.

Legislative context

Relevant legislation includes the:

- [Crimes Act 1900](#)
- [Government Sector Employment Act 2013](#)
- [Government Sector Employment Regulation 2014](#)
- [Government Sector Employment Rules 2014](#)
- [Government Sector Finance Act 2018](#)
- [Independent Commission Against Corruption Act 1988](#)
- [Ombudsman Act 1974](#)
- [Privacy and Personal Information Protection Act 1998](#)
- [Public Finance and Audit Act 1983](#)
- [Public Interest Disclosures Act 1994](#)
- [State Records Act 1998](#)

Related resources

- [Treasury Circular TC18-02](#)
- [Code of Ethical Conduct](#)
- [Internal Reporting Policy](#)
- [Internal Reporting Procedure](#)
- Responding to Client Financial Abuse Policy
- [Audit Office of NSW Fraud Control Improvement Toolkit](#)

Definitions

Fraud is defined in the Australian Standard [AS 8001-2008 Fraud and Corruption Control](#) as being dishonest activity by staff or external persons causing actual or potential financial loss to the agency or its customers, including the theft of moneys or other property. This includes the deliberate falsification, concealment, destruction or improper use of documentation used for a normal business purpose or the improper use of other information or position for personal financial benefit. Fraud is also inclusive of its meaning within Part 4AA of the [Crimes Act 1900](#).

Corrupt conduct is defined in Part 3 of the [ICAC Act 1988](#) and includes fraud and conduct by any person (whether or not a public official) that adversely affects, or could adversely affect the honest and partial exercise of official functions.

Excess recreation leave balance is defined as an accrued recreation leave balance of more than 30 days, as set out in circular [C2020-12 Managing Accrued Recreation Leave Balances](#).

PID means public interest disclosure, which is a disclosure satisfying the applicable requirements of Part 2 of the [Public Interest Disclosures Act 1994](#).

Document information

Title:	Fraud & Corruption Control Policy
Owner:	Director, Strategy, People & Governance
Approver:	A/Chief Executive Officer
Date of Effect:	27 August 2021