

Fraud and Corruption Control Policy

September 2020



Version Control

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1.0	Created from revised fraud risk framework and Fraud and Corruption Control Plan	November 2014	Corporate Governance Unit	Director-General	December 2014	Public
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Resources

The following resources are used to inform and support the Fraud and Corruption Control Policy.

Reference	Title	Creation Date	Author	Location	Classification
Appendix A	DJAG and other government links and resources	November 2014	Corporate Governance	Within Policy	Public
Appendix B	Roles and responsibilities	November 2014	Corporate Governance	Within Policy	Public
Appendix A	DJAG and other government links and resources	October 2015	Corporate Governance	Within Policy	Public
Appendix B	Roles and Responsibilities	November 2015	Corporate Governance	Within Policy	Public
Appendix A	DJAG and other government links and resources	November 2016	Corporate Governance	Within Policy	Public
Appendix B	Roles and Responsibilities	November 2016	Corporate Governance	Within Policy	Public
Appendix C	Fraud Reporting register	November 2016	Corporate Governance	Within Policy	Public
Appendix A	Roles and Responsibilities	June 2020	Corporate Governance	Within Policy	Public
Appendix B	DJAG and other government links and resources	June 2020	Corporate Governance	Within Policy	Public
Appendix C	Fraud Reporting register	June 2020	Corporate Governance	Within Policy	Public
Appendix D	Fraud & Corruption Control Snapshot	June 2020	Corporate Governance	Within Policy	Public

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1. Introduction

1.1 Purpose

The Fraud and Corruption Control Policy aligns to our Charter and articulates an integrated connected departmental approach to the way in which the department manages its Fraud and Corruption Risk.

The Department of Justice and Attorney-General (DJAG) is committed to ensuring robust governance and the ethical conduct of all employees by preventing, detecting and investigating all forms of fraud and corruption that may occur.

It is the responsibility of all Queensland Government employees and contractors to report all suspected cases of fraud and/or corruption.

To help prevent corruption, as public sector employees we can:

- ensure that all our decisions and actions are publicly defensible and are taken to serve the public good, not private interests
- be alert to any potential corruption risks that could arise in the course of our work
- be familiar with anti-corruption policies and make sure that any private sector partners we engage are aware of them too
- report any incident that suggests corrupt conduct

Public confidence can be easily lost and difficult to regain, so it is essential for us all to act with integrity in all our dealings, and to be alert to any sign of slippage in conduct.

Knowing what to look for and recognising “red flags” – signs that something is not right, are the first steps to discouraging, preventing and reporting any corrupt behaviour.

Maintaining a culture of integrity is the single most significant action we can do to prevent corruption.

This document identifies the minimum requirements and responsibilities for the governance, prevention, detection, and the response to suspected fraud and corruption control within DJAG, by:

- ensuring that our workplaces act legally, ethically and in the public interest
- enabling staff to understand their obligations and implement practices to stop fraud and corruption occurring in DJAG, and
- aligning the policy with the vision, purpose and values outlined in the DJAG Strategic Plan.

1.2 Policy Review

This policy will be reviewed at least every (3) three years, or in circumstances where extra vigilance is required.

This may include times of significant organisational change or high security.

1.3 Why managing fraud and corruption is important

DJAG has a zero-tolerance of fraud and corruption, with all incidents regarded as serious.

The department is committed to ensure an organisational culture exists in which mal-administration and fraud and corruption are not tolerated.

Fraud and corruption undermine the department's ability to deliver its strategic vision, purpose and values, and any potential case could cause:

- reputational loss, by destroying public confidence in the department
- financial harm and loss to the department
- reduction in staff morale and performance, and
- inability to effectively deliver services.

1.4 What is Fraud, Corruption and Corrupt Conduct?

1.4.1 Fraud

Can be defined as, any deceitful conduct or omission to cause actual or potential loss to any person or entity for the benefit of any person or entity.

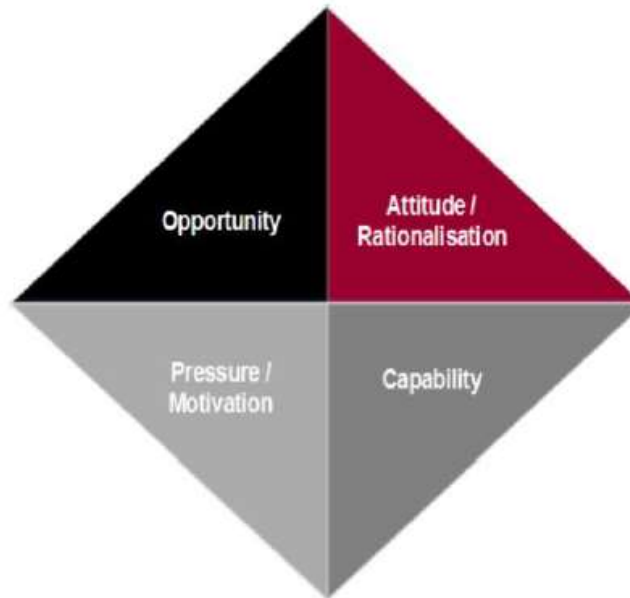
Fraud can also be seen as a major subset of corruption and is a deliberate, intentional and premeditated dishonest act or omission acted out with the purpose of deceiving to gain advantage from a position of trust and authority. (The Crime and Corruption Commission (CCC) does not treat fraud and corruption separately.)

It includes acts such as theft, making false statements/representations, evasion, manipulation of information, criminal deception and misuse of departmental property or time. In complex fraudulent activity, there may be collaboration between employees, contractors and/or external service providers. (Internal or external sources)

It is generally accepted that various elements are required to work simultaneously for fraud to occur:

- **pressure or incentive** - a person can become motivated to commit fraud through pressure, which can be driven by a financial need or personal factors
- **opportunity** -can result from weak system controls, poor governance/management oversight, or misuse of position or authority
- **rationalisation**- where the person justifies in their mind why their unethical behaviour is acceptable
- **capability** - characteristics and personality traits that help the person to exploit a foreseeable opportunity and execute fraud.

Fraud diamond—four elements of fraud



Source: QAO adapted from the Fraud Diamond: Considering the Four Elements of Fraud (Wolfe & Hermanson) (2004)

1.4.2 Internal examples of fraud (performed by an employee or contractor of an organisation), examples may include:

- using work resources for private commercial purposes
- using departmental information to gain a personal advantage
- using personal relationships to gain an advantage in recruitment/procurement processes
- claiming benefits where the individual or entity is not entitled (this includes misuse of leave and/or work time and unentitled accruing, and use, of flexitime)
- falsely recording work time to gain additional flexitime or over-payment of wages, and/or
- misuse of cab charge vouchers (i.e., not using them for travelling on official business).
- Theft or other misuse of departmental funds and resources.

1.4.3 External examples of fraud (performed by a customer or an external service provider or third party), examples may include:

- external parties seeking to interfere with the integrity of a procurement process for personal gain
- customers deliberately claiming benefits from government programs that they are knowingly not eligible for
- customers obtaining false identities or licences
- individuals making false declarations or fraudulently completing forms (e.g. court forms, statutory declarations, victim assist applications)
- an existing external DJAG client knowingly providing a false invoice for payment
- individuals creating a false vendor in order to request payment from DJAG for goods and/or services that were not provided
- misuse of grant or community funding, and/or
- false application for grant or community funding (e.g. Gambling Community Benefit Fund).

1.4.4 Corruption

Can be defined as, dishonest activity by an official, employee or contractor which is contrary to the interest of the organisation or its clients.

An incident of corruption may include an element of fraud or deception.

Accepting benefits which may be perceived to conflict with public duties, or using information obtained from work for personal benefit is corrupt conduct.

1.4.5 Corrupt conduct involves a breach of trust in connection to the performance of official duties.

Section 15 of the *Crime and Corruption Act 2001* provides two alternative definitions of corrupt conduct: (Only one needs to be satisfied)

Alternative 1:

Behaviour /actions of any person that:

- **Adversely affects**, or could adversely affect the **performance functions** or the **exercise of powers** of a public sector employee or agency
- Involves the exercise of the employee or agency's official powers in a way that;
 - Is **not honest** or **impartial**; or
 - Is a **breach of trust** placed in the person as a public officer; or
 - Involves a **misuse of official information or material**; and
- If proven, is either a **criminal offence** or a **disciplinary breach** providing reasonable grounds for the person's **dismissal**.

Alternative 2:

Behaviour /actions of people within and outside of the public sector that:

- **Impairs**, or could impair, public confidence in public administration; and
- **Involves, or could involve, any of the following:**
 - **Collusive tendering**;
 - **Fraudulent applications** for licenses, permits and other authorities under an Act necessary to protect the health and safety of persons, the environment, or the use of the State's natural resources
 - **Dishonestly obtaining benefits** from the payment or application of public funds or disposition of assets
 - **Evading** state taxes, levies, duties or fraudulently causing a loss of State revenue
 - **Fraudulently obtaining or retaining** an appointment; and
- If proven, is either a **criminal offence** or a **disciplinary breach** providing reasonable grounds for **terminating the person's services**, if the person is or were the holder of an appointment.

1.4.6 Examples of corruption include but are not limited to:

- abuse of position or power for personal gain, such as seeking or obtaining bribes, gifts or other benefits in exchange for favourable treatment
- nepotism in staff appointments

- favouritism in allocating contracts and collusive tendering, favouring suppliers who are not as competitive as others for personal gain and manipulation of the tender process to achieved desired outcome
- release of confidential information
- allowing a conflict of interest to undermine impartiality
- payment or receipt of secret commissions (bribes); and
- gifts or entertainment intended to achieve a specific or generic commercial outcome that is not in the public interest.

2. DJAG Fraud and Corruption Control Model

2.1 The key components of the DJAG's fraud and corruption control model are:

- **senior management commitment** - senior management promotes ethical leadership by regularly communicating and demonstrating ethical conduct and promoting a zero tolerance of fraud and corruption and associated behaviours and attitudes
- **ethical framework**- all levels within the department promote an ethical organisational culture that embeds initiatives, polices and training to deter and minimise the opportunities for fraud and corruption
- **fraud and corruption awareness** - ensure all staff are aware of the requirements of the departmental fraud and corruption policy and attend appropriate training and managers and supervisors have the necessary knowledge to recognise the early warning signs of fraudulent activity
- **fraud and corruption governance** - committee structure established to promote collaboration and engagement across the department and regular review of the department's fraud and corruption control related activities
- **internal controls** - ensure strong and effective controls protect the department's interest and minimise exposure to the risk of fraud and corruption
- **fraud and corruption detection** - ensure cost effective controls are implemented to support the early and efficient identification of instances of suspected fraud and corruption
- **reporting** - ensuring a clear process around fraud related matters including, reporting of suspected suspicious or known illegal or unethical conduct is documented and available to all staff
- **protection for individuals** - protect and safeguard from reprisals all individuals who report suspected instances of fraud and corruption; and
- **management of suspected or detected fraud and corruption** - departmental processes that require each matter to be assessed to determine the appropriate outcome and to ensure a process of ongoing monitoring to reduce risk exposure and prevent reoccurrence.

This control model is further underpinned by the department's adherence to the ten (10) element model as articulated in [the CCC – Fraud and Corruption Control: Best Practice Guide March 2018](#) which helps to promote an integrated and holistic organisational approach to the effective management of fraud and corruption.

2.2 How we will know if we have minimised the potential for fraudulent and corrupt conduct

We will know that we have minimised the opportunity for fraud and corruption and corrupt conduct type incidents from occurring when we have the following activities in place:

- A contemporary integrity framework is in place with significant communication between each of the control areas in regard to risk mitigation
- There is a departmental culture that does not condone fraud or corrupt conduct and staff are encouraged and supported to report any alleged or suspected incidents
- Senior Leaders are visible in their collaborative leadership of preventing, detecting and reporting fraud and corruption control activities
- Managers are aware of and accountable for identified fraud risks, policies and procedures, and practices within their area of responsibility and of ensuring staff are aware of their individual responsibilities
- Effective internal controls are in place to manage potential fraud risks with regular monitoring and mechanisms to identify control weaknesses and to adopt appropriate additional controls
- Employees have a good awareness of fraud, corruption and/or corrupt conduct matters through awareness training and know the ways in which allegations or concerns regarding suspected fraud, corruption and/or corrupt conduct can be reported
- Updates to fraud-related policies, procedures, Code of Conduct and other ethical and integrity related information, are effectively communicated to all employees
- All staff have completed the relevant suite of mandatory training
- Mandatory policy triggers are clearly defined, and robust management and reporting frameworks are in place so that staff are aware of how to report and escalate any issues of concern; and
- Fraud and Corruption control is embedded into a collaborative organisational culture, where business units work together in delivering a target centric approach to identifying, preventing, responding, monitoring, reporting and evaluating the reduction in the potential for fraud and corruption related activity within our department.

3. DJAG Fraud and Corruption Control Key Strategies

An overview of this strategy is provided in the **DJAG Fraud & Corruption Control SNAPSHOT**.

The following provides the contextual details as to how DJAG undertakes the activities as articulated in our **Fraud and Corruption Control SNAPSHOT**.

Strategy	Details
Management & Prevention	– Initiatives to prevent fraud and corruption from occurring
Detection & Reporting	– Initiatives to detect fraud and corruption when it has occurred – Reporting process (what to do when you detect Fraud or corruption)
Response	– Initiatives to facilitate corrective action and to deal with detected or suspected fraud and corruption

Monitoring/Evaluation	– Initiatives to ensure compliance with legislative responsibilities and to demonstrate commitment to fraud and corruption control
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3.1 Management and Prevention

3.1.1 Roles and Responsibilities

Fraud and corruption prevention is everyone’s responsibility. All staff and contractors are obliged to report and prevent fraud and corrupt conduct. Managers are required by law to proactively manage staff performance and conduct and take prompt appropriate action to address any matters arising.

Specific roles throughout DJAG also have delegated responsibilities which are outlined in **Appendix (A) – Roles and Responsibilities.**

We all need to work together to fight corruption.

3.1.2 DJAG Fraud Risk - Internal Controls

The department’s control environment is designed to facilitate the department fulfilling its obligations under the financial legislative framework and to meet the specific needs and activities (current and emerging) of the department to achieve efficient, effective and economical internal controls that enable and support the sound management of its financial resources. The control environment will ensure the department has rigorous controls in place to effectively manage any increased risks that may present.

Senior managers must ensure the sound application of these controls and promote and monitor their effectiveness.

DJAG has a sound control environment to reduce the likelihood of internal and external fraud risk, including:

- An emphasis on effective accountability, performance, leadership and high standards of ethical and professional conduct
- An organisational structure that details clear reporting relationships and accountabilities
- A delegation schedule for financial, procurement and human resource decisions
- A Financial Management Practice Manual which sets out DJAG’s financial policies and practices
- A program of regular internal and external financial, compliance and performance audits
- An independent Ethical Standards Unit to provide advice and investigate alleged fraud involving staff and corruption
- Pre-employment criminal history screening, as per DJAG Criminal history checks policy
- Mandatory reporting of all gifts and benefits for DJAG’s gifts and benefits register
- Mandatory reporting of all perceived and actual conflicts of interest to the relevant Executive Director through a supervisor and management or resolution strategies put in place with advice from the Ethical Standards Unit. This includes any potential conflicts of interest of family members of employees that may have perceived or actual influence over a DJAG decision or process.
- Comprehensive Public Interest Disclosure and Complaints Management Frameworks
- Governance committees that identify and assess current and emerging issues
- Clear policies for the delegation and separation of duties, and

- An organisational culture that encourages collaboration and the provision of feedback to improve our governance systems.

In addition to DJAG's controls listed above, business areas with a higher risk of external fraud are required to have a local policy and/or procedure reduce the likelihood of external fraud risk. This includes business areas responsible for grant or community funding, contract management and procurement, information technology, and management of personal and sensitive information.

3.1.3 Ethical Culture and Awareness

A fundamental strategy in controlling/preventing the risk of fraud and or corruption across the department is the continuous development and maintenance of a sound ethical culture.

The Code of Conduct for the Queensland Public Service contains four ethics principles and sets the standard of ethical behaviour for all public service employees.

The principles are:

- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government; and
- Accountability and transparency.

All departmental staff must take personal responsibility for familiarising themselves with the Code of Conduct for the Queensland Public Service and these guiding principles and underpinning values.

Key aspects of the departmental fraud prevention framework are:

- ensuring managers are aware and accountable for identified fraud risks, policies and procedures and practices within their area of responsibility
- establish and monitor internal controls to manage potential fraud risks
- identifying control weaknesses and implementing measures to address these weaknesses
- undertaking periodic fraud risk assessment to identify potential risks and control weaknesses and appropriate treatments
- proactive treatment of fraud risks and assessments of existing control effectiveness
- ensuring any updates to fraud-related policies, procedures, Code of Conduct and other ethical and integrity related information, are effectively communicated to all employees
- ensuring employees are aware of alternative ways they can report allegations or concerns regarding suspected fraud, corruption and or misconduct
- encouraging the reporting of misconduct, including any suspected incidents of fraud and corruption; and
- discussions led by line manager during workplace meetings.

3.1.4 Training

All DJAG employees and contractors must undertake mandatory training in relation to ethics and fraud prevention, including:

- attend the Ethical Standards Unit's (ESU) face-to-face Workplace Ethics course (where available) or, if unable to attend the face-to-face course, complete ESU's Workplace Ethics online Evolve course within one month of commencement

- complete ESU's Workplace Ethics online Evolve course every year as a refresher, and
- complete the Corporate Governance (CGU) unit's Fraudulent Behaviour online Evolve training every two years.

Further awareness activities can be found on the department's intranet and internet pages, and on the DJAG Risk and Resilience yammer page. Training and awareness activities are considered, as required, by the Fraud and Corruption Control Action Group (FCCAG).

3.1.5 Risk Assessment to be recorded

Our risk-based approach is aimed at identifying and targeting areas of concern within the department and with key stakeholders.

Fraud and corruption risk assessments at all levels within the department must:

- cover both internal and external threats to business activities
- focus on the protection of physical and financial resources and the secure management of information resources
- involve all employees, including senior managers; and
- be recorded in risk registers.

The DJAG risk management framework requires all risks, including fraud risks, to be captured in divisional or operational risk registers when the potential for fraud arises.

Risk owners are responsible for overseeing and managing the risks and treatments for their area of responsibility.

Fraud and corruption risks identified as part of a work area's overall risk management plan must be provided to the Fraud Control Officer (FCO) for review by the Fraud and Corruption Control Action Group (FCCAG).

To undertake this activity all business areas, need to submit copies of their risk register to the Corporate Governance Unit (CGU) on a half yearly basis. CGU will collate a report that will be provided to the FCO outlining a summary of the Fraud and Corruption related risk themes.

All risks with a residual risk rating of High or above are reported to the Audit and Risk Management Committee.

3.1.6 Our Best Practice targets are:

- the organisation should assess fraud and corruption risks using a comprehensive risk management system to establish the level and nature of its exposure to internal and external threats
- the assessment should cover all discrete functions and operations of the organisation
- to ensure an integrated and consistent approach, the fraud and corruption risk assessment should form part of the organisation's overall risk management strategies
- the organisation should carry out the risk identification and assessment tasks to capture all likely risks and treatment plans to mitigate risks
- when dealing with Fraud and Corruption Control risks, wherever possible, focus on reducing the likelihood by providing adequate training rather than accepting the risk
- The fraud and corruption risks and planned actions should be detailed in the risk register; and

- The organisation should incorporate the outcomes of risk reviews and control responses into the overall departmental risk strategy to ensure that risk is managed in an integrated manner

The following table from the Committee of Sponsoring Organisations of the Treadway Commission (COSO) helps to explain the correlation between the departments control environment and its whole of department fraud and corruption control risk activity.

Source: [COSO Fraud Risk Management Guide Executive Summary September 2016](#)

COSO Framework Components and Principles		Fraud Risk Management Principles
Control Environment	DJAG demonstrates a commitment to integrity and ethical values	DJAG establishes and communicates via the Fraud and Corruption Control Action Group (FCCAG)
	The Board of Management (BoM) exercises oversight of the development and performance of internal controls	
	Management establishes, structures, reporting lines and appropriate authorities and responsibilities in the pursuit of objectives	
	DJAG holds individuals accountable for their internal control responsibilities in the pursuit of objectives	
Risk Assessment	DJAG specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives	DJAG performs comprehensive fraud risk assessments to identify specific fraud related risks, assess their likelihood and significance, evaluate existing fraud control activities, and implement actions to mitigate residual fraud risks.
	DJAG identifies risks to the achievement of its objectives across the entity and analyses risks as a basis for determining how risks should be managed	
	DJAG considers the potential for fraud in assessing risks to the achievement of objectives	
	DJAG identifies and assesses changes that could significantly impact the system of internal control	
Control Activities	DJAG selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels	DJAG selects, develops, and deploys preventative and detective fraud control activities to mitigate the risk of fraud events occurring or not being detected in a timely manner.
	DJAG selects and develops general control activities over technology to support the achievement of objectives	
	DJAG deploys control activities through policies that establish what is expected and procedures that put policies into action	
Information & Communications	DJAG obtains or generates and uses relevant, quality information to	DJAG establishes a communication process

	support the functioning of other components of internal control	to obtain information about potential fraud and deploys a coordinated approach to address fraud appropriately and in a timely manner
	DJAG internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control	
	DJAG communicates with external parties regarding matters affecting the functioning of other components of internal control	
Monitoring Activities	DJAG selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.	DJAG selects, develops, and performs ongoing evaluations to ascertain whether each of the five principles of fraud risk management is present and functioning and communicates Fraud Risk oversight deficiencies in a timely manner to parties responsible for taking corrective action, including senior management.
	DJAG evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management, as appropriate.	

3.2 Detection

3.2.1 Detection Mechanism

The department's control environment includes extensive controls that when rigorously applied facilitate the detection of fraudulent and corrupt activities. The effective application of these across the department's business areas is the responsibility of all managers/supervisors.

Some examples of key controls are:

- regular monitoring and analysis of financial expenditure
- strict exercise of approved delegations
- structured and documented procurement practices
- validation and authorisation of fortnightly payroll reports
- segregation of duties
- third party checks of changes to vendor bank accounts.

3.2.2 Active Detection Measures

Awareness of warning signs for possible fraud or corruption can be a useful method of detection.

There are two types of indicators, these are:

- behavioural – unusual actions or traits exhibited by an individual/s; and
- transactional – unusual transactions related to common business activities.

Some common examples of possible fraud indicators can be:

Internal Fraud

- unexplained and or sudden sources of wealth
- excessive secrecy in relation to work
- employees who are aggressive or defensive when challenged, and /or controlling of certain colleagues
- poorly reconciled cash expenses or customer accounts
- employees known to be under external financial pressure
- employees who delay providing information or who provide different answers to different people
- employees under apparent stress without identifiable pressure
- employees making procedural or computer enquiries inconsistent or not related to their normal duties
- managers who avoid using the Procurement Unit (e.g. excessive use of petty cash or credit cards to purchase items outside the procurement framework)
- employees who appear to make a large number of mistakes, especially those leading to financial loss
- employees with competing or undeclared external business interests
- employees (especially managers) with too much hands-on control
- employees refusing to take leave
- an unusual number of customer complaints, and/or
- customers or suppliers insisting on dealing with just one individual.

External Fraud

- client applications for government assistance with inconsistent signatures, mismatched fonts or handwriting on different pages of the same document
- invoices which look different to previous invoices issued by the same provider
- lack of supporting evidence, or finalised supporting evidence, that eligibility criteria for grant or community funding has been met
- expenditure has exceeded approved budgets for grant funding but there is not adequate information to explain the variance
- a high volume of transactions from one provider, such as a registered training organisation, used to support a licence, community or grant funding application, may indicate collusion between applicants and the provider, and/or
- attempts to obtain sensitive information such as usernames, passwords and credit card details (e.g. phishing emails, whaling attacks).

Corruption **red flags** include but not limited to:

- unusual familiarity between employees, clients and or suppliers
- pressure to select an unknown or unqualified supplier
- questionable contract amendments or extensions; and/or
- complaints from suppliers about procurement processes.

If any fraudulent and corrupt activities are detected or suspected these need to be immediately reported.

3.3 Reporting process – what to do when you suspect fraud or corruption

3.3.1 Internal fraud

All employees must report suspected fraud and corruption in a timely manner. Any instance of suspected fraud should be reported, regardless if the situation is brought to your direct attention, or if you have received the information directly.

Reporting suspected fraud not only allows individual cases to be investigated but drives the improvement of DJAG's fraud and corruption risk management practices.

Suspected fraud should be reported to a supervisor. If you are reluctant to report the situation to your immediate supervisor, you can report it to:

- a more senior manager, or
- the Executive Director, Ethical Standards Unit (ESU).

Note: all managers must report fraud and corruption concerns to the Executive Director Ethical Standards Unit (ESU). Please ensure that any evidence is preserved and prepared to be provided to ESU when requested.

It should be noted that some warning signs of potential fraudulent behaviour (e.g. employees refusing to take leave, making a large number of mistakes etc.,) may relate to conduct and/or performance issues rather than being an indicator of fraud. DJAG's People and Engagement team can assist with conduct and performance management advice.

3.3.2 How to report - Internal Fraud

- **Directly** – reporting suspected fraud or corruption can be done directly between individuals using various communication tools, including direct conversation; telephone conversation; or email. Do not confront the employee directly and try to preserve any evidence which may help an investigation.
- **Public Interest Disclosure (PID)** – A PID is a statement disclosing information that is in the public's interest regarding public sector wrongdoing. A PID can be made to report suspected corrupt conduct, maladministration, wasting of public funds, substantial and specific danger to public health and safety, the environment or a person with a disability, and reprisal action.

The Public Interest Disclosure Act 2010 governs the PID process. The Act states that staff making a PID are entitled to protections and support to help them make such disclosures. Information on making a PID is outlined in the [DJAG Public Interest Disclosure Policy](#).

3.3.3 How to report - External Fraud

All instances of external fraud or attempted external fraud must be reported in a timely manner. While staff must be diligent in identifying, reporting and dealing with potential external fraud, communication with clients must remain respectful and thoughtful.

Instances of suspected external fraud should be reported to your supervisor, a more senior manager or your director.

If the fraudulent activity is financial (e.g., fraudulent payment, or theft of money) it is important that your supervisor contact the Director Financial Operations (DFO). In consultation with the Fraud & Corruption Control Policy

DFO the relevant divisional head should be briefed to seek approval to report the incident to the police.

Should your business area suffer a loss as a result of the fraud, this should also be reported to the Director, Financial Operations, who will report to the Queensland Audit Office, as required.

Business areas with a higher risk of external fraud are required to have a local policy and/or procedure to outline the reporting process.

3.3.4 Potential Credit Card Fraud – please refer to section 4.3 Manage corporate card disputes of the [FMPM statement 8.8.1 Qld Government Corporate Purchasing Card](#).

3.3.5 Reporting to the Fraud Control Officer (FCO) (Director Financial Operations, Financial Services Branch) All instances of attempted and confirmed fraud are to be recorded by the business area and reported to FCO on a quarterly basis for monitoring and oversight.

A report template which may be used for recording instances of fraud and for reporting to the Fraud Control Officer (FCO) is at **Appendix (C) – Fraud reporting template**.

3.4 Response

3.4.1 Internal Focus - Ethical Standards Unit (ESU) Investigations

All alleged instances of employee fraud or corruption are referred to the Ethical Standards Unit (ESU).

ESU manages the investigations into allegations of misconduct / corrupt conduct, and the submission of reports and advice to decision makers involving serious workplace conduct and disciplinary issues.

The Executive Director ESU also performs the role as the DJAG liaison officer for the Crime and Corruption Commission (CCC) and the Public interest Disclosure (PID) Officer.

ESU is authorised to refer matters to the CCC on the Director-Generals' behalf.

The CCC decides to either take action or refer the matter back to the department for investigation or other action.

ESU can provide advice to managers on their role in this process, if required.

There is a statutory obligation under section 38 of the *Crime and Corruption Act 2001* to refer reasonably suspected corrupt conduct to the CCC, subject to other directions agreed by the department and the CCC under section 40.

As fraud and corruption falls within the definition of corrupt conduct, once referred to ESU these matters will be assessed and if appropriate referred to the CCC and ESU will undertake any appropriate action. This may include preliminary investigations to establish the substance of the complaint.

If an investigation is likely to occur:

- Staff are obliged to respect the dignity and rights of the alleged perpetrator, pending investigation in accordance with statutory obligations.
- Management must ensure the preservation of due process, discourage staff from speculating on matters pending investigation and retain all relevant records; and
- The outcome of all investigations are subject to audit/review by the Crime and Corruption Commission (CCC).

Following an investigation of a suspected fraud or corruption incident, managers are required to revisit their risk register and review fraud controls within the context of their business.

The Executive Director, ESU will determine whether allegations of fraud or corruption involving employees should be reported to the Queensland Police Service in accordance with the department's obligations, and if so, will make the report on the department's behalf.

3.4.2 Consequences

Investigation findings that substantiate the allegation of fraud or corruption, or attempted fraud or corruption, will be actioned in accordance with legislative and policy requirements, and the principles of natural justice.

Consequences for committing or attempting fraud and/or corruption may include, but are not limited to:

- formal disciplinary action which may include demotion, termination of employment, financial penalty or other appropriate penalties
- repayment of misappropriated funds and other costs
- written warnings; and/or
- penalties imposed by a Court following criminal investigation by the CCC, Queensland Police Service or other prosecution agencies.

3.4.3 External Focus - Investigation

Should you believe that you have encountered fraudulent activity, it is important that you report this immediately. If the fraudulent activity is financial (e.g., a fraudulent payment), report it immediately as outlined in **3.3.3 "How to report - External Fraud"**.

Otherwise, if you suspect an instance of external fraud, you should:

- Identify the suspect situation or behaviour
- Conduct a preliminary assessment to determine:
 - What the suspected fraud was (e.g. claiming for government assistance when not entitled)
 - Who attempted the fraud
 - When the fraud occurred, and
 - Where and how the fraud occurred
- Discuss the situation with your supervisor/manager.

After you discuss the situation with your supervisor, further investigation maybe required. For routine or minor matter (i.e. instances of fraud that, on initial assessment, would be unlikely to Fraud & Corruption Control Policy

be accepted by the Queensland Police Service for investigation) an investigation may be able to be conducted by a person with subject knowledge. This person is required to document the reasons for their decisions, no matter what the outcome of the investigation.

More complex or serious matters should be referred to the Queensland Police Service.

Once the investigation is completed, a brief should be progressed as follows:

- **For confirmed fraud** – a brief to the divisional head seeking approval to refer the matter to the Queensland Police Service for prosecution, followed by a brief to the Director-General advising of any associated loss as a result of the fraud and action taken, unless the Director-General has specifically delegated this authority.
- **For attempted fraud** – the affected business area to brief the Director-General seeking approval for appropriate action, which may include issuing a written warning, unless the Director-General has specifically delegated this authority.

As part of the investigation, any weaknesses in DJAG's control system should be identified and modified or amended to prevent the same instance of external fraud from occurring again.

Business areas with a higher risk of external fraud are required to have a local policy and/or procedure to outline the investigation process, including the appointment of an appropriately qualified investigator if required, and appropriate quality assurance over investigations.

3.5 Monitoring and Evaluation

Following an investigation of a suspected fraud or corruption incident, managers must revisit their risk registers and review internal controls.

3.5.1 Ongoing review

The Fraud and Corruption Control Snapshot is reviewed annually or in the event of significant change occurring within the department.

Other strategies to minimise fraud and corruption exposure include:

- updating the fraud and corruption risk assessments to ensure significant existing and emerging fraud and corruption risks are captured and managed
- developing and reviewing control strategies, to ensure an appropriate balance between prevention and detection; and
- review of individual fraud and corruption cases to identify the cause, areas of control weakness, where possible measure the loss or cost of the fraud and lessons learned.

3.5.2 Audit and Risk Management Committee

The Audit and Risk Management Committee is a governance committee chaired by an external party. The committee monitors and assesses the departmental financial and governance compliance, audit activities, risk management and internal control. A representative from the Queensland Audit Office (QAO) is also an observer member.

3.5.3 Audits (internal and external)

DJAG is subject to both internal and external auditing.

The QAO is an external agency responsible for undertaking regular independent audits of agencies' risk management processes and internal controls in order to enhance public sector accountability.

The DJAG Internal Audit Unit provides independent, authoritative and confidential advice to the Director-General, and independently reviews departmental operations.

Internal Audit conducts a range of frequent financial, compliance, performance, business improvement, information systems and regional audits to identify issues and recommend improvements. Once Internal Audit finalise an audit, they provide reports to both the Director-General and to the audited business areas to facilitate compliance and improvement.

Risk –based audits are conducted by both DJAG Internal Audit and the QAO, testing DJAG's management of fraud by sampling and selecting transactions to review, and reporting on identified issues.

All outcomes of risk management audits are considered by the ARMC.

3.5.4 Fraud and Corruption Control Action Group (FCCAG)

- This group meets quarterly and acts as a subgroup of the Audit and Risk Management Committee. The group's charter is to review the Fraud and Corruption Control Risk Register and the Fraud and Corruption Control Snapshot and to discuss and review the effectiveness of departmental activity in mitigating potential fraud or corruption risk from occurring in the department.
- The group also provides consultative advice to the departments Audit and Risk Management Committee and to the Board of Management (BoM) in relation to potential fraud and corruption related issues.

3.5.5 External oversight

There are several independent agencies that have complementary roles to promote good governance, accountability and integrity these are:

Government Body/Role	Departmental reporting obligations
Crime and Corruption Commission (CCC) receives complaints about possible official misconduct and determines the most appropriate action	Director-General must notify the CCC if he/she suspects that a matter involves or may involve corrupt conduct. This function is delegated to the Executive Director, Ethical Standards Unit.
Queensland Audit Office (QAO) provides independent audit services	Any suspected material loss must be reported to the Auditor-General within six months of becoming aware of the loss, or if the loss is suspected to be the result of an offence under the Criminal Code or related Act. This is reported through the Director, Financial Operations.
Queensland Police Service (QPS) Upholds and enforces the law	If an agency or Director-General suspects any crime the agency or accountable officer must also inform the QPS subject to public interest considerations. This must be reported through the Director-General or accountable officer identified in a local policy and/or procedure. Suspected criminal offences by staff are reported to the QPS by the Executive Director, Ethical Standards Unit in accordance with the department's obligations and public interest considerations.

Government Body/Role	Departmental reporting obligations
Queensland Ombudsman Oversight agency for all public interest disclosures made to the Queensland government	Under the <i>Public Interest Disclosure Act 2010</i> , agencies are required to provide regular reports to the Ombudsman about their PIDs. For information on how to make a PID please see the Public Interest Disclosure Policy .
Queensland Integrity Commissioner (QIC)	The Commissioner monitors compliance with the <i>Integrity Act 2009</i> and the Lobbyists Code of Conduct and accepts reports of breaches. All divisions are required to <u>report lobbying activity</u> to the Corporate Governance Unit quarterly.
Office of the Information Commissioner (OIC)	The OIC manages privacy complaints and mediates conflicts between privacy and the public interest. These complaints are reported through the <u>Right to Information and Privacy Unit</u> .
Public Service Commission	The department is required to report to the Public Service Commission (PSC) on a quarterly basis in relation to employee conduct and performance matters addressed, through the Conduct and Performance Excellence (CaPE) program.

4. Authorities

- *Crime and Corruption Act 2001*
- *Financial Accountability Act 2009*
- Financial and Performance Management Standard 2019
- *Public Service Act 2008*
- *Public Sector Ethics Act 1994*
- *Public Interest Disclosure Act 2010*
- Code of Conduct for the Queensland Public Service 2011
- ISO 31000 Risk Management - Principles and Guidelines
- AS 8001:2008 Fraud and Corruption Control risk standard
- CCC – Corruption in focus (a guide to dealing with corrupt conduct in the Queensland Public Sector) March 2019

5. Further information and support

Assistance with implementing and administrating fraud control processes within work environments is available.

If you have any questions or concerns about reporting suspected staff misconduct including fraud, please contact the DJAG Ethical Standards Unit (ethicalstandards@justice.qld.gov.au) for more information.

If you have any questions about the fraud and corruption control framework please contact Corporate Governance at corpgov@justice.qld.gov.au.

If you have any questions or concerns about reporting a fraud attempt on DJAG, please contact the relevant DJAG business unit at <https://www.justice.qld.gov.au/about-us/contact>

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License



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Appendix (A) - Roles & Responsibilities

Internal Parties	Responsibilities
Director-General	<ul style="list-style-type: none"> • Overall responsibility for prevention and detection of fraud and corruption within DJAG. • Legislated responsibility to exercise authority, on behalf of the department. • Manage public resources of the department efficiently, responsibly and in an accountable manner. • Implement policies and priorities responsibly. • Ensure impartiality and integrity in the performance of the department's functions. • Ensure accountability and transparency in the department's operational performance. • Promote continual evaluation and improvement of department's management practices.
All Executives and Managers	<ul style="list-style-type: none"> • Display ethical leadership and high personal standards of behaviour consistent with the Code of Conduct for the Queensland Public Service. • Visibly promote the department's ethical framework and adherence by all employees. • Effectively manage risk in accordance with the department's fraud risk management framework. • Proactively manage staff conduct and performance and take prompt and appropriate action to deal with issues arising. • Develop strong internal controls to assist with fraud and corruption prevention. • Ensure all employees and contractors complete compulsory DJAG training and awareness sessions in addition to job-specific training. • Ensure employee compliance with relevant policies and procedures including identifying and reporting on potential fraudulent and corrupt activities. • Refer to the Ethical Standards Unit (ESU) all reports of suspected fraud or corruption involving staff.
All employees (including contractors, volunteers, temporary and casual staff and QSS staff)	<ul style="list-style-type: none"> • Act in an ethical manner in the workplace • Understand and comply with all policies and procedures including: <ul style="list-style-type: none"> – safeguarding assets, information and other resources under their control – identify and report any potential issues – ensuring all administration is accurate with no deliberate omissions (e.g. allowance claims, recording accurate hours of work on timesheets) – <u>report all suspicions of fraud and corruption</u> – register all gifts and benefits offered and received, and – declare all perceived, potential and actual conflicts of interest including those of family members which may influence their official duties. • Undertake required education and training to responsibly and effectively undertake their duties.

Internal Parties	Responsibilities
Ethical Standards Unit	<ul style="list-style-type: none"> • Independently assess all allegations of suspected fraud and corruption involving staff and manages appropriate investigations and outcomes. • Ensure a proactive approach to public sector ethics by promoting an ethical culture and appropriate decision making through ethics education and training programs. • Report suspected fraud, corruption, criminal and other matters involving staff conduct to appropriate external organisations where required. • Manage DJAG public interest disclosures and ensure compliance with the <i>Public Interest Disclosure Act 2010</i>. • Develop and maintain ethics related policies and procedures for building and sustaining integrity and accountability. • Provide advice and direction to employees on the correct protocol for reporting unethical matters. • Provide advice to the department's senior leadership, managers and all staff on dealing with ethical issues, including management strategies for conflicts of interests and other employment.
Executive Director, Financial Services (Chief Finance Officer) (CFO)	<p>The CFO provides oversight of a number of assurance activities within the department; in the context for fraud and corruption control, the CFO's main responsibilities are:</p> <ul style="list-style-type: none"> • Review the effectiveness of the DJAG system of internal control for the management of financial information; and • Ensure that internal control deficiencies are resolved effectively.
Director Financial Operations (DFO) & Fraud Control Officer (FCO)	<ul style="list-style-type: none"> • Adopts the responsibilities as the DJAG Fraud Control Officer (FCO) • Responsible for reporting all financial losses to the Queensland Audit Office (QAO) • Responsible for the overall fraud and corruption control framework. • Supports the Chair of the Fraud & Corruption Control Action Group (FCCAG). • Ensure the fraud and corruption control framework undergoes a periodic review or more frequently as required. • Develop strategies in consultation with other key stakeholders to achieve an effective fraud and corruption control regime. • Ensure all operational areas implement effective risk management practices, including risk assessment of fraud and corruption. • Ensure that DJAG policies, training and reporting are effective, comprehensive and helpful for employees, contractors and clients to identify, report and prevent fraud and corruption.
Fraud & Corruption Control Action Group (FCCAG)	<ul style="list-style-type: none"> • The purpose of the DJAG Fraud and Corruption Control Action Group (FCCCAG) is to identify DJAG fraud risk vulnerabilities, undertake actions to mitigate identified vulnerabilities, identify future opportunities for the FCCAG to strengthen existing controls and make recommendations to the BoM and ARMC regarding high-level risks.

Internal Parties	Responsibilities
	<ul style="list-style-type: none"> • The DJAG Fraud and Corruption Control Action Group will: <ul style="list-style-type: none"> – Establish and contribute to an effective community of practice for fraud and corruption control. – Contribute to the ongoing development and continuous improvement of the DJAG Fraud and Corruption Control Risk Framework. – Review and maintain the treatments and controls and compliance of the DJAG Fraud and Corruption Control Risk Register. – Monitor and review departmental strategy on all fraud and corruption prevention activities and support continuous improvement strategies to ensure fraud awareness and compliance with public sector governance requirements. – Determine and encourage an inspired DJAG fraud and corruption control maturity through the support, encouragement, monitoring and achievements of the activities in the DJAG fraud and corruption control action plan, and – Ensure effective and regular communication of outcomes/recommendations.
<p>Audit and Risk Management Committee (ARMC)</p>	<ul style="list-style-type: none"> • Monitor the implementation of risk management (including fraud and corruption matters) and independently recommend actions to improve management frameworks. • Monitor the internal audit function to ensure audits include key fraud and corruption risks and that audits are risk-based.
<p>Internal Audit</p>	<ul style="list-style-type: none"> • Undertake scheduled audits, which include examining established controls to decide if there are robust enough to reduce the risks of fraud and corruption, including the identification of work practices that may lead to fraudulent and corrupt activities. • Report in writing any suspected activities of fraudulent or corrupt practices involving staff identified during an internal audit function to the Executive Director, Ethical Standards Unit (ESU) for assessment and possible investigation and/or referral to the appropriate external agency.
<p>Corporate Governance Unit (CGU)</p>	<ul style="list-style-type: none"> • Undertake and advise on DJAG business and policy improvements. • Manage DJAG compliance, performance and risk in accordance with appropriate governance frameworks. • Ensure that governance, compliance, performance, and risk (including fraud risk) issues are reported to the Director-General and Board of Management. • Support the Fraud Control Officer and Fraud and Corruption Control Action Group (FCCAG) by co-ordinating or implementing FCCAG actions as appropriate. • Report regularly on DJAG performance and compliance including complaints and fraud issues. • Manage the Gifts and Benefits register.

Internal Parties	Responsibilities
Information Technology Services	<ul style="list-style-type: none"> • Establish and maintain ICT systems that allow information owners to secure departmental information. • Manage whole of department technology risks • Ensure that ITS staff act ethically when using technology and their elevated systemic privileges.
People and Engagement (Branch)	<ul style="list-style-type: none"> • Advise DJAG managers, staff and contractors on human resources and industrial relations matters. • Report to Director-General and BoM regarding human resources matters • Process recruitment activities in line with a recruitment and selection framework. • Liaise with Queensland Police Service (QPS) to manage pre-employment screening activities.

Appendix (B) – DJAG and other Government links and resources

DJAG Internal Resources

Corporate Governance

- [Risk register template](#)
- [Client complaint management policy](#)
- [Client complaint management handbook](#)
- [Complaint management training](#)
- [Gifts and benefits policy](#)
- [Receiving gifts and benefits](#)
- [Gifts and benefits reporting](#)

People and Engagement

- [Request for a criminal history check](#)
- [Criminal history check – list of positions requiring a criminal history check](#)
- [Declaration of previous serious discipline history template](#)
- [Employment screening directive](#)
- [Criminal history check flowchart – General Screening](#)
- [Criminal history check policy](#)
- [Criminal history check guidelines for Assessing Suitability – General Screening](#)
- [Human resources delegations](#)

Information Technology Services

- [Records and information management](#)
- [Information security](#)
- [Cyber security](#)
- [Intellectual property](#)
- [Managing information in DJAG](#)
- [Recordkeeping](#)

Ethical Standards Unit

- [ESU branch linkage](#)
- [Conflicts of interest policy](#)
- [Other employment](#)
- [Public interest disclosure](#)
- [Workplace policy](#)
- [Workplace ethics training calendar](#)

Financial Services Branch

- [Financial management practice manual \(FMPM\)](#)
- [Financial delegations](#)

External Resources

Department of the Premier and Cabinet

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

Public Service Commission

- [Access to declaration of interests](#)
- [Declaration of interests - Chief Executives](#)

- [Declaration of interests - Senior Executive Service](#)
- [Declaration of interests – Public Service Employees](#)
- [Declaration of previous employment as a lobbyist policy](#)
- [Gifts and benefits directive](#)
- [Gifts and benefits guideline](#)
- [Use of internet and email policy](#)

Queensland Legislation

- [Community Services Act 2007](#)
- [Crime and Corruption Act 2001](#)
- [Financial Accountability Act 2009](#)
- [Financial and Performance Management Standard 2019](#)
- [Public Interest Disclosure Act 2010](#)
- [Public Sector Ethics Act 1994](#)
- [Public Service Act 2008](#)

Queensland Audit Office

- [Fraud Risk Management Report: 6 2017-18](#)
- [Fraud risk assessment and planning tool](#)
- [Fraud and corruption self-assessment tool](#)
- [Leading Accountability - Governance](#)

Ombudsman

- [How to make a public interest disclosure](#)
- [Make a complaint](#)
- [The complaints process](#)

Queensland Crime and Corruption Commission

- [Operation Belcarra – A blueprint for integrity and addressing corruption risk in local government](#)
- [Corruption in focus](#)
- [Corruption prevention](#)
- [CCC – contacts and networking](#)
- [Assessing and notifying](#)
- [Corruption prevention resources](#)
- [CCC - Fraud and Corruption Control: Best Practice Guide March 2018](#)

Queensland Audit Office

- [Report 6: 2017-18 Fraud Risk Management](#)
- [Identifying fraud hotspots](#)
- [Report 1: 2015-16 Results of audit: Internal control systems 2014-15](#)
- [Report 3 : 2019-20 Managing cyber security risks](#)
- [Fraud risk assessment planning tool model](#)

Queensland Police – Fraud Squad

- [Find out more about fraud](#)

Australian Attorney-General’s Department (Commonwealth Fraud Prevention Centre)

- [Fraud Control in Australian Government Entities – Better Practice Guide](#)
- [Commonwealth Fraud Prevention Centre \(CFPC\)](#)

Standards Australia

- [AS 8001:2008 – Fraud and Corruption Control \(sample only\)](#)
- [As/NZS ISO 31000:2009 Risk Management](#) (principles and Guidelines) (sample only)

Appendix (C) – Fraud reporting template

DJAG Fraud Reporting Template						
Reference Number (if applicable)	Business Unit/ Division	Date Detected	Fraud Incident Description (Who, what, when, where, how?)	Investigation Summary	Status	Outcome
	Justice Services/VAQ	31/03/2017	Xx claimed for a payment with fraudulent receipts. Payment of \$xxx was made to the applicant	31/03/2017 - investigation commenced 07/04/2017 - investigation recommendations presented 14/4/2017 - Brief to DG progressed for approval to refer to QPS	Ongoing	Referred to Qld Police Service – for further action

Parties	Collaborative Contribution
Ethical Standards Unit	<ul style="list-style-type: none"> - Provide advice and direction to employees on the correct protocol for reporting unethical matters - Develop and maintain ethics related policies and procedures for building and sustaining integrity and accountability - Ensure a proactive approach to public sector ethics by promoting an ethical culture and appropriate decision making through ethics education and training programs - Report suspected fraud, corruption, criminal and other matters to appropriate external organisations where required - Manage the DJAG public interest disclosures and ensure compliance with the <i>Public Interest Disclosure Act 2010</i> - Independently investigate all allegations of suspected fraud and corruption involving DJAG employees - Provide input to FCCAG/ FCO on issues and trends in fraud related matters
Internal Audit	<ul style="list-style-type: none"> - Undertake scheduled audits, which include examining established controls to determine if they are sufficiently robust to reduce the risks of fraud and corruption, including the identification of work practices that will lead to fraud and corruption activities, and look for any systemic problems that could provide an opportunity for fraudulent or corrupt conduct.
Fraud Control Officer (FCO)	<ul style="list-style-type: none"> - Responsible for the overall fraud and corruption control policy. - Develops strategies in consultation with other key stakeholders to achieve an effective fraud and corruption control regime - Ensure all operational areas implement effective risk management practices, including risk assessment of fraud and corruption - Ensure that DJAG policies, training and reporting are effective, comprehensive and helpful for employees, contractors and clients to identify, report and prevent fraud and corruption
Financial Services Branch (Including the Corporate Governance Unit)	<ul style="list-style-type: none"> - Support the Fraud Control Officer and the FCCAG by co-ordinating or implementing FCCAG actions as appropriate - Manage DJAG compliance, performance and risk in accordance with appropriate governance frameworks - Undertake and advise on DJAG business and policy improvements - Ensure that governance, compliance, performance and risk (including fraud risk) issues are reported to the Director-General and Board of Management (BoM) - Report regularly on DJAG performance and compliance including complaints and fraud issues - Manage the Gifts and Benefits register
Information Technology Services	<ul style="list-style-type: none"> - Manage the security of DJAG's information through the use of technology - Establish and maintain ICT systems that allow information owners to secure departmental information - Manage whole of Department technology risks - Ensure that ITS staff act ethically when using technology and their elevated systemic privileges
People and Engagement	<ul style="list-style-type: none"> - Advise DJAG Managers, staff and contractors on human resources and industrial relations matters - Regularly report to the Director-General and BoM regarding human resources matters - Process recruitment activities in line with the recruitment and selection framework - Liaise with QPS to manage pre-employment screening activities

Parties	Collaborative Contribution
DJAG Business Areas	<ul style="list-style-type: none"> - Display ethical leadership and high personal standards of behaviour consistent with the Code of Conduct for the Queensland Public Service and DJAG Workplace Policy. - Visibly promote the department’s ethical framework and adherence by all employees. - Effectively manage risk in accordance with the department’s fraud and corruption control policy. - Proactively manage staff conduct by taking prompt and appropriate action. - Develop strong internal controls to assist with fraud and corruption prevention. - Ensure all employees and contractors complete compulsory DJAG training and awareness sessions regarding fraud and corruption in addition to job-specific training. - Ensure employee compliance with relevant policies and procedures including identifying and reporting on potential fraudulent and corrupt activities. - Advise the Ethical Standards Unit (ESU) regarding all reports of suspected fraud or corruption.

The

purpose of the SNAPSHOT:

The Snapshot details either specific organisational unit(s) or more broadly senior management or all staff/all areas where it is seen that responsibility lies for ensuring the activities are effectively managed and/or followed. It is every staff member’s responsibility to abide by the Code of Conduct; by the ethical standards expected by the department; and to be vigilant in identifying and reporting any incidents of fraud and corruption.

All control measures are informed by and respond to current and emerging fraud and corruption risks as articulated in the DJAG Fraud and Corruption Control Risk Register (under development) and are reviewed on a regular basis to ensure approaches remain appropriate, cost-effective and proportionate to relevant risks.

The Snapshot captures the four (4) key activities which are key for the department to:

- **Prevent** – initiatives to prevent fraud and corruption from occurring;
- **Detect** – Initiatives to detect fraud and corruption when it has occurred;
- **Provide a Response** – Initiatives to facilitate corrective action and to deal with detected or suspected fraud and corruption;
- **Monitoring, Reporting and Evaluation** – initiatives to ensure compliance with legislative responsibilities and to demonstrate commitment to fraud and corruption control.

PREVENTION - Initiatives to prevent fraud and corruption from occurring

Activity	Subcomponents	Details	Lead Area	Frequency
Integrated agency policy	Fraud and Corruption Control Policy	Articulated policy that outlines how the department's collaborative activities are undertaken to prevent, detect, respond, monitor and evaluate the effectiveness of the departments Fraud and corruption control model.	<ul style="list-style-type: none"> Corporate Services (CGU) 	Ongoing
Risk Management	Identification of areas most vulnerable to corruption or fraudulent activity	Consideration of fraud and corruption risk is addressed in the DJAG Fraud & Corruption Control Risk Register, and the departments risk tolerance is articulated (i.e., no tolerance for fraudulent, corrupt or inappropriate behaviour)	<ul style="list-style-type: none"> Corporate Services (CGU) Ethical Standards Unit (ESU) Internal Audit 	Quarterly
		Specific functional area fraud risks are addressed in operational risk registers	<ul style="list-style-type: none"> Corporate Services (CGU, Financial Services (FSU) and ITS) Ethical Standards Unit (ESU) Internal Audit 	Quarterly
		Governance committees to provide mechanism for making decisions that are accountable and transparent – Fraud and Corruption Control Action Group (FCCAG) Terms of Reference (ToR) includes senior representation by all areas of the department involved in the mitigation of fraud and corruption type risks		
Internal controls	Governance Framework	Governance framework comprising Financial Internal Control Environment, Information Security Standards and guidelines, Ethics and conduct guidelines etc.	<ul style="list-style-type: none"> Corporate Services (ALL) ESU 	Yearly
		Clear accountability and reporting framework for the department is maintained and reviewed regularly. (e.g. Financial & Human Resources delegations)	<ul style="list-style-type: none"> Corporate Services (CGU) 	Ongoing
		Screening of potential new employees is conducted (criminal history checks and validation of qualifications)	<ul style="list-style-type: none"> Corporate Services (P & E) 	Ongoing
	Accountability and responsibility	Executive and senior managers support and model culture of adherence to governance principles	<ul style="list-style-type: none"> All Executive and Senior Managers 	Ongoing

		Public sector employment mandates compliance with the code of conduct	<ul style="list-style-type: none"> All Staff 	Ongoing
		Advice available to senior leaders, managers and all staff on the early resolution of ethical issues	<ul style="list-style-type: none"> Ethical Standards Unit (ESU) 	Ongoing
		Supervisors monitor work performance and adherence to work procedures and ensure training and advice is provided to staff on procedures.	<ul style="list-style-type: none"> All Staff 	Ongoing
		Recordkeeping monitored for adherence to recordkeeping classification policies.	<ul style="list-style-type: none"> All Staff 	Ongoing
	Conflicts of interest & Personal disclosures	<ul style="list-style-type: none"> All staff to make appropriate declarations of any Conflict of Interests and Other Employment, and a strategy implemented to manage or resolve conflicts. Related parties disclosure processes for key management personnel (potential disclosures in financial statements) 	<ul style="list-style-type: none"> All Staff Ethical Standards Unit (ESU) Corporate Services (P & E & FSU) 	Bi- Annually
Independent Assurance	Internal Audit	Internal Audit to review processes as outlined in the Internal Audit Plan, in order to assess the adequacy and effectiveness of internal controls and provide recommendations to improve the department's overall control environment.	<ul style="list-style-type: none"> Internal Audit 	Ongoing
Staff education & awareness	Availability of policies and procedures	Fraud and Corruption Control and related policies and procedures and other staff processes and information to be available on intranet.	<ul style="list-style-type: none"> Corporate Services (CGU, FSU, ITS) Ethical Standards Unit (ESU) 	Ongoing
	Training & awareness	Staff have access to training courses relating to Fraud and Corruption control and prevention.	<ul style="list-style-type: none"> Corporate Services (CGU, Financial Services and ITS) 	Ongoing

			<ul style="list-style-type: none"> Ethical Standards Unit (ESU) 	
Code of conduct	Induction program	Information on fraud and corruption prevention and control to be provided to all new staff.	<ul style="list-style-type: none"> All Managers 	As required
	Staff training	Workplace Ethics including (Code of Conduct) training to promote a compliance culture and awareness of fraud and corruption prevention and control	<ul style="list-style-type: none"> Ethical Standards Unit (ESU) 	Ongoing
	Staff Performance and Development (PEP)	Culture, values and an organisational understanding to be included in PEPs (Performance Evaluation Plan) for each Departmental officer.	<ul style="list-style-type: none"> All Staff 	Ongoing
Client & community awareness	Availability of policies and procedures	Website reflects Departmental values	<ul style="list-style-type: none"> Ethical Standards Unit (ESU) Corporate Services (CGU /FSB) 	As Required
		Relevant corporate reports and publications to make reference to fraud and corruption prevention and control (e.g. Annual report, the CFO's Assurance Statement)	<ul style="list-style-type: none"> Corporate Services (CGU & FSU) 	Ongoing
	Training and awareness	External parties undertaking the performance of a contract with the department on departmental premises and/or having access to departmental premises and/or having access to departmental systems or records are to be advised of the department's fraud and corruption control policy	<ul style="list-style-type: none"> All Staff 	As required
	RTI and Privacy requests, & RTI Disclosure Log	Information that explains the departments RTI process etc. is published on the Department's external website.	<ul style="list-style-type: none"> RTI and Privacy 	As required

DETECTION - Initiatives to detect fraud and corruption when it has occurred

Activity	Subcomponents	Details	Lead Area	Frequency
Internal controls	Formal and informal work processes	<ul style="list-style-type: none"> • Specific functional area processes, guidelines, instructions and risk assessments • Ongoing awareness and training of work processes • Separation of duties • System controls – compliance with delegations 	<ul style="list-style-type: none"> • All Staff 	Ongoing
	ICT Event Monitoring	Monitoring and alerts (for example the monitoring of phishing and malware type and potential fire wall breaching attempts etc.)	<ul style="list-style-type: none"> • Corporate Services (ITS) 	Ongoing
	Internal Controls/Data Analytics	<ul style="list-style-type: none"> • Ongoing analysis and monitoring of transactional data across key financial processes to determine whether those processes are effective and to identify potential hot spots and areas requiring further investigation • Assessment of the Internal Control Environment and CFO Assurance Statement to the DG 	<ul style="list-style-type: none"> • Internal Audit • Corporate Services (Financial Services) 	Ongoing
Independent Assurance	Internal Audit	Independent analysis of internal controls	<ul style="list-style-type: none"> • Internal Audit 	Ongoing
External Controls	External scrutiny of processes	<ul style="list-style-type: none"> • External financial reporting • External governance – CCC & QAO benchmarking type activity • Publication of departmental Annual Report • Continuous Control Monitoring activities performed by QSS 	<u>External</u> <ul style="list-style-type: none"> • Commonwealth Bank of Australia (CBA) • Queensland Shared Services (QSS) • Crime and Conduct Commission (CCC) • Queensland Audit Office (QAO) 	Continuous
		Queensland Audit Office – Permanent Membership (Observer) attendance at the DJAG Audit and Risk Management Committee	<ul style="list-style-type: none"> • Queensland Audit Office 	Quarterly

Public Interest Disclosures (PIDs)	Management of PIDs	Policy and management on Public Interest Disclosures to be kept up to date and reviewed regularly	<ul style="list-style-type: none"> Ethical Standards Unit (ESU) 	As required
		All staff to adhere to PID policy.	<ul style="list-style-type: none"> All Staff 	Ongoing
		Reasonable protective measures are implemented to monitor and minimise the risks of reprisal action and to ensure allegations of reprisal against disclosers are dealt with swiftly and appropriately.	<ul style="list-style-type: none"> All Managers Ethical Standards Unit (ESU) 	Ongoing
Internal reporting	Complaints	Adherence to DJAG complaints policy and procedures Service delivery complaints – complaints are managed in accordance with departmental policies	<ul style="list-style-type: none"> All Business Units 	As required
	Corrupt conduct	Referrals are managed in accordance with law and departmental policies	<ul style="list-style-type: none"> Ethical Standards Unit (ESU) 	
	Accountability Framework	<ul style="list-style-type: none"> Organisational structure to be supported through a control environment (including official delegations and policies). CFO Assurance Statement to the Director-General, which assesses the effectiveness of the control environment 	<ul style="list-style-type: none"> Corporate Services (Financial Services) 	Quarterly
	Informal reporting channel	Culture of reporting of fraud and corruption is supported and promoted through management support, induction, training, the intranet, organisational planning and policies and procedures.	<ul style="list-style-type: none"> All management 	As required

RESPONSE - Initiatives to facilitate corrective action and to deal with detected or suspected fraud and corruption

Activity	Subcomponents	Details	Lead Area	Frequency
Internal controls	Control environment established and reviewed	As necessary	<ul style="list-style-type: none"> • Corporate Services (ALL) • Internal Audit • Ethical Standards Unit (ESU) • Individual Business Areas 	As required
	Policies and procedures	Policies and procedures are reviewed cyclically or in response to emerging matters: <ul style="list-style-type: none"> • Taking into account recent risk incidents. • In response to recommendations by internal audit • Change in government or departmental policy 	<ul style="list-style-type: none"> • Corporate Services (ALL) • Individual Business Areas 	As required
Staff education and awareness	Training/awareness program	Awareness of internal controls/prevention mechanisms is reinforced through training.	<ul style="list-style-type: none"> • All senior management 	As required
		Departmental stance on fraud and corrupt conduct to be stated in relevant corporate communications.	<ul style="list-style-type: none"> • All senior management 	As required
Investigations	Investigations conducted	<ul style="list-style-type: none"> • Investigations in relation to alleged fraud involving DJAG employees and corrupt conduct (unless otherwise directed by the CCC) are conducted in accordance with departmental policy and guidelines • Appropriate action is taken in relation to any substantiated allegations of fraud or corrupt conduct against departmental employees 	<ul style="list-style-type: none"> • Ethical Standards Unit (ESU) 	As required
	Investigation reports/feedback	Departmental investigations will consider any systemic or procedural deficiencies which may have led to an incident of fraud occurring and will formulate recommendations for corrective action to minimise the risk of similar incidents occurring	<ul style="list-style-type: none"> • Ethical Standards Unit (ESU) • Corporate Services (ALL) 	As required

Risk Management	Identification of areas most vulnerable to corruption or fraudulent activity	Systemic issues identified and recorded as either Strategic or Operational level risks with associated controls, treatments & mitigation strategies	<ul style="list-style-type: none"> • Corporate Services (CGU & Financial Services) • Ethical Standards Unit (ESU) • Internal Audit • Individual Business Areas 	Quarterly
		Fraud and Corruption Control Action Group (FCCAG) related activities (e.g., review of control environment & identification of new and emerging risk – and reporting to Audit and Risk Management Committee, BoM and the DG and other committees within the department’s governance structure.)		

MONITORING, REPORTING AND EVALUATION - Initiatives to ensure compliance with legislative responsibilities and to demonstrate commitment to fraud and corruption control

Activity	Subcomponents	Details	Lead Area	Frequency
Internal Oversight	Fraud and Corruption Control Action Group (FCCAG)	<p>FCCAG oversight, management and review of identified risks</p> <ul style="list-style-type: none"> FCCAG related activities (e.g., review of control environment & identification of new and emerging risks – and reporting to Audit and Risk Management Committee, BoM and the DG and other committees within department’s governance structure.) Risks identified as a “Hot Spot” (i.e. areas considered most vulnerable to corrupt conduct or fraudulent activity) are discussed at FCCAG 	<ul style="list-style-type: none"> Corporate Services (CGU) 	Quarterly
	Board of Management (BoM)	High level forum to discuss the effectiveness of the departments overarching Fraud and Corruption Control related activities, and oversight treatment and mitigation related activities	<ul style="list-style-type: none"> Senior Executives 	Quarterly
	Audit and Risk Management Committee (ARMC)	Assurance to BoM and to the Director-General, that an effective governance structure is in place to identify, mitigate and prevent fraud & corruption type incidents from occurring within the department (ARMC – has external representation from External members and QAO observation) (3 rd line of defence activity)	<ul style="list-style-type: none"> Internal Audit 	Quarterly
Independent Assurance	Internal Audit	Internal Audit Plan is influenced by contents of strategic and operational risk registers	<ul style="list-style-type: none"> Internal Audit 	Yearly
		Internal Audit reviews of departmental functions, programs or projects which may identify processes susceptible to fraud and corrupt conduct. Instances where risk is not adequately addressed, are reported to management and the ARMC in the form of Internal Audit reports.		
		Department to respond promptly to audit findings and implement recommendations in a timely manner.		

	External audit (QAO)	External auditing of departmental process and effectiveness of the departments control environment (3 rd Line of defence activity)	<ul style="list-style-type: none"> Queensland Audit Office (QAO) 	Yearly
	Queensland Crime and Corruption Commission (CCC)	External review to identify compliance with legislated requirements and recommended best practice and to help identify any areas for improvement (3 rd Line of defence activity)	<ul style="list-style-type: none"> Crime and Corruption Commission (CCC) 	As required
External Reporting	Ministerial reporting requirements	Fraud and corruption control matters to be addressed in: <ul style="list-style-type: none"> Ministerial and Parliamentary Briefing notes Other 	<ul style="list-style-type: none"> All senior management 	As required
	Governance publications	Fraud prevention and control matters to be reported in the: <ul style="list-style-type: none"> Annual Report Operational Plan and operational risk registers. 	<ul style="list-style-type: none"> Corporate Services (CGU) 	Yearly
				Quarterly
Financial and Performance Management Standard	Fraudulent incidents that exceed \$500 in value to be reported to the Minister, the Auditor General and the Queensland Police Service	<ul style="list-style-type: none"> Ethical Standards Unit (ESU) Fraud Control Officer 	As required	

How to know if we have minimised the potential for fraudulent and corrupt conduct?

We will know that we have minimised the opportunity for fraud and corruption and corrupt conduct type incidents from occurring when we have the following activities in place:

- Significant communication between each of the control areas in regard to risk mitigation;
- A departmental culture that does not condone fraud or corrupt conduct and staff are encouraged and supported to report any alleged or suspected incidents;
- Senior Leaders are visible in their collaborative leadership of preventing, detecting and reporting fraud and corruption control activities;
- Managers are aware of and accountable for identified fraud risks, policies and procedures, and practices within their area of responsibility and of ensuring staff are aware of their individual responsibilities;
- Effective internal controls are in place to manage potential fraud risks with regular monitoring and mechanisms to identify control weaknesses and to adopt appropriate additional controls;
- Employees have a sound awareness of fraud, corruption and/or corrupt conduct matters through undertaking internal controls and financial responsibilities and fraud and corruption awareness training and workplace ethics training know the ways in which allegations or concerns regarding suspected fraud, corruption and/or corrupt conduct can be reported; and
- Updates to fraud-related policies, procedures, Code of Conduct and other ethical and integrity related information, are effectively communicated to all employees.

How will we measure this?

- All staff have completed the relevant suite of mandatory fraud and corruption control training modules (or have undertaken an annual refresher online training module); and
- Monitoring the number of reported instances of fraud and corruption related occurrences within the department.

Our Best Practice targets are:

- The organisation should assess fraud and corruption risks to establish the level and nature of its exposure to internal and external threats;
- The assessment should cover all discrete functions and operations of the organisation;
- To ensure an integrated and consistent approach, the fraud and corruption risk assessment should form part of the organisation's overall risk management strategies;

- The process of risk evaluation should be based on a comprehensive understanding of the organisation's risk profile within the context of its particular operating environment;
- The organisation should allocate sufficient resources to carry out the risk identification and assessment tasks to capture all likely risks and treatment plans to mitigate risks;
- When dealing with fraud and corruption risk, wherever possible, focus on reducing the likelihood by providing adequate training rather than accepting the risk;
- The fraud and corruption risks and planned actions should be listed and prioritised in a Fraud and corruption control risk register, and
- The organisation should incorporate the outcomes of risk reviews and control responses into the overall departmental risk strategy to ensure that risk is managed in an integrated manner.