



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

OBJECTIVE

The Fraud and Corruption Control Strategy complements the Department of Treasury and Finance's (DTF) Fraud and Corruption Prevention Policy, and details DTF's commitment and processes to prevent, detect and respond to actual and/or allegations of fraud and corruption within DTF.

SCOPE

This Strategy applies to all employees in the Department.

DEFINITIONS

Fraud, Corruption, Misconduct and Maladministration are defined in the Department's [Fraud and Corruption Prevention Policy](#) (COR076).

For the purposes of this document, the terms Fraud and Corruption will be referenced to include other criminal conduct, maladministration and misconduct.

THE FRAUD AND CORRUPTION CONTROL STRATEGY

The Department of Treasury and Finance has a zero tolerance approach to fraud, corruption, other criminal conduct, maladministration and misconduct. The Department is committed to minimising the incidence of fraud and corruption through sound financial, legal and ethical decision-making and organisational practices and promotes the principles of honesty and integrity consistent with the Departmental Values.

Continuous review of control activities is required by Treasurer's Instruction (TI) 2 Financial Management and TI 28 Financial Management Compliance Program.

The DTF Fraud and Corruption Control Framework is outlined in the Fraud and Corruption Prevention Policy document (COR076). The Control Strategy forms part of the Fraud and Corruption Control Framework, and has the following key elements:

1. *Governance and Ethics*
2. *Awareness and Training*
3. *Fraud Prevention*
4. *Detection and Investigation*
5. *Monitoring and Reporting*



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

1. Governance and Ethics

Governance and Ethics activities provide guidance regarding the expectations and obligations to support an environment of sound governance, robust internal control and a culture that will safeguard public resources, facilitating the prevention of fraud and corruption activities. The following is a summary of Governance and Ethics activities; the details are provided at Appendix 1.

Ref #	Governance and Ethics activities
GE.1.	Regular review of the Fraud and Corruption Prevention Policy and Control Strategy documents
GE.2.	Employee screening
GE.3.	Conflict of interest declaration
GE.4.	Confidentiality arrangements
GE.5.	Gifts and benefits arrangements
GE.6.	Employee departure arrangements
GE.7.	Employee assistance program

2. Awareness and Training

The primary objective of awareness and training is to communicate the expectations and requirements within DTF, with the purpose to avoid the risk of fraud and corruption in the Department in a cost effective and proactive way. The following is a summary of the Awareness and Training activities; the details are provided at Appendix 2.

Ref #	Awareness and Training activities
AT.1.	Fraud and Corruption awareness
AT.2.	Code of Ethics awareness



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

3. Fraud Prevention

Each business unit is expected to tailor and/or develop activities that are appropriate for their operations and risk exposure. Regular assessment of fraud and corruption risks is crucial to the successful implementation of prevention activities. Prevention activities are embedded in policy and procedure requirements, financial compliance programs and adhering to a strong ethical culture. The following is a summary of the Fraud and Prevention activities; the details are provided at Appendix 3.

Ref #	Fraud Prevention activities
P.1.	Maintain effective internal controls
P.2.	Fraud and Corruption risk assessments

4. Detection and Investigation

Despite implementing fraud and corruption prevention activities, it is possible that it can still occur. The primary objective is to discover any fraud or corruption as soon as possible.

Fraudulent and/or corrupt activities may:

- be perpetrated by an employee or contractor of DTF;
- be perpetrated by a customer or an external supplier; or
- involve collaboration between employees, contractors and external service providers.

As with the implementation of prevention activities, business units are expected to tailor detection activities to their operational environment and risk exposure.

DTF is committed to the appropriate and timely investigation and management of all actual and/or suspected fraud and corruption, consistent with the ICAC [Directions and Guidelines and the DTF Whistleblower’s Guideline](#).

The following is a summary of the Detection and Investigation activities; the details are provided at Appendix 4.



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Ref #	Detection and Investigation activities
DI.1.	Effective internal controls
DI.2.	Whistleblower process
DI.3.	Review transaction reports
DI.4.	Review management reports
DI.5.	Data analysis
DI.6.	Internal and external audits
DI.7	Preliminary investigation protocol
DI.8	Review of internal controls post incident

5. Monitoring and Reporting

The primary objective of Monitoring and Reporting is to:

- ensure the appropriate reporting of instances of actual or alleged/suspected fraud and, corruption by public officers in the Department, including reporting to appropriate authorities within the Agency and the Office for Public Integrity or the South Australia Police; and
- provide mechanisms and processes to take corrective action and remedy the harm

The following is a summary of the Monitoring and Reporting activities; the details are provided at Appendix 5.

Ref #	Monitoring and Reporting activities
MR.1.	Mechanisms to report fraud and corruption allegations
MR.2	Section 56 Authorised Officers
MR.3	Administrative remedies
MR.4	Recovery of losses
MR.5	Fidelity and employee dishonesty insurance



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Reporting Obligations

Table 1 below describes the overall reporting requirements for a Public Authority/Public Officer in regard to reasonable suspicion or knowledge of:

Table 1 Reporting Obligations

Actual or suspected Corruption*		Report to an appropriate authority in the Agency and Report to the Office of Public Integrity (OPI)
Misconduct* or Maladministration*		Report to an appropriate authority in the Agency
If the behaviour is serious or systemic		Report to the Office of Public Integrity(OPI)
Conduct prohibited under Code of Ethics		Report to an appropriate authority in the Agency

*Definitions are provided in the [Fraud and Corruption Prevention Policy](#)

An appropriate authority in the Agency is the Employee's Line Manager, Branch Manager, Manager Risk and Audit Services, Whistleblower Officer



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Instances of fraud, corruption, maladministration and misconduct must be reported in accordance with the relevant legislation, including the Public Sector Act 2009, the Public Sector (Honesty and Accountability) Act 1994, the Independent Commissioner Against Corruption Act 2012, Whistleblowers Protection Act 1993 and the Code of Ethics for the South Australian Public Sector.

Code of Ethics

The [Code of Ethics for the South Australian Public Sector](#) requires employees to report to an appropriate authority within the Agency regarding workplace behaviour that a reasonable person would suspect violates any law or represents corrupt conduct, mismanagement of public resources, is a danger to public health or safety or to the environment, or amounts to misconduct (an appropriate authority may be the Line Manager, Branch Manager, Manager Risk and Audit Services, Whistleblower Officer).

ICAC Legislation

In addition, the ICAC Act 2012 Section 20 refers to the [Directions and Guidelines](#) in regard to the required Reporting system for activity involving corruption, misconduct and maladministration. Section 11 of the Directions and Guidelines states that a Public Officer must report to the Office of Public Integrity any matter that the Public Officer reasonably suspects (refer Section 6) involves corruption, or serious or systemic misconduct or maladministration in public administration, unless the Public Officer knows that the matter has already been reported to an Inquiry Agency or OPI.

All instances of corruption or suspected corruption must be reported to an appropriate authority within the Agency in accordance with the Code of Ethics and reported to OPI in accordance with the ICAC Act.

All instances of misconduct or maladministration must be reported to an appropriate authority within the Agency in accordance with the Code of Ethics. Serious or systemic instances of misconduct or maladministration must be reported to OPI in accordance with the ICAC Act.

All instances of conduct prohibited under the Code of Ethics must be reported to an appropriate authority within the Agency.

Employees making reports should provide as much detail as possible of the conduct they allege or suspect to have occurred. The Directions and Guidelines under the ICAC Act specify the required information; please refer Section 14.



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Protection of informants of actual or suspected fraud, corruption or other criminal conduct, maladministration or misconduct

Retaliation and retribution will not be tolerated against anyone who reports actual or suspected fraud, corruption or other criminal conduct, maladministration or misconduct by another public officer.

An employee reporting conduct reasonably suspected of being fraud, corruption or other criminal conduct, maladministration or misconduct by another public officer may attract the protection of the *Whistleblower Protection Act 1993*. Refer to the DTF Whistleblower Protection Policy (COR095) for further information.

An employee who makes a frivolous, vexatious or malicious report will have committed misconduct and possibly criminality and may be subject to disciplinary action and criminal processes, and may have defamed the subject(s) of the report and be civilly liable to damages.



Other Reference Sources

Fraud and Corruption Prevention Policy (COR076)

Australian Standard AS 8001-2008 - Fraud and Corruption Control

Australian Standard AS 8004-2003 - Whistleblower Protection Programs for Entities

Public Sector Act 2009

Public Sector (Honesty and Accountability) Act 2009

Code of Ethics for the South Australian Public Sector

Independent Commissioner Against Corruption Act 2012

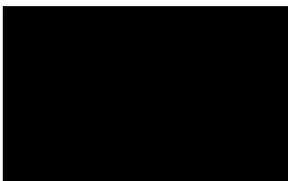
Directions and Guidelines issued by the Independent Commissioner Against Corruption

Treasurer's Instruction 2.6 - Risk Management

Whistleblower Protection Act 1993

Whistleblower Protection Policy (COR095)

Whistleblower Protection Procedure (COR094)



CHIEF OPERATING OFFICER

6 / 12 / 2016

APPENDIX 1

			Page 8 of 27
Version 8.0	Commencement Date: 30/11/2016	Last Review Date: 30/11/2016	Next Review Date 5 /12 / 2018



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Details of Governance and Ethics activities

GE.1. Regular review of the Fraud and Corruption Prevention Policy and Control Strategy

Treasurer's Instruction 2 and the Financial Management Toolkit, issued by the Department of Treasury and Finance (DTF), requires DTF review our fraud policies at least on an annual basis to ensure they are up-to-date and effective.

Minimum Expectation

At least annually, all business units are to review the effectiveness of their Fraud and Corruption Prevention, taking into consideration the most recent fraud and corruption risk assessments and make any necessary amendments.

Monitoring of each business unit's annual review will be undertaken through the Financial Management Compliance Program (FMCP). Risk and Audit Services (RAS) will collate the outcome of the FMCP and report to the Audit and Risk Committee (ARC) on the status. Where relevant, RAS will also update the Fraud and Corruption Prevention Policy (COR076).

RAS will facilitate the review of the Risk Register and Control Strategy for each business unit and provide an update to the ARC for consideration.

Policies and Procedures

[Treasurer's Instruction 2 Financial Management](#)

[DTF Financial Management Toolkit](#)

Fraud and Corruption Prevention Policy (COR076)

Responsibility

Manager, Risk and Audit Services

GE.2. Employee screening

Employee screening involves verifying, with the consent of the individual, the identity, integrity and credentials of the entrusted employee. Screening may be appropriate for new employees, existing employees, contracted staff, and also those seeking a transfer or promotion.



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Minimum Expectation	Depending on the relevant risk profile, screening may be appropriate at the time of the initial engagement and periodically thereafter. Employee screening must be undertaken in accordance with the following DTF policies.
Policies and Procedures	Personnel Security Policy Pre-employment Declaration Form
Responsibility	Director, Human Resources

GE.3. Conflict of interest declarations

DTF will ensure its employees understand the detrimental impact to the department of real or perceived conflicts of interest through the Code of Ethics for the South Australian Public Sector and relevant policies and procedures.

Conflict of interest includes any conflict between the public duty and private interests of a DTF employee. This conflict could improperly influence the performance of the employee's official duties and responsibilities. This extends to conduct that others may *perceive* to be a conflict of interest.

A conflict of interest can result in avoiding personal losses as well as gaining personal advantage, whether financial or otherwise.

Actual or perceived conflicts of interest could, for example, cause DTF to suffer loss as a result of uncompetitive contracting or cause material damage to the department's reputation amongst stakeholders.

Minimum Expectation	DTF's employees are required to comply with legislation, regulations and whole-of-government standards and guidelines. Conflict of interest declarations will be made where relevant to ensure full disclosure and consideration of actual and/or potential conflicts of interest. Copies of any declaration of conflict must be kept on the employee's personnel file.
Policies and Procedures	Code of Ethics for the South Australian Public Sector Gifts and Benefits Procedure (COR097) Commissioner's Determinations and Guidelines SA Tenders and Contracts website



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

State Procurement Board Policies and Guides

Responsibility Director, Human Resources

GE.4. Confidentiality arrangements

Confidentiality arrangements may depend on the data classification and risk assessment of the information in accordance with the mandated Information Security Management Framework. The arrangement may also be a legal agreement between DTF and another party that outlines confidential material, knowledge, or information that the parties wish to share with one another, but wish to restrict access to, or by, third parties.

Minimum Expectation Data classification and risk assessment should be undertaken for data and systems as part of the Information Security Management System implementation. Where relevant, confidentiality agreements will be completed to ensure employees with access to key information and/or systems understand and agree to their responsibilities in relation to the proper use and disclosure of information that they will have access to as part of their duties. In some cases, it may be appropriate to renew confidentiality agreements periodically, e.g. annually.

Policies and Procedures Information Security policies and procedures
Protective Security policies and procedures
Integrated Security Policy (COR030)

Responsibility Director, ICT (regarding ISMF)
Director, Procurement Services DPC (regarding contract establishment and management)

GE.5 Gifts and benefits arrangements

The Code of Ethics for the South Australian Public Sector provides clear guidance on the appropriateness of the acceptance of gifts and benefits.

Minimum Expectation Gifts and benefits accepted, exceeding the value of \$100, will be declared and recorded in the Gifts and Benefits Register.



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Employees are not permitted to accrue benefits to their personal frequent flyer or other personal benefit scheme as a result of undertaking official government business.

Policies and Procedures

- Gifts and Benefits Procedure (COR097)
- Code of Ethics for the South Australian Public Sector
- Commissioner's Standards
- Commissioner for Public Sector Employment Guidelines – Gifts and Benefits

Responsibility Manager, Risk and Audit Services

GE.6. Employee departure arrangements

Human Resources has developed an Employee Exit Strategy which includes an Exit Checklist designed to support managers and minimise DTF's exposure to risk. The Exit Checklist ensures that all assets are returned and access to information and buildings is removed on the departure of an employee.

Minimum Expectation

The Exit Checklist must be completed by all departing employees and then included in their personnel file.

Policies and Procedures

- Employee Separation Procedure (COR137)
- Exit Process Checklist (HR06)
- Employment Management (HR02)

Responsibility Director, Human Resources

GE.7. Employee assistance program

The Employee Assistance Program (EAP) is a service contracted by DTF to support employees. It is a confidential and professional counselling service, which assists DTF to provide a safe, healthy and harmonious working environment. The EAP can provide support to employees on a range of personal or work related issues



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

**Minimum
Expectation**

The EAP should be promoted and made available to all DTF employees.

**Policies and
Procedures**

Details of EAP Services are available on the intranet.

Responsibility

Director, Human Resources

EAP Contact Details:

- Ph: 1300 361 008
- Online: [Access to the Optum EAP services](#)



APPENDIX 2

Details of Awareness and Training activities

AT.1. Fraud and Corruption awareness

DTF employees can help to prevent and/or detect fraud and corruption by being aware of unusual behaviour or "red flags". Fraud and Corruption awareness training raises the general level of awareness amongst employees and assists them to recognise the early warning signs and indicators of fraudulent and/or corrupt activities and how to report their suspicion.

Mandatory online and/or face-to-face fraud and corruption awareness training must be completed by all employees on a 3 year rotating cycle and is included in DTF's induction program.

Contractors, consultants and suppliers

Where appropriate contractors, consultants and/or suppliers engaged by DTF should be made aware of the Fraud and Corruption Prevention Policy.

Minimum Expectation

All employees must complete mandatory Fraud and Corruption prevention training every 3 years. All employees must be made aware of the reporting requirements stipulated in the ICAC Directions and Guidelines and the Fraud and Corruption Prevention Policy at the time of their induction and during their employment at DTF.

Policies and Procedures

Fraud and Corruption Prevention Policy (COR076)
ICAC Directions and Guidelines

Responsibility

Manager, Risk and Audit Services



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

AT.2. Code of Ethics awareness

DTF will promote an ethical culture throughout the department and ensure that employees are aware that it is mandatory to report suspicion of fraudulent and/or corrupt activities using the various reporting channels available to them.

Minimum Expectation

The Code of Ethics for the South Australian Public Sector is incorporated in the Fraud and Ethics training and the employee induction, which is mandatory for all employees.

Team Leader, Manager, Directors and/or Executive Directors directly monitor compliance with the Code of Ethics as part of daily operations.

Policies and Procedures

[Code of Ethics for the South Australian Public Sector](#)

[Code of Ethics Awareness Program](#)

Commissioner's Determinations and Guidelines

Responsibility

Director, Human Resources



APPENDIX 3

Details of Fraud Prevention activities

P.1. Maintain effective internal controls

Internal controls are established through relevant policies, procedures and practices to ensure business risks (including corruption and maladministration risks) are adequately managed. Business unit internal controls should focus on the relevant risks and evolve with its changing risk profile.

Control activities may be based on prevention or detection and may encompass a range of manual and automated activities. Examples include authorisation and approvals, verifications, reconciliations, segregation of duties and business performance reviews.

The effectiveness of the internal controls will be assessed by management and independently validated through the DTF Financial Management Compliance Program that forms part of DTF's Compliance Framework.

Minimum Expectation

Business units will establish effective internal controls, consistent with the requirements of the Treasurer's Instructions, particularly TI2 and TI28, to reduce the likelihood of fraud and corruption. Individual business units should focus particular attention to those business processes assessed as having a higher likelihood of exposure to fraud and corruption risks.

The policies and procedures listed below are key documents for internal control and risk management. This is not an exhaustive list, and all policies and procedures should be considered in maintaining internal control.

Policies and Procedures

- Accounts Payable Policy (COR010)
- Accounts Payable Procedure (COR009)
- HR Delegations
- Purchase Card Policy (COR012)

Responsibility

- Director, Financial Services
- Manager, Risk and Audit Services



P.2. Fraud and Corruption risk assessments

Regular fraud and corruption risk assessments assist management to understand risks, identify internal control gaps and/or weaknesses, and develop strategies to mitigate those risks.

Minimum Expectation

Business units will conduct regular fraud and corruption risk assessments as part of the existing business planning process and/or risk assessment of key business processes that is consistent with DTF's Risk Management Policy and Framework.

All fraud and corruption risks identified will be recorded in the business unit's risk register and will be considered in the revision of the Fraud and Corruption Control Strategy.

Management will review fraud and corruption risks at least annually for key business processes, or more frequently if there are significant changes in the business unit's processes.

Business units are responsible for the ongoing monitoring of their risk register and ensuring effective implementation of risk mitigation strategies.

Business unit risk registers will be reported to the Audit and Risk Committee at least annually. Extreme and High risks will be escalated to the relevant stakeholders according to the DTF Risk Escalation Process.

Policies and Procedures

[Risk Management Policy \(COR078\)](#)

[Risk Management Guidelines \(COR079\)](#)

Responsibility

Manager, Risk and Audit Services



APPENDIX 4

Details of Detection and Investigation activities

DI.1. Effective internal controls	
Well designed and effectively implemented internal control activities can prevent and detect fraud and corruption risks.	
Examples include regular independent reconciliation of accounts; independent confirmation of service delivery; security cameras; job rotation; mandatory leave; review of budget and actual figures and the follow-up of discrepancies; regular review of audit trails and system access logs and regular review of exception reporting.	
Minimum Expectation	Business units will establish effective internal controls, consistent with the requirements of the Treasurer’s Instructions, particularly TI2 and TI28, to reduce the likelihood of fraud and corruption. Business units should focus particular attention to those business processes assessed as having a higher predisposition (as above) to the risks of fraud and corruption. The policies and procedures listed below are key documents for internal control and risk management. This is not an exhaustive list, and all policies and procedures should be considered in maintaining effective internal control.
Policies and Procedures	Accounts Payable Policy (COR010) Accounts Payable Procedure (COR109) HR Delegations Purchase Card Policy (COR012)
Responsibility	Director, Financial Services Manager, Risk and Audit Services

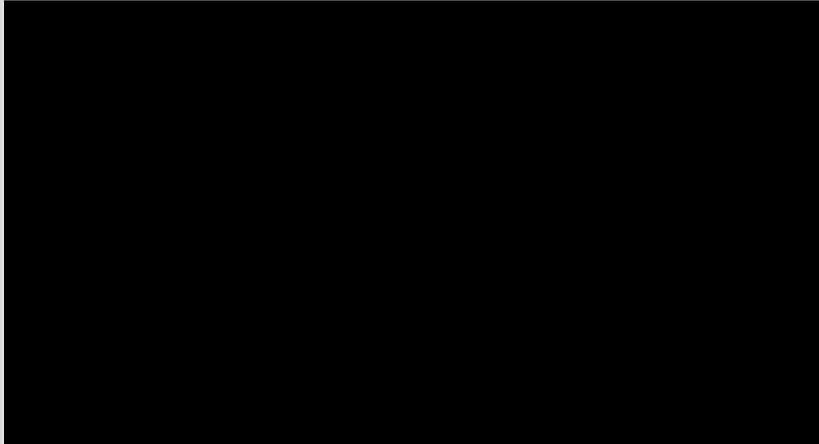


FRAUD and CORRUPTION CONTROL STRATEGY

COR077

DI.2. Whistleblower process

The Whistleblower Responsible Officers within DTF are:



Confidential contact can be made either face to face, by telephone or in writing.

Minimum Expectation

In the absence of the Department's Whistleblower's Responsible Officer, disclosures may be made to Managers or any other person of trust. It will then be the responsibility of this person to contact the Whistleblower Responsible Officer, or an appropriate authority

Policies and Procedures

[Whistleblower's Policy \(COR095\)](#)
[Whistleblower's Procedure \(COR094\)](#)

Responsibility

Manager, Risk and Audit Services



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

DI.3. Review transaction reports

Financial transaction reports are available at the end of each month in Infoview for branches to review and to provide variance analysis. Reviewing the transaction reports helps to identify irregular transactions that may indicate fraudulent and/or corrupt activities.

DTF's Infoview provides a number of transaction reports. Specific transaction reports can be produced for high-risk activities, to highlight possible irregularities.

Minimum Expectation Managers, Cost Centre Managers and/or Business Managers have access to relevant monthly transaction reports and are expected to review the reports to identify and investigate any irregularities.

Policies and Procedures Management reporting procedures (as required by Financial Services)

Responsibility Director, Financial Services

DI.4. Review management reports

In addition to transaction reports, other management reports are available to business units on a regular basis e.g. monthly budget reports.

Review of these reports will help to identify anomalies in transactions that may indicate fraudulent and/or corrupt activities.

Minimum Expectation Employees responsible for preparing the Monthly Variance Report must ensure that the report is completed and forwarded to the relevant Account Managers in Financial Services at the end of each month. This information is then incorporated into the Executive Report prepared for the Chief Executive and the EMG.

Policies and Procedures Management reporting procedures
DTF Internal Budgeting procedure (COR147)

Responsibility Director, Financial Services



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

DI.5. Data analysis

Data analysis is a process of uncovering patterns and relationships in datasets that may indicate fraudulent and/or corrupt activities, e.g. analysing payroll data for duplicate bank account numbers may uncover a "ghost employee" payroll fraud.

Minimum Expectation Data analysis can be undertaken within individual business units or centrally by the RAS team. The RAS team will include a program of analytical reviews in the Annual RAS Work Plan, utilising specialised computer assisted audit techniques to perform data analysis.

Policies and Procedures N/A

Responsibility Manager, Risk and Audit Services

DI.6. Internal and external audits

Internal Audit

Responsibility for managing fraud and corruption risks, as with other operational risks, rests with management as part of their daily responsibilities. However, Internal Audit can assist management with identifying fraud and corruption risks and assessing the effectiveness of controls in place to mitigate those risks.

External Audit

The Auditor-General audits financial statements annually in accordance with Australian Auditing Standards and is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error.

Minimum Expectation Internal Audit Internal Audit will assist business units with regular assessment of corruption and maladministration risks relevant to its operational environment. Internal Audit will include in the Annual RAS Work Plan analytical reviews to identify potential indicators of fraud and corruption activities.



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

External Audit

Section 31 of the Public Finance and Audit Act 1987 requires the Auditor-General to audit DTF's financial statements in respect of each financial year.

Policies and Procedures N/A

Responsibility Manager, Risk and Audit Services

DI.7. Investigation protocol

Preliminary inquiries may be conducted by the Department in respect to reports of corruption, misconduct and maladministration. The investigation of reported incidences can be:

- 1) routine and relatively minor matters that are handled under disciplinary or equivalent procedures
2) more substantial matters where there is a likelihood of prosecution or review by a judicial authority
3) assessed to determine 'reasonableness', 'systemic' and/or 'serious' as defined by ICAC
4) Serious or complex offences against DTF and/or the South Australian Public Sector that need to be referred to OPI or inquiry agencies to investigate.

A summary of reporting obligations is included earlier within this document. Further information can be found in the ICAC Directions and Guidelines.

Minimum Expectation To ensure the investigation is performed and reported properly, experienced personnel who are sufficiently independent of the area where the incident is reported to have occurred should conduct the investigation.

Policies and Procedures N/A

Responsibility Manager, Risk and Audit Services



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

DI.8. Review of internal controls post incident

In each instance of actual fraud or corruption, either the relevant branch or Risk and Audit Services will review the adequacy of the relevant internal control environment and provide a report to the ARC on any actions that could be taken to improve the controls. If actions can be taken, the business unit will also be required to nominate a responsible officer and a timeframe to implement the proposed actions.

Minimum Expectation	Senior management of the relevant branch will monitor and report on the implementation of the proposed actions to the ARC.
Policies and Procedures	N/A
Responsibility	Manager, Risk and Audit Services



APPENDIX 5

Details of Monitoring and Reporting activities

MR.1. Mechanisms to report fraud and corruption allegations

All actual or suspected fraud, corruption misconduct and maladministration must be reported.

Minimum Expectation

Requirements under ICAC Act 2012:

All employees need to be aware of their obligations under the ICAC Directions and Guidelines issued by the ICAC Act. In summary, employees who are public officers must report to the OPI any matter they reasonably suspect involves:

- corruption in public administration, unless they know it has already been reported to the OPI
• serious or systemic misconduct in public administration, unless they know it has already been reported to an inquiry agency (as defined in the ICAC Act) or the OPI
• serious or systemic maladministration in public administration, unless they know the matter has already been reported to an inquiry agency or the OPI.

A summary of reporting obligations is included in the Response section of this document.

Further information, including the ICAC Complaint/Report Process Flowchart can be found in the ICAC Directions and Guidelines.

Requirements under the Code of Ethics:

All public sector employees are obligated under the Code of Ethics for the South Australian Public Sector, to report to a relevant authority, workplace behaviour that a reasonable person would suspect violates any law or represents corrupt conduct, mismanagement of public resources or is a danger to public health and safety or to the environment.

All public sector employees are obligated under the Code of Ethics to advise their manager at the earliest available opportunity if they are charged with a criminal offence. The Guideline of the Commissioner for Public Sector Employment 'Extent of Obligation' provides guidance on the extent of that obligation.

If any improper conduct might materially affect the financial statements of DTF, this must be disclosed to the Auditor-General.

Policies and Procedures

Fraud and Corruption Prevention Policy (COR076)

ICAC Directions and Guidelines

Guideline of the Commissioner for Public Sector Employment 'Extent of Obligation'

Code of Ethics for the South Australian Public Sector

Commissioner's Standards

Commissioner of Public Sector Employment Guideline – Gifts and Benefits



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Responsibility Chair, Audit and Risk Committee
Manager, Risk and Audit Services

MR.2. Section 56 Publication of information and evidence and Authorised Officers

Where a report is made to the OPI under the ICAC Act and in accordance with the Directions and Guidelines, the inquiry agency, public authority or public officer must comply with section 56 of the ICAC Act, which states:

A person must not, except as authorised by the Commissioner or a court hearing proceedings for an offence against the ICAC Act, publish, or cause to be published:

- (a) information tending to suggest that a particular person is, has been, may be, or may have been, the subject of a complaint, report, assessment, investigation or referral under this Act; or
(b) information that might enable a person who has made a complaint or report under this Act to be identified or located; or
(c) the fact that a person has made or may be about to make a complaint or report under this Act; or
(d) information that might enable a person who has given or may be about to give information or other evidence under this Act to be identified or located; or
(e) the fact that a person has given or may be about to give information or other evidence under this Act; or
(f) any other information or evidence publication of which is prohibited by the Commissioner.

Maximum penalty:

- (a) in the case of a body corporate—\$150 000;
(b) in the case of a natural person—\$30 000.

In accordance with section 56 of the ICAC Act, the Commissioner has authorised a number of persons (Authorised Officers) who hold an office, or act in a position, submitted to the Commissioner to publish or cause to be published to another authorised person information relating to a matter that has been, or will be, reported to the OPI where such publication is necessary in order to facilitate the appropriate assessment, referral and reporting of such matters.

A person may inform another that he/she has made a complaint or report to the OPI, and the particulars of that complaint/report.

Minimum Expectation Publication of information under section 56 of ICAC Act.



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

Policies and Procedures	ICAC Directions and Guidelines
Responsibility	Chief Executive and Under Treasurer Chief Operating Officer

MR.3. Administrative remedies	
Whether or not a suspected fraudulent act has been referred to SAPOL and/or ICAC, DTF will consider pursuing a range of other remedies including dismissal, or disciplinary actions in accordance with the <i>Public Sector Act 2009</i> , Code of Ethics, and Commissioner’s Standards. DTF will, if necessary, consult with SAPOL and/or the Crown Solicitor’s Office before undertaking these remedies.	
Minimum Expectation	All administrative remedies pursued must have prior approval from the Chief Executive or appropriate delegate.
Policies and Procedures	Public Sector Act 2009 Code of Ethics Commissioner’s Determinations and Guidelines DTF Misconduct Guideline Application for External Review of Administrative Decision - Industrial Relations Commission of South Australia Fair Work Act 1994
Responsibility	Director, Human Resources



FRAUD and CORRUPTION CONTROL STRATEGY

COR077

MR.4. Recovery of losses

DTF will actively pursue the recovery of any money or property lost through fraud and/or corruption after considering all issues, e.g. a strong prospect of net benefit to DTF and/or recovery will have an appropriate deterrent effect.

Minimum Expectation N/A

Policies and Procedures Appropriate Departmental Expenditure Policy (COR075) Reporting Lost or Damaged Assets (COR009)

Responsibility Director, Financial Services Manager, Risk and Audit Services

MR.5. Fidelity and employee dishonesty insurance

South Australian Insurance Corporation (SAICORP) is the insurance business unit of the South Australian Financing Authority (SAFA), a statutory body of the South Australian Government established to insure the government's own losses and transfer the overall catastrophic risks of the government to reinsurers of those risks in the international insurance markets under SAICORP's annual reinsurance program.

Minimum Expectation Business units are to provide accurate information to be included in the annual SAICORP Insurance and Risk Management Questionnaire so that losses from employee fraud (i.e. relating to money/goods/electronic) are covered by DTF's annual insurance agreement.

Policies and Procedures SAICORP Claim Management Policy SAICORP Agency Agreement

Responsibility Manager, Risk and Audit Services