Communities and Justice

Fraud and Corruption Prevention Control Policy

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1   Purpose

This policy sets out the system of fraud and corruption prevention control and covers the responsibilities for managing fraud and corruption within the Department of Communities and Justice (DCJ).

2   Definitions

Term	Definition
Corruption	Dishonest activity in which a person associated with an organisation (e.g., director, executive, manager, employee, or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly. It does not necessarily involve material gain for the perpetrator or material loss to DCJ. *(AS8001: 2021 – Fraud and Corruption Control)*
Corrupt Conduct	Corrupt conduct includes: a. any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority, or b. any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of their official functions, or c. any conduct of a public official or former public official that constitutes or involves a breach of public trust, or d. any conduct of a public official or former public official that involves the misuse of information or material that they have acquired in the course of their official functions, whether or not for their benefit or for the benefit of any other person. (*See s 8 Independent Commission Against Corruption Act 1988* (NSW) (ICAC Act))
Conflict of Interest	A conflict of interest exists when a reasonable person might perceive that an employee's personal interests could be favoured over their public duties.

Cybercrime	Criminal activity where services or applications in the cyberspace are used for or are the target of a crime, or where the cyberspace is the source, tool, target, or place of a crime.
Fraud	Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of monies or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity. It includes the theft or improper use of DCJ's resources.
Fraud and Corruption Control System	Framework for controlling the risks of fraud and corruption against or by an organisation.
Fraud and Corruption Risk Assessment	Application of risk management principles and techniques to the assessment of the risk of fraud and corruption within an organisation in accordance with the DCJ's Enterprise Risk Management Framework.
Staff	Refers to all ongoing, temporary, and casual employees, contractors (contingent labour), consultants and volunteers
Technology-enabled Fraud	Fraud against, or by an organisation which relies heavily on information technologies, and which would not be possible without information technologies.

3 Scope

This policy sets out the system of fraud and corruption prevention control and covers the responsibilities for preventing and managing fraud within DCJ. It applies to all staff and recognises the role each person has in preventing, detecting, and reporting suspected fraudulent and/or corrupt conduct. It is the responsibility of all to behave in a lawful and ethical manner.

Department suppliers and non-government organisations (NGOs) are expected to have similar fraud and corruption control measures in place to prevent, detect, and respond to corruption as prescribed in DCJ's Statement of Business Ethics.

This policy does not operate in isolation and should be read in conjunction with DCJ's other policies (refer to section 7 of this document - related policies).

4 Policy Statement

DCJ has a zero-tolerance approach to fraud and corruption, and disciplinary and/or legal action will be taken against those who commit fraud or corruption.

DCJ is committed to preventing and minimising the incidence of fraud and corruption by implementing and regularly reviewing a range of strategies and controls that aim to prevent, detect, and respond to fraud or corrupt conduct.

A breach of this policy may lead to disciplinary action including termination of employment or engagement.

Individuals found to have committed an offence under any relevant legislation may also be subject to penalties as prescribed by the legislation, which can include criminal charges.

4.1   What is fraud and corruption?

Corrupt conduct is defined by the Independent Commission Against Corruption (ICAC) as deliberate or intentional wrongdoing, not negligence or a mistake. For the purposes of this Policy, it has to involve or affect a NSW public official or public sector organisation.

While it takes many forms, corrupt conduct occurs when:

- A public official improperly uses, or tries to improperly use, the knowledge, power, or resources of their position for personal gain or the advantage of others.
- A public official dishonestly exercises their official functions, or improperly exercises their official functions in a partial manner, breaches public trust or misuses information or material acquired during the course of their official functions.
- A member of the public influences, or tries to influence, a public official to use their position in a way that affects the probity of the public official's exercise of functions.
- A member of the public engages in conduct that could involve one of the matters set out in [section 8(2A) of the ICAC Act](#) where such conduct impairs, or could impair, public confidence in public administration. Some examples of this are:
    - collusive tendering
    - fraud in relation to applications for licences, permits or other authorities under legislation designed to protect health and safety or the environment or designed to facilitate the management and commercial exploitation of resources
    - dishonestly obtaining or assisting in obtaining, or dishonestly benefiting from, the payment or application of public funds for private advantage or the disposition of public assets for private advantage
    - defrauding the public revenue
    - fraudulently obtaining or retaining employment or appointment as a public official.

DCJ considers it an obligation of its employees and third-party providers (including NGOs) that such conduct be promptly reported.

4.2 Proactive Fraud and Corruption Prevention

DCJ's approach to the prevention of fraud and corruption includes the following, in line with *AS 8001: 2021 Fraud and Corruption Control*:

- Promoting a sound integrity framework
- Managing conflicts of interest
- Managing risks connected to gifts, benefits, bequests, hospitality, donations, and similar benefits
- Managing internal controls and the internal control environment
- Managing performance-based targets
- Workforce screening
- Screening and ongoing management of business associates
- Preventing technology-enabled fraud
- Physical security and asset management.

4.3 The Ten Attributes of Fraud Control

DCJ's approach to fraud and corruption is structured around ten key attributes, as shown below:

Ref.	Attribute
1	**Leadership:** overall accountability for fraud and corruption control sits with the Secretary and Executive team, however all staff have a role to play.
2	**Ethical Framework:** fraud and corruption control interacts with other elements of the DCJ's ethics framework.
3	**Responsibility Structures:** sets out responsibilities of individual roles and teams across DCJ.
4	**Policy:** refer to this overarching policy. This document does not operate in isolation and has strong links to the following: - the Code of Ethical Conduct - Conflicts of Interest Policy and Procedure - Senior Executive and Private Interest Policy and Procedure - Secondary Employment and Unpaid Work Policy and Procedure - Gifts, Benefits and Bequests Policy and Procedure - Enterprise Risk Management Policy and Framework.
5	**Prevention Systems:** preventative controls in various functions including people, finance, procurement, payroll, information and digital services, audit and risk management.
6	**Fraud Awareness:** emphasises the importance of staff awareness in preventing, detecting, and reporting fraud and corruption.

7	**Third Party Management Systems:** set out some of the means by which DCJ controls the risk of fraud and corruption in third party (including NGOs) arrangements.
8	**Notification Systems:** ways in which staff can fulfil their obligation to report actual and suspected fraud and corruption. Also outlines DCJ's systems for notifying external parties, as required.
9	**Detection Systems:** outlines the various measures that are in place to detect fraud and corrupt conduct.
10	**Investigation Systems:** describes DCJ's commitment to thoroughly and properly investigate all suspected fraud and corruption. All investigations adhere to natural justice principles, confidentiality, rules of evidence and standards of proof, legal and policy compliance. Specialist and external resources are used when necessary.

5   Channels for Reporting Fraud and Corruption

Contact information can be found below:

5.1   Public Interest Disclosures

- Refer to the [Public Interest Disclosure Policy](#) or
- Contact DCJ's [Public Interest Disclosure Coordinator](#), Director of Conduct and Professional Standards.

5.2   Fraud and Corruption Hotline (24/7)

The Hotline has been established to receive suspected fraud or corruption reports via an external independent provider (Core Integrity). The Hotline supports anonymous reporting while still allowing the investigator to seek further information from the anonymous reporter via a secure web-based system i.e., the anonymous reporter cannot be identified which allows the reporter to participate and track a matter through its investigation and to resolution.

- Toll free number: 1800 950 649
- www: qrs.ly/DCJFraudHotline
- Email: DCJFraudHotline@coreintegrity.com.au
- Mail: PO Box 895, Darlinghurst NSW 1300
- QR code below:

5.3 Contracted Service Providers

- An allegation of fraud and corruption involving a contracted service provider should be directed to the relevant contract manager in the first instance. Otherwise use the Fraud and Corruption Hotline.
E: Manager.PrudentialOversight@dcj.nsw.gov.au

5.4 Housing Fraud Unit

- E: HFU@dcj.nsw.gov.au

- Access the intranet site at: Tenancy Fraud Unit

- Write to Housing Fraud Unit: 6 Paramatta Square, 10 Darcy St, Parramatta, NSW 2150

5.5 Registrar of Community Housing

- Call 1800 330 940

- Write to: The Registrar of Community Housing: 6 Paramatta Square, 10 Darcy St, Parramatta, NSW 2150

- Visit: www.rch.nsw.gov.au

5.6 External Reporting Bodies

- Independent Commission Against Corruption (ICAC)

  Call 1800 463 909 | Online form www.icac.nsw.gov.au/reporting/report-corruption

- Ombudsman's Office

  Call on 9286 1000 | Visit www.ombo.nsw.gov.au

- Audit Office

  Call 02 9275 7100 | Visit www.audit.nsw.gov.au

  E: governance@audit.nsw.gov.au Information and Privacy Commission

  Call 1800 472 679 | Visit www.ipc.nsw.gov.au

6 Related Legislation and Documents

- *Crimes Act 1900* (NSW)

- *Government Sector Employment Act 2013* (NSW)

- *Independent Commission Against Corruption Act 1988* (NSW)

- *Ombudsman Act 1974* (NSW)

- *Public Interest Disclosure Act 2022* (NSW)

- [Public Service Commissioner Direction No 1 of 2022 - Managing Gifts and Benefits](#)

- [Treasury Circular TC18-02 NSW Fraud and Corruption Control Policy](#)

- [Treasury Policy Paper TPP20-08 Internal Audit and Risk Management Policy for the General Government Sector](#)

7   Related Policies

This Policy is consistent with [Australian Standard 8001:2021 Fraud and Corruption Controls](#) and the [ICAC Assessing Corruption Control Maturity Guide](#).

This policy integrates with DCJ's:

- [Code of Ethical Conduct](#)
- [Enterprise Risk Management Policy and Framework](#)
- [Public Interest Disclosure Policy and Procedure](#)
- [Gifts, Benefits and Bequests (GBB) Policy and Procedure](#)
- [Conflicts of Interest (COI) Policy and Procedure](#)
- [Statement of Business Ethics](#)
- [Secondary Employment and Unpaid Work (SEUW) Policy and Procedure](#)
- [Senior Executive Private Interest Declaration (SEPID) Policy and Procedure](#)

8   Responsibilities

Position Title	Responsibilities
Secretary	- Exercise leadership, promote a culture of probity and ethical conduct and model DCJ values - Drive and promote DCJ's no-tolerance fraud and corruption culture - Manage risk across DCJ as established by [section 3.6 of the *Government Sector Finance Act 2018*](#) - Ensure that DCJ has appropriate risk management processes and controls in place including those relevant to the identification and management of corruption - Provide notification of corrupt conduct to the Independent Commission Against Corruption (ICAC) in accordance with [section 11 of the ICAC Act](#) - Appoint a Departmental Fraud Control Officer - Ensure DCJ has a Conduct and Professional Standards Unit for managing disciplinary action

	against staff who are proven to have breached the Code of Ethical Conduct.
Audit and Risk Committee (ARC)	• As required by the [Treasury Policy Paper 20-08 Internal Audit and Risk Management Policy for the General Public Sector](#) (TPP20:08), the ARC is responsible to satisfy itself that DCJ has appropriate processes, controls, and systems in place to capture and effectively investigate fraud related matters • Review and oversight of the fraud and corruption prevention activities within DCJ and advise the Secretary on the adequacy of activities and outcomes • Assist the Secretary in discharge of their responsibilities in relation to TPP20-08, and the *Government Sector Finance Act 2018*
Executive Leadership Team	• Support and promote a no-tolerance culture within DCJ • Implement risk management processes and controls and maintain sound risk management practices within their areas of responsibility in accordance with this, and other policies.
Those with responsibilities for fraud and corruption relating to DCJ Staff (i.e., Professional Standards and Investigations Branch, Conduct and Professional Standards, Business Ethics and Compliance)	• Coordinate DCJ's strategies/activities to prevent, detect and respond to corruption • Coordinate corruption prevention awareness training • Ensure that all corruption prevention related policies and procedures are communicated and available to staff and other relevant external parties • Ensure that all instances of reported suspected fraud and corruption are appropriately recorded, assessed, and investigated (where relevant), and referred (where appropriate) to ICAC, NSW Police, other regulatory bodies, or other investigative units within DCJ. • Collate corruption statistics and relevant information to support regular reporting, including for the annual report • Support business areas (as required) to develop tailored strategies addressing specific requirements in relation to the mitigation and control of fraud and corruption

	• Provide a fraud and corruption report to the ARC on a quarterly basis • Oversee and/or manage serious allegations of corrupt conduct investigations that have been referred by staff, the Secretary, the Ministers' Office, a Professional Conduct unit, or Senior Management • Establish an appropriate investigation procedure to be consistently applied in undertaking fraud and corruption investigations • Liaise and update reporters as required • Establish, release, and promote anti-corruption publications.
Other DCJ Departments responsible for corruption allegations about DCJ contracted parties (Prudential Oversight, Housing Fraud Unit etc.)	• Act as the DCJ's lead in dealing with relevant fraud and corruption matters (within their existing responsibility). • Report all relevant fraud and corruption allegations to the relevant external bodies • Perform and/or manage relevant fraud and corruption assessments and investigations (where required) • Establish an appropriate investigation procedure, aligned to this Policy, to be consistently applied in undertaking assessments and investigations • Establish agreements with Government agencies and departments for the purpose of obtaining data (i.e. Roads and Maritime Services, Births Deaths and Marriages, Immigration, Department of Human Services). • Provide fraud and corruption information quarterly to the Audit, Risk and Compliance team
DCJ People Branch	• Ensure the induction of new employees requires reading, understanding, and signing of the *DCJ Code of Ethical Conduct* and associated policies as part of the acceptance of employment • Develop and implement a Learning and Development program to promote employee awareness of the *DCJ Code of Ethical Conduct,* including induction and refresher training • Provide assistance in the development and promotion of fraud and corruption awareness programs

Executive Directors, Executive District Directors, Directors and Managers	- Perform fraud and corruption risk assessments as required by the DCJ enterprise risk management policy - Consider fraud and corruption risk when developing business plans - Encourage staff input into planning and implementation of anti-corruption measures - Divisional management should perform a review of the internal control environment after any incident of fraud. The DCJ Audit, Risk and Compliance Team should be informed and consulted prior to performing the review. In cases of material fraud, the Chief Audit Executive and Audit and Risk Committee may initiate an internal control review to evaluate the effectiveness of the internal controls in preventing any further fraud. - Promote DCJ's commitment to providing high quality services to clients, through maintaining the highest standards of integrity and ethics - Report all staff related allegations of fraud and corruption to the Conduct and Professional Standards Unit or Professional Standards and Investigations Branch (for Corrective Services).
Staff	- Report known and suspected corrupt and/or fraudulent behaviour to either their immediate supervisor, the Director Conduct and Professional Standards or the DCJ Fraud and Corruption 24/7 Hotline - Cooperate with all corruption investigations that may take place - Proactively and constructively take part in any planning and implementation of anti-corruption/ fraud control measures - Actively participate in training in relation to corruption prevention.

8.1   Managing Personal Information

Personal and health information collected by the Department is required to be handled responsibly in accordance with the requirements of the *Privacy and Personal Information Protection Act 1998* (NSW) (PPIP Act) and the *Health Records and Information Privacy Act 2002* (NSW) (HRIP Act) as outlined in the Department's Privacy Management Plan. This includes ensuring information is only used and

disclosed for permitted purposes and ensuring information is stored securely and protected from unauthorised access.

9   Quality Assurance and Continuous Improvement

- The Fraud and Corruption Prevention Control Policy will be reviewed at least every two years in the absence of any significant changes or more frequently, where required; considering legislative or organisational change, risk factors and consistency with other supporting policies.
- DCJ's professional standards and investigations units undertake programs of work to improve the fraud and corruption control environment.

10   Document Information

Document name	DCJ Fraud and Corruption Prevention Control Policy
Document reference	TRIM REF: 24/1253
Replaces	Family and Community Services (FACS) Fraud and Corruption Prevention Policy (2015) and the Department of Justice Fraud and Corruption Policy (2018).
Applies to	Whole of Department application
Policy Administrator	Audit, Risk and Compliance Branch For Policy enquires please contact Enterprise Governance for direction to appropriate area.
Approval	Catherine D'Elia
Version	1.0
Commenced	22 March 2024
Due for review	30 June 2026
Policy owner	Enterprise Governance, Audit Risk and Compliance, Corporate Services

11 Support and Advice

Advice and support is available from:

Business unit	Enterprise Governance, Audit, Risk and Compliance
Email	corporatepolicies@dcj.nsw.gov.au

12 Version and Review Details

Version	Effective date	Reason for amendment	Reviewer	Due for review
0.1	22/03/2024	Update of policy	Audit Risk and Compliance	30/06/2026