

Fraud and Corruption Control Policy

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2.1	31 May 2021	Fraud Control Officer	31 May 2022

1.0 Policy Statement

The Department of Employment, Small Business and Training (DESBT) has a zero tolerance towards fraud and corruption and is committed to ensuring good governance and the ethical conduct of all employees by preventing, detecting and investigating all forms of fraud and corruption that may occur or be at risk of occurring.

The department does not tolerate dishonest or fraudulent behaviour and is committed to deterring and preventing such behaviour. Fraud and corruption affect the department's ability to provide services effectively and can damage its reputation with the public. It is the responsibility of departmental staff to ensure it minimises the impact of fraud and corruption e.g. financial losses, reputation damage and key factors which include fraud and corruption risk.

2.0 Purpose

The purpose of this policy is to provide awareness of the department's responsibilities in the prevention, detection and response to both internal and external fraud and corruption.

Guidance on how the department will deal with a complaint or allegation that may involve 'fraud and or corrupt' conduct is outlined in the Fraud and Corruption Control Procedure.

3.0 Scope

The policy applies to all departmental employees irrespective of their employment status whether it be permanent, temporary, contract, casual, volunteer and/or secondment from another department.

4.0 Definition of fraud

The Crime and Corruption Commission (CCC) define fraud as being characterised by deliberate deception to facilitate or conceal the misappropriation of assets, tangible or intangible.

Corrupt Conduct or corruption as it is commonly referred within our fraud control framework, is often associated with fraud however it can also be a risk in itself, particularly given our involvement in the distribution of large amounts of public funds.



4.1 Definition of corrupt conduct

Corrupt conduct has a specific definition under the *Crime and Corruption Act 2001* (CC Act). Section 15 of the CC Act provides for two types of corrupt conduct.

"Type A" corrupt conduct involves conduct that affects, or could affect, an employee of our department in the performance of their functions or the exercise of their powers in a way that:

- is not honest or impartial, or
- knowingly or recklessly breaches public trust, or
- involves the misuse of agency-related information or material.

For common examples of Type A corrupt conduct please refer to the Fraud and Corruption Control Procedure.

"Type B" corrupt conduct involves specific types of conduct that impairs, or could impair, public confidence in public administration. This may include:

- collusive tendering, or
- fraud relating to an application for a licence, permit or other authority relating to public health or safety; the environment; or the State's natural, cultural, mining or energy resources, or
- dishonestly obtaining public funds or State assets, or
- evading a State tax, levy or duty or fraudulently causing a loss of State revenue, or
- fraudulently obtaining or retaining an appointment.

For common examples of Type B corrupt conduct please refer to the Fraud and Corruption Control Procedure.

Both Type A and Type B corrupt conduct must be either a criminal offence or serious enough to warrant dismissal if relating to a public service employee.

All employees' need to remain acutely aware of the potential for fraud and corruption to occur both internally and externally to the department.

5.0 Principles

Applying this policy will ensure:

- A consistent approach is adopted across the department.
- All employees are aware of their ethical obligation to:
 - identify potential opportunities for fraud and corruption and report them to their manager/supervisor, and
 - report incidents and suspected incidents of fraud and corruption.
- All managers/supervisors will understand their responsibility and obligation to:
 - identify potential opportunities for fraud and corruption and establish effective systems, processes and controls
 - respond appropriately to suspected and actual fraud and corruption.

DESBT is committed to creating and maintaining an ethical workplace by:

1. All leaders and staff will act ethically and with integrity
2. The [Code of Conduct for the Qld Public Service](#) and the [Public Sector Ethics Act 1994](#) will inform the department's approach to ethical behaviour and decision making
3. Fraud and corruption are discouraged, monitored, reported and appropriately dealt with
4. All staff have a responsibility to manage risks and apply controls
5. A systematic risk management approach is adopted to identify, manage and control risks of fraud and corruption
6. Ensuring decisions and actions are evidence-based, defensible, transparent and ethical.

5.1 Objectives of the DESBT Fraud and Corruption Prevention Framework

To minimise risks of fraud and corruption and respond appropriately, DESBT will continue to improve and strengthen established systems, procedures, processes and training programs to:

1. Maintain an effective system of internal fraud and corruption controls and compliance with those controls
2. Integrate systems and processes to analyse internal and external fraud and corruption risks which could potentially affect achievement of objectives and the department's reputation
3. Monitor processes to ensure that systems and processes remain effective
4. Require all managers and supervisors to regularly undertake fraud and corrupt conduct risk assessments to identify opportunities for fraud. An additional requirement is the need for all managers to implement appropriate procedures that minimise/prevent fraud and corruption
5. To investigate allegations of dishonest and/or fraudulent behaviour. Where a person (either an employee or a member of the public) has reported suspected fraud and corruption in accordance with the *Public Interest Disclosure Act 2010*, all reasonable steps will be taken to provide them with protection against discrimination or reprisal
6. Undertake appropriate disciplinary action when internal fraud and corruption allegations are proven to be true and report to the Director-General and external authorities as required
7. Provide information and training to employees and undertake communication activities about fraud and corruption prevention activities
8. Ensure all departmental employees are aware of their obligations in combating dishonest, fraudulent and corrupt behaviour by providing ethics-based training including Induction and Code of Conduct training for all new employees and follow up refresher training on a regular basis
9. Ensure all managers and supervisors understand the key objective is to minimise the risk of fraud and other corrupt activity against the department.

6.0 Ethical obligations

Implementing effective fraud and corruption prevention measures is part of good governance and management. The department's [Strategic Plan for 2018-2022](#) includes a strategy that states we must:

Model a strong leadership, good governance and a professional culture

Every employee has an ethical obligation to disclose suspected fraud and or corruption when they become aware of it. The authority for this obligation comes from the *Public Sector Ethics Act 1994* and the Code of Conduct for the Queensland Public Service.

The prevention and detection of fraud and corruption requires an ongoing risk management approach to identify risk areas and implement mitigation (also known as control) strategies. While fraud and corruption control are an ongoing activity, the most important factor in ensuring success is everyone's commitment, attitude and readiness to take action.

It is everyone's responsibility to demonstrate leadership by modelling ethical behaviour, actions and decision-making in the workplace. It is also everyone's responsibility to be alert and report unethical behaviour when it is suspected or detected. Failure to do so may be a breach of the Code of Conduct for the Queensland Public Service.

For alleged fraudulent or corrupt conduct, staff should also refer to the [DESBT Fraud and Corruption Control Procedure](#).

7.0 Further information

Should you require any further information or clarification, please contact:

- your supervisor or manager
- Chief Human Resources Officer
- Ethics and Integrity Unit.

8.0 Storage of information

Information about fraud and corruption risks will be entered in departmental risk registers and fraud and corruption treatment plans where required.

Information about identified fraud and corruption will be retained securely in confidential files.

9.0 Authority

This policy derives its authority from the following:

[AS8001- 2008 Fraud and Corruption Control](#)

[Crime and Corruption Act 2001](#)

[Financial Accountability Act 2009](#)

[Financial and Performance Management Standard 2009](#)

[Public Service Act 2008](#)

[Public Sector Ethics Act 1994](#)

[Public Interest Disclosure Act 2010](#) (formerly Whistle-blowers Protection Act 1994)

[Code of Conduct for the Queensland Public Service 2011](#)

10.0 Review

To be reviewed 12 months from the date of approval unless required earlier. Scenarios that may trigger an out-of-cycle review include:

- ARC recommendation
- Organisational or position changes
- An increase in significant suspected fraud
- A change in best practice guides and/or standards
- A change in DESBT programs and initiatives
- Recommendations coming from any internal or external audits