



Policy number:	RAL / 30
Version:	2.2
Date of version:	March 2013
Applies to:	All DCSI
Implementation date:	Immediate
Issued by:	Financial Services
Delegated authority:	Andrew Thompson, Executive Director, Financial Services
Policy custodian:	Brenda Head, Principal Risk Management Consultant
Due for review:	March 2014
Confidentiality:	C2: restricted internal
SA Strategic Plan:	Target 32

(See Notes below to complete table)

Printed version of this document may be superseded – Refer to online policies and procedures for most current version.

1 Intent

The purpose of this policy is to reinforce that the Department for Communities & Social Inclusion (DCSI):

- has a zero tolerance to fraud and similar inappropriate and unethical behaviour;
- will maintain a culture within the organisation that upholds the prevention of fraud and corruption; and
- will maintain procedures which ensure management, employees, volunteers, agents, contractors, sub-contractors, clients and other suppliers of goods and services to DCSI understand their responsibilities to mitigate against fraud and corruption.

2 Context

DCSI supports a culture which upholds a vision of being connected, ethical, brave, respectful.

This policy is based on the principles of the Public Sector Act 2009 particularly Part 3, 5 (6) which refers to ethical behaviour and professional integrity and Part 3, 6 which refers to the public sector code of conduct (known as the Code of Ethics).

3 Risk

There is an opportunity for DCSI to lower the chance of fraud and corruption occurring due to increased staff awareness and willingness to comply with DCSI policies and procedures leading to optimal use of public resources and achievement of departmental objectives

4 Reference Documents and Links

4.1 Directive Documents

- Commonwealth Fraud Control Guidelines 2011
- Public Sector Act 2009
- Public Sector (Honesty and Accountability) 1995
- Public Sector Regulations 2010
- Code of Ethics for the South Australian Public Sector
- Treasurer's Instructions
- Whistleblower's Protection Act 1993
- State Procurement Act 2004
- Fair Work Act 1994
- Occupational Health, Safety and Welfare Act 1986
- Public Finance and Audit Act 1987

- Freedom of Information Act 1991
- Criminal Law Consolidation Act 1935
- Summary Offences Act 1953

4.2 *Supporting Documents*

- DCSI Fraud and Corruption Control Plan
- All DCSI Fraud and Corruption Procedures, corporate and divisional
- DCSI Conflict of Interest Policy
- DCSI Whistleblowers Policy (HRM-40)
- DCSI Receipt of Gifts, Benefits & Offers Policy (GOV-31)

4.3 *Related Documents and Resources*

- AS 8001:2008 Fraud and Corruption Control
- Australian Protective Security Policy Framework, December 2012
- Fraud Control in Australian Government Entities Best Practice Guide 2011
- Commissioner for Public Sector Employment Guideline: Management of Unsatisfactory Performance (including misconduct) December 2010
- Commissioner for Public Sector Employment Guideline: Gifts and Benefits September 2011
- DCSI policies and procedures relating to fraud prevention/control including but not limited to:
 - Risk Management (RAL 137 & RAL 166)
 - Internal Audit Charter, Jan 1013
 - Occupational Health, Safety and Welfare
 - Protective Security (ICT 133)
 - Procurement and Contract Management

5 Scope

All DCSI employees, volunteers, agents, contractors, sub-contractors and suppliers of goods and services to the DCSI must adhere to this policy.

All divisions within the DCSI Portfolio are expected to have their own fraud control procedures in place, which should be consistent with this policy, or adopt the overarching procedure.

6 Definitions

Appropriate person: Ideally, the appropriate person is the line manager of the person raising the issue. If the person raising the issue is not comfortable with notifying their line manager, there are other avenues for addressing their concerns. These include:

- Higher level supervisors, including Directors;
- Manager, Internal Audit,
- Director, Quality Assurance, Risk & Business Improvement (QARBI),
- Responsible Officers under *DCSI Whistleblower's Policy*; and
- Anti-Corruption Branch (ACB) of South Australia Police.

The appropriate person needs to ensure that information supplied is treated confidentially and, if appropriate, requirements under the *DCSI Whistleblower's Policy* are implemented.

Employees: As interpreted in accordance with the provisions of the *Public Sector Act 2009*, and for the purposes of this document, includes volunteers, contractors, sub-contractors, agents and intermediaries.

Legal professional privilege is obtained when communications occur between a legal practitioner and DCSI for the purpose of obtaining legal advice and may result in the protection of documents from production or disclosure during legal proceedings.

Fraud and other similar malpractices: For the purpose of this policy, fraud and other similar malpractices include, but are not limited to:

- Forgery or unsupported alteration of any document or record used in the conduct of DCSI business;
- Theft, misappropriation or mishandling of funds, securities or any other negotiable assets;
- Theft, misuse or damage of any fixed or movable asset or equipment;
- Misstatement or misrepresentation of facts or evidence with the intention to mislead;
- Unlawful, inappropriate or unauthorised disclosure or provision of information or material to unauthorised parties;
- Seeking or accepting anything of monetary, material and / or beneficial value from any person;
- Consultants or contractors doing business with DCSI in violation of conflict of interest principles;
- Similar or related irregularity / corrupt practices characterised by intentional deception whereby an executive, manager, employee or contractor abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity;
- Access to DCSI systems and records not relevant to a persons work practice or needs; and / or
- Destruction or removal of DCSI business records.

Corruption: For the purpose of this policy, corruption includes, but is not limited to:

- influencing the decision-making process of a public officer or authority;
- dishonesty or breach of trust by a public officer in the exercise of their duty;
- insider dealing/conflicts of interests;
- influence peddling by the use of fraudulent means such as bribery, blackmail, which includes the use of election fraud; and
- any person who directly or indirectly accepts, agrees or offers to accept any gratification from any other person to benefit him-/herself or any other person is guilty of the crime of corruption. The person who makes the offer or inducement to another to commit a corrupt practice is also guilty of the crime of corruption. Although there is an active and a passive side to the crime, both parties are equally guilty of corruption.

Risk is defined as the 'effect of uncertainty on objectives' (AS/NZ ISO 31000:2009)

7 Policy Detail

DCSI's total resources, comprising its revenue, expenditure, property, information and any other assets provide the basis on which its continuity, viability and service delivery is built.

DCSI requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible.

DCSI will protect itself and its resources from fraud and other similar malpractices, whether by members of the public, contractors, sub-contractors, agents, intermediaries or its own employees and volunteers.

DCSI will not tolerate any fraudulent behaviour, and has the right to examine all suspected acts of fraud, corrupt practices or other similar alleged malpractices, and report to the police as required by State Government policy and the law. An objective and impartial investigation will be conducted, regardless of the position, title, and length of service or relationship with DCSI, of any parties who might be allegedly involved.

Consequently DCSI will;

- maintain clear processes for management, employees, volunteers, service providers and other stakeholders to follow when fraud or corruption is suspected or detected;
- make detailed processes for reporting fraud or corruption available on the [DCSI Intranet Site](#).

- induct new staff on the fraud and corruption policy including the role of the Anti-Corruption Branch (ACB) of South Australia Police in the investigation of fraud and corruption;
- support staff who report matters of fraud and corruption;
- provide assurance to the community regarding the DCSI's commitment to accountability, transparency and ethical behaviour in its employees; and
- offer staff protection under the Whistleblowers Act.

Responsibilities

Executives and Managers at all levels are to maintain internal control procedures to minimise the risk of fraud, corruption and other similar malpractices by including fraud risk assessments in the annual risk workshop in collaboration with Risk Assessment Facilitators.

Employees, volunteers, agents, contractors, sub-contractors and suppliers of goods and services to DCSI are to refrain from engaging in any activity that is, or could be perceived as, fraudulent or unethical and are to **immediately** report any suspected fraud or other similar malpractices to an **appropriate person** as defined in this policy.

The appropriate person is responsible for the immediate notification of reported fraudulent activity to the Manager, Internal Audit.

The Manager, Internal Audit (IA) under the authority of the Chief Executive, will manage the investigation of any alleged fraud or corruption and where necessary, liaise with the police or other authorities. In doing so, the Manager, IA will consult with the relevant Executive Director. The Executive Director and the Manager, IA will work collaboratively to ensure that all aspects of the investigation are properly planned and communicated to all relevant stakeholders.

The relevant stakeholders include:

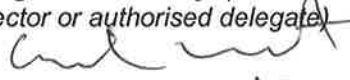
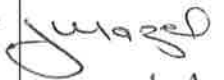
- ≈ Executive Director/Director of relevant area
- ≈ SAPOL
- ≈ Director, Quality Assurance, Risk & Business Improvement (QARBI)
- ≈ Principal Risk Management Consultant
- ≈ Risk Assessment Facilitator of the relevant area

The Director, QARBI is responsible for ensuring this policy is reviewed annually in accordance with Treasurer's Instruction 2.6.2.

The Director, Human Resources will manage all aspects of the disciplinary process including recommending disciplinary actions to the Chief Executive.

The Dean, College for Learning and Development will ensure that the DCSI induction program for new staff includes an orientation to the DCSI Fraud and Corruption Control policy.

8 Policy Approval

Content Author: BHead.		Delegated Authority: (Executive Director or authorised delegate) 		Chief Executive: (if required) 	
Date: 17.4.2013.		Date: 23-4-13		Date: 23/4/13	
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Position	Principal Risk Management Consultant	Position	Executive Director, Financial Services	Position	Chief Executive, DCSI