



# Fraud and Corruption Control Policy

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# Document Control

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## Approvals

Name	Title	Date	Version
James Smith	Acting Commissioner	18 Nov 2014	V1.0
Adam Dent	Commissioner	31 March 2015	V2.0

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## 1 Purpose, scope and application

The purpose of this policy is to define the principles under which New South Wales State Emergency Service (NSW SES) will control the prevention, deterrence, detection, and investigation, of all forms of fraud and corruption.

The scope of this policy includes controlling the sources of fraud and corruption, implementing controls, and detecting, fraud and corruption. The scope includes cultivating and maintaining an environment in which corrupt and fraudulent behaviour is reported and responded to and the disciplinary action for breaching this policy.

Members must understand their individual responsibilities in preventing fraud and promoting an ethical and effective workplace.

**Compliance is mandatory for all Members.**

## 2 Definitions

Term	Definition
<b>Member</b>	<p>A Member of NSW SES both volunteer and/or employee. All NSW SES Members are public officials in accordance with the;</p> <ul style="list-style-type: none"> <li>• <i>Independent Commission Against Corruption Act 1988 (NSW), and</i></li> <li>• <i>Ombudsman Act 1974 (NSW).</i></li> </ul>
<b>Public authority</b>	A government agency.
<b>Public official</b>	<p>An individual having public official functions or acting in a public official capacity that is an officer, temporary employee, or is a member of a public authority in accordance with the;</p> <ul style="list-style-type: none"> <li>• <i>Independent Commission Against Corruption Act 1988 (NSW), and</i></li> <li>• <i>Ombudsman Act 1974 (NSW).</i></li> </ul>

## 2.1 What is fraud and corruption?

### ***Fraud***

For the purpose of this policy, fraud is defined as:

“Dishonestly obtaining a benefit by deception or other means”.

For fraud to exist, the attempt to deceive to gain a benefit must be intentional and not accidental. There is a general expectation for fraud to be associated with a deliberate attempt to deceive through false statements, actions, or omissions.

For the purpose of this policy, omission is defined as:

“Someone or something that has been left out or excluded”.

### ***Corruption***

The New South Wales Independent Commission Against Corruption (ICAC) cites corrupt conduct as the conduct of any person (whether or not a public official) that could adversely affect the honest and impartial exercise of official functions by a public official. A key notion is the misuse of public office. Examples include official misconduct, bribery, fraud, theft, blackmail, embezzlement, and perverting the course of justice.

In general terms corruption involves improper acts or omissions, improper use of influence or position and/or improper use of information.

Corruption does not necessarily involve material gain for the perpetrator or material loss to NSW SES. Corrupt practices can lead to direct and indirect advantages, not only to individuals, but also to causes and/or other interest groups.

## 2.2 Sources of fraud and corruption

Possible external sources include suppliers, service providers, contractors, consultants, members of the public, and a range of other third parties. Examples of fraudulent conduct include, but are not limited to, external sources attempting or succeeding in:

- offering Members bribes or excessive gifts
- trying to pressure a Member’s spouse/partner into making a decision favouring the external source
- requesting Members to improperly access and/or release NSW SES information, including databases
- overcharging NSW SES, and
- charging for time not worked.

Possible internal sources of fraud or corruption include but are not limited to:

- employees claiming for time that they did not work
- Members claiming expenses that were not incurred for NSW SES work
- supervisors allowing overtime to be worked when it is not required

- purchasing items for personal use through NSW SES, or
- awarding a contract or employing a family member, close friend, or acquaintance, when the decision is not based on merit and/or without disclosing the relationship.

### 3 Legislation

Relevant legislation includes:

- *Crimes Act 1900 (NSW)* *Government Sector Employment Act 2013 (NSW)*
- *Government Sector Employment Regulation 2014 (NSW)*
- *Government Sector Employment Rules 2014 (NSW)*
- *Independent Commission Against Corruption Act 1988 (NSW)*
- *Ombudsman Act 1974 (NSW)*
- *Public Finance and Audit Act 1983 (NSW)*
- *Public Interest Disclosures Act 1994 (PID Act) (NSW)*
- *State Emergency and Rescue Management Act 1989 (NSW), and*
- *State Emergency Service Act 1989 (NSW).*

## 4 Policy principles

### 4.1 Policy principle 1 – Preventing fraud and corruption

NSW SES is committed to the prevention of fraud and corruption by developing and monitoring robust internal control systems and the promotion of ethical behaviours. The Audit and Risk Committee will foster an ethical organisation culture and strengthen NSW SES resistance to fraud and corruption.

To prevent fraud and corruption supervisors must create process and procedure for:

- all Members to read and acknowledge this policy and NSW SES Code of Conduct and Ethics including the Statement of Values – TARPS
- following correct job practices
- actively supporting strategies implemented in their areas to minimise fraud and corruption
- being continuously vigilant to the potential for fraud or corruption, and
- alerting responsible people to flaws in processes and systems that may be exploited.

Members must report any suspicions of fraudulent or other corrupt activity occurring in their work area or elsewhere in the NSW SES.

## 4.2 Policy principle 2 – Detecting fraud and corruption

Supervisors must ensure that there are appropriate post-transaction reviews, management reports, and other internal controls, to detect any fraud or corruption that has occurred, as far as practicable.

A Member who is not sure whether something is fraudulent or corrupt must raise it with a supervisor, manager, Controller, Director, or Deputy Commissioner.

## 4.3 Policy principle 3 – Reporting fraud and corruption

Members must report any suspected fraud or corruption, attempts at fraud or corruption, or plans to commit fraud or corruption. These reports should be made in accordance with the guidelines for reporting breaches set out in NSW SES Code of Conduct and Ethics and other relevant policies and procedures.

Any NSW SES Member receiving a report must take complete notes about what has been reported to him or her. They should then pass the report onto the Director, Strategy, Planning and Innovation as soon as practicable.

Any attempts at fraud or corruption, even indirect attempts, should be reported. For example if a person 'jokes' about bribing you, you should report it in accordance with this policy.

## 4.4 Policy principle 4 – Public Interest Disclosures (PIDs)

The *Public Interest Disclosures Act 1994 (PID Act) (NSW)* provides protection for people reporting specific issues in accordance with the provisions of the Act.

Members should access NSW SES Public Interest Disclosures (PID) Policy for more information concerning this matter.

## 4.5 Policy principle 5 – Remedial and disciplinary action

All allegations of a Member breaching this policy will be assessed.

Remedial or disciplinary action may be taken against any Member:

- found to be in breach of this policy
- found to have deliberately made a false allegation in relation to this policy
- who victimises a Member who has made an allegation
- who victimises a Member who has supported a Member who has made an allegation, and
- who breaches confidentiality or privacy in relation to a breach of this policy.

The process for assessment, investigation and the undertaking of remedial or disciplinary action will be as per *Government Sector Employment Act 2013 (NSW)* and *Government Sector Employment Rules 2014 (NSW)* for paid staff; together with relevant NSW SES policy e.g. NSW SES Volunteer Membership Policy.

All suspected fraud or corruption will be investigated by NSW SES, as well as being reported to the ICAC who may choose to undertake their own independent investigation.

Allegations of fraud may be reported to NSW Police Force (NSWPF).

Legal action may also be taken to recover NSW SES funds or resources improperly taken, including referral to NSWPF for consideration of prosecution where relevant.

## 5 Roles and responsibilities

Commissioner, Deputy Commissioner, and Directors:

- The Commissioner is accountable for the implementation of this policy in NSW SES.
- The Deputy Commissioner and Directors of each functional or geographic area are responsible for the implementation and communication of the policy within their directorate(s) and functional areas.

The Policy Owner and Custodian:

- The Executive Officer is accountable for the development, maintenance, and dissemination, of this policy to the Membership of NSW SES.
- The Executive Officer is responsible for maintaining and providing regular (quarterly and annual) reports of fraud and corruption to the Commissioner.

Supervisors and Controllers:

- Supervisors are responsible for the implementation of this policy. This includes functional groups and working groups under their direction.
- Region Controllers are responsible for the implementation of this policy in their Region. This includes Units, Region Headquarters, and functional groups.
- Local/Unit Controllers are responsible for the implementation and adherence of this policy within their Units and activities under their direction.

Members:

- All Members of NSW SES are responsible for adhering to this policy.

## 6 Monitoring, feedback and review

The review of this policy and associated documents will be undertaken at 6 months, 12 months and 18 months after the initial V1.0 release by the Policy Custodian. This will be in consultation with the Governance and Strategy Directorate and appropriate stakeholders (if required).



Feedback, comments and suggestions about this policy should be forwarded to the Policy Custodian and [GBI@ses.nsw.gov.au](mailto:GBI@ses.nsw.gov.au).

## 7 Related documents

- NSW SES Code of Conduct and Ethics
- NSW SES Conflict of Interest Policy
- NSW SES Donations and Fundraising Policy
- NSW SES Gifts, Benefits, and Hospitality Policy
- NSW SES Procurement Policy
- NSW SES Public Interest Disclosures (PID) Policy
- NSW SES Values (TARPS), and
- NSW SES Volunteer Membership Policy.

## 8 Support and advice

You can get advice about anything in this policy from:

- Local/Unit Controllers
- Supervisors or Region Controllers
- the Director Human Services, and
- the Commissioner or Deputy Commissioner.

You can get support about anything in this policy from:

Internal:

- the Policy Owner, and
- the Human Resources Manager.

External:

The NSW SES recognises that Members may wish to obtain external advice. External agencies include:

- NSW ICAC - 02 8281 5999 or [icac.nsw.gov.au](http://icac.nsw.gov.au)
- NSW Audit Office - 02 9275 7100 - <http://www.audit.nsw.gov.au/>, and
- NSW Public Service Commission - (02) 9272 6000 - <http://www.psc.nsw.gov.au/>.