

Fraud and Corruption Control Policy

Version 4.0

March 2023

1 Purpose

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

2 Scope and Application

This policy applies to all NSW SES members and the legislations under which NSW SES operates. The policy is underpinned by the NSW SES values of Trust, Accountability, Respect, Professionalism and Integrity, Safety and Service (TARPS) and its Code of Conduct and Ethics. The policy emphasises that fraud prevention and control is the responsibility of all members.

The scope includes:

- Controlling the sources of fraud and corruption, implementing controls, and detecting, fraud and corruption
- Cultivating and maintaining an environment in which corrupt and fraudulent behaviour is reported and responded to an appropriate disciplinary action(s) taken for breaching this policy
- Members' individual responsibilities in preventing fraud and promoting an ethical and effective workplace

The Policy is supported by other fraud management resources including the:

- Fraud Control Plan
- Fraud and Corruption Control Policy FAQ

This Policy is based on best practice public sector compliance which adheres to AS 8001-2021 Fraud and Corruption Control and Treasury Circular 18-02 (NSW Fraud and Corruption Control Policy).

Compliance with this policy is mandatory. All members must act ethically and not engage in, assist or tolerate any fraudulent or corrupt activity.

3 Fraud and Corruption

3.1 What is fraud and corruption?

Fraud

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

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

For fraud to exist, the attempt to deceive to gain a benefit must be intentional and not accidental. There is a general expectation for fraud to be associated with a deliberate attempt to deceive through false statements, actions, or omissions. Fraud may include deliberate falsification, concealment, destruction or improper use of documentation or improper use of other information or position.

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

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

Corruption:

Corrupt conduct is defined formally in Section 8 of the *Independent Commission Against Corruption Act 1988* (NSW). Broadly this refers to conduct that could adversely affect the honest and impartial exercise of official functions by a public official.

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

3.2 Sources of fraud and corruption

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

- Offering Members bribes, gifts or hospitality
- Trying to pressure a member’s spouse/partner into making a decision favouring the external source
- Requesting Members to improperly access or release NSW SES information, including databases
- Overcharging NSW SES
- Charging for time not worked
- Theft or unauthorised use of SES assets, electronic data, systems, equipment, supplies, cash etc.

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

- Employees claiming for time that they did not work, falsifying timesheets/flexsheets
- Members claiming expenses that were not incurred for NSW SES work
- Supervisors allowing overtime to be worked when it is not required
- Purchasing items for personal use through NSW SES
- Awarding a contract or employing a family member, close friend, or acquaintance, when the decision is not based on merit or without disclosing the relationship

3.3 Fraud and corruption risk assessment

Fraud and corruption risks will be identified as part of the directorate risk assessment program. A Fraud Risk Assessment will be conducted on a bi-annual basis and consistent with NSW Audit Office Fraud Control Volume 2: Developing an Effective Strategy.

4 Policy Principles

4.1 Policy principle 1 – Preventing fraud and corruption

NSW SES is committed to the prevention of fraud and corruption by promoting ethical behaviours and developing and implementing monitoring, robust internal control systems. The Audit and Risk Committee will foster an ethical organisational culture and strengthen NSW SES's resistance to fraud and corruption.

To prevent fraud and corruption supervisors must create processes and procedures for:

- All Members to read and acknowledge this policy and NSW SES Code of Conduct and Ethics
- Members must endeavour to model behaviours consistent with NSW SES's values - TARPS
- Following correct job practices
- Actively supporting strategies implemented in their areas to minimise fraud and corruption
- Being continuously vigilant to the potential for fraud or corruption
- Alerting responsible people to flaws in processes and systems that may be exploited

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

4.2 Policy principle 2 – Detecting fraud and corruption

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

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

4.3 Policy principle 3 – Reporting fraud and corruption

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

Any NSW SES Member receiving a report must take complete notes about what has been reported to him or her. They should then pass the report onto the Senior Manager Probity and Standards as soon as practicable.

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

4.4 Policy principle 4 – Protection for Disclosures

The *Public Interest Disclosures Act 1994* (PID Act) (NSW) provides protection for public officials making a public interest disclosure in accordance with the provisions of the Act.

Supervisors must ensure that any person who makes a PID is adequately supported and protected from any form of reprisal.

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

4.5 Policy principle 5 – Remedial and disciplinary action

Members must not engage in fraudulent or corrupt conduct. All allegations of a member breaching this policy will be assessed.

Remedial or disciplinary action may be taken against any Member:

- Found to be in breach of this policy
- Found to have deliberately made a false allegation in relation to this policy
- Who victimises a Member who has made an allegation, or takes any form of detrimental action against a member
- Who victimises a Member who has supported a Member who has made an allegation
- Who breaches confidentiality or privacy in relation to a breach of this policy

The process for assessment, investigation and the undertaking of remedial or disciplinary action will be as per *Government Sector Employment Act 2013 (NSW)* and *Government Sector Employment Rules 2014 (NSW)* for paid staff. In the case of volunteer members, these processes will be undertaken in accordance with relevant NSW SES policy and procedures, e.g., NSW SES Code of Conduct & Ethics and NSW SES Allegations of Misconduct Procedures – Volunteer Members and the NSW SES Volunteer Membership Policy.

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

Allegations of fraud may be reported to NSW Police Force (NSWPF), PID reprisal to ICAC, Maladministration to the Ombudsman or Auditor General and Privacy to the Information and Privacy Commissioner.

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

5 Roles and Responsibilities

5.1 Commissioner, Deputy Commissioners, and Directors:

- The Commissioner is accountable for the implementation of this policy in NSW SES
- The Deputy Commissioners and Directors of each functional or geographic area are responsible for the implementation and communication of the policy within their directorate(s) and functional areas
- Must effectively model the behaviours and values of NSW SES Values (TARPS)

5.2 The Policy Owner and Custodian:

- The Senior Manager Governance & Policy is accountable for the development, maintenance, and dissemination, of this policy to the Membership of NSW SES
- The Senior Manager Governance & Policy is responsible for maintaining and providing regular (quarterly and annual) reports of fraud and corruption to the Commissioner

5.3 Supervisors and Commanders:

- Supervisors are responsible for the implementation of this policy. This includes functional groups and working groups under their direction
- The Zone leadership team are responsible for the implementation of this policy in their Zone. This includes Units, Zones, and functional groups
- Local/Unit Commanders are responsible for the implementation and adherence of this policy within their Units and activities under their direction
- All Supervisors are responsible for not placing members in potentially difficult or compromising situations and, for supporting and protecting staff who report any instances of suspected fraud or corruption

5.4 Members:

- All Members of NSW SES are responsible for adhering to this policy
- All Members are responsible for reporting any suspicions of fraudulent or other corrupt activity occurring in their work area or elsewhere within the NSW SES

5.5 Professional Conduct Sub-Committee:

- Provide oversight to ensure the highest standards of conduct and performance of NSW SES members
- Review the NSW SES approach to fraud prevention, corruption risk management and management of investigations

6 Related Documents

- NSW SES Code of Conduct and Ethics
- NSW SES Donations, Fundraising and Sponsorship Policy
- NSW SES Gifts and Benefits Policy
- NSW SES Procurement Policy
- NSW SES Public Interest Disclosures (PID) Policy
- NSW SES Risk Management Policy

- NSW SES Volunteer Membership Policy

Relevant legislation includes:

- *Crimes Act 1900 (NSW)*
- *Government Sector Employment Act 2013 (NSW)*
- *Government Sector Employment Regulation 2014 (NSW)*
- *Government Sector Employment Rules 2014 (NSW)*
- *Independent Commission Against Corruption Act 1988 (NSW)*
- *Ombudsman Act 1974 (NSW)*
- *Government Sector Audit Act 1983 (NSW)*
- *Government Sector Finance Act 2018 (NSW)*
- *Public Interest Disclosures Act 1994 (PID Act) (NSW)*
- *State Emergency Service Act 1989 (NSW)*
- Treasury Circular 18-02 (NSW Fraud and Corruption Control Policy)

7 Support and Advice

You can get advice and support about anything in this policy from:

- Your Manager or Zone leadership team
- Senior Manager Probity & Standards
- Director People & Development
- The Doctrine Owner – Director Organisational Strategy, Planning & Performance
- The Doctrine Sponsor – Deputy Commissioner Corporate Services

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

- NSW ICAC - 02 8281 5999 or icac.nsw.gov.au
- NSW Audit Office - 02 9275 7100 - <http://www.audit.nsw.gov.au/>, and
- NSW Public Service Commission - (02) 9272 6000 - <http://www.psc.nsw.gov.au/>.
- Information and Privacy Commission NSW - 1800 472 679
<https://www.ipc.nsw.gov.au/>
- NSW Ombudsman – (02) 9286 1000 - <https://www.ombo.nsw.gov.au/what-we-do/our-work/public-interest-disclosures>

8 Definitions

In this policy, the term:

- **Must/required/shall** – indicates a mandatory action required that must be complied with.
- **Should** – indicates a recommended action that should be followed unless there are sound reasons for taking an alternative course of action.
- **May** – indicates there are other acceptable options of similar or equal application.

| Term | Definition |
|-------------------------|--|
| Corruption | Corrupt conduct is defined formally in Section 8 of the <i>Independent Commission Against Corruption Act 1988 (NSW)</i> . Broadly this refers to conduct that could adversely affect the honest and impartial exercise of official functions by a public official. |
| Member | A Member of NSW SES both volunteer and employee. All NSW SES Members are public officials in accordance with the: <ul style="list-style-type: none"> • <i>Independent Commission Against Corruption Act 1988 (NSW)</i> • <i>Ombudsman Act 1974 (NSW)</i> • <i>Public Interest Disclosures Act 1994 (PID Act) (NSW)</i> |
| Public authority | A Government agency. |
| Public official | <ul style="list-style-type: none"> • An individual having public official functions or acting in a public official capacity that is an officer, temporary employee, or is a member of a public authority in accordance with the: • <i>Independent Commission Against Corruption Act 1988 (NSW)</i> • <i>Ombudsman Act 1974 (NSW)</i> • <i>PID Act 1994 (NSW)</i> |

Document Control Sheet

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Approval

| Role | Title | Date | Version signed off |
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| Damien Johnston | A/Commissioner | 31/03/2023 | v4.0 |