

PIRSA FRAUD AND CORRUPTION PLAN

PIRSA will comply with the [South Australian Public Sector Fraud and Corruption Control Policy](#), which sets out the minimum standards for the prevention, detection and response to activities labelled or defined as fraud, corruption and other criminal conduct, misconduct and maladministration.

DOCUMENT CONTROL

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REVISION RECORD

Date	Version	Revision description
25/02/2014	1.0	Plan incorporating requirements of the Independent Commissioner Against
10/02/2017	2.0	Plan revised to incorporate references to the South Australian Public Sector Fraud and Corruption Control Policy , establish a Plan and comply with annual reviews as required by Treasurer's Instruction 2: Financial Management .
31/05/2018	2.1	Minor annual review Plan updates approved by the Chief Executive.
May 2020	3.0	Change of the format and content of the existing Fraud and Corruption Plan to amend and update the Fraud and Corruption Plan
11/8/2020	3.1	Fraud and Corruption Plan approved by the Executive Leadership Team

1 PURPOSE

This document defines PIRSA's fraud and corruption processes used by the Risk and Audit Unit to establish the prevention, detection, reporting and response to fraud, corruption and other criminal conduct, misconduct and maladministration within PIRSA.

Definitions are included in Section 5. Definitions. This Plan is established under the *PIRSA Fraud and Corruption policy (separate document)* and defines specific responsibilities for staff (amongst other things).

2 SCOPE

This plan applies to all PIRSA business divisions and employees, contractors, temporary agency staff, volunteers, work experience persons and suppliers and service providers.

3 APPROACH TO FRAUD RISK MANAGEMENT

While fraud, corruption and other criminal conduct, misconduct and maladministration may never be fully eliminated, PIRSA aims to reduce to a minimum the overall risk from these activities.

PIRSA achieves this through the implementation and regular review of the following:

3.1 Governance and ethics strategies

Governance and ethics strategies are designed to demonstrate the "tone at the top" with initiatives which make evident PIRSA's commitment to a zero-based tolerance for fraud, corruption and other criminal conduct, misconduct and maladministration.

Key governance and ethics strategies are documented throughout this Plan and the policy and include:

Ref	Title	Timeframe	Responsibility
1	Allocation of roles and responsibilities (refer to Section 4 and Fraud and Corruption policy)	Annually (Per front page)	Senior Risk & Audit Consultant
2	Endorsement of the Code of Ethics & Conflict of Interest Update	Annually	CE
3	Allocation of independent committee with oversight responsibilities: Risk and Performance Committee	Per RPC ToR	CE & RPC
4	Review of this Plan annually	Annually	Senior Risk & Audit Consultant

3.2 Awareness and training strategies

Awareness and training strategies are designed to proactively avoid the risk of fraud, corruption and other criminal conduct, misconduct and maladministration through communication and education initiatives.

Key awareness and training strategies include training (online and face to face) for Fraud and Corruption, Code of Ethics and Conflict of Interest on induction and undertaken annually by all PIRSA employees through the “OurDevelopment” training and development system. All training is reviewed annually in line with updates to the Fraud and Corruption Plan and Policy.

Ref	Title	Timeframe	Responsibility	Accountability
1	SA Public Sector Code of Ethics training and dissemination	On induction & annually	GM People and Culture	All PIRSA Employees

Ref	Title	Timeframe	Responsibility	Accountability
2	Fraud, corruption and other criminal conduct, misconduct and maladministration awareness training with employees (paid and unpaid) and external people (including contractors, consultants and suppliers; Business owner: Procurement Advisory Unit). Includes ICAC and Public Interest Disclosure reporting requirements	On induction & annually	GM People and Culture Senior Risk and Audit Consultant	All PIRSA Employees
3	Formal communications to reinforce the anti-fraud message regarding the importance of a culture of professionalism and ethical behavior via newsletters and websites	Annually (as part of Code of Ethics training in #1)	GM People and Culture Senior Risk and Audit Consultant	All PIRSA Employees

3.3 *Prevention strategies*

Prevention strategies are designed to avoid the risk of fraud and corruption through proactive initiatives.

PIRSA implement key strategies to manage the risk of fraud, corruption and other criminal conduct, misconduct and maladministration through the following activities.

Ref	Title	Timeframe	Responsibility to Action	Accountability
1	Strategic fraud, corruption and maladministration risk assessment	Triennially	Senior Risk & Audit Consultant	Management CE & Executive

Ref	Title	Timeframe	Responsibility to Action	Accountability
2	Specific risk assessments of an activity, process, area or team where specific concerns are identified Review outcomes from Risk Assessment and align	Ad hoc	Identified by Management, completed by Senior Risk & Audit Consultant	Management Executive Directors
3	Maintain an effective system of preventive internal controls (based on risk), including financial management, authorisations and approvals; security cameras; physical and system access restrictions; asset registers and segregation of duties (also refer to detection strategies), primarily based on FMCP	Annually	All Management	CFO Senior Risk & Audit Consultant
4	Scientific Research controls: Peer review (internal & external, other specialists in the same scientific area); Steering committees; Structural Oversight groups; Ad hoc audit checks (throughout life of project); IP restrictions in employment contracts	Ad hoc	ED SARDI Senior Risk and Audit Consultant	ED SARDI SARDI Management GM, People & Culture
5	Employee screening: criminal and other background history checks; Checking of academic credentials with relevant academic institutions	Commencement of new employees	GM People and Culture	Executive Directors Management

Ref	Title	Timeframe	Responsibility to Action	Accountability
6	New Employees: Selection Panel to employ all staff; independent check and segregation of duties (system controls) of new employees added to the HR system	Commencement of new employees	GM People and Culture	Executive Directors Management
7	Employee departure arrangements: removal of access to physical (attractive assets register) and information assets (phone and computer)	Departure of employees	GM People and Culture	Executive Directors Management
8	Conflict of interest declarations: annual individual declaration; procurement/grant tender selection and evaluation panels, employee selection panels, and board and committee member appointments	Annually or listed activities	ED, Corporate Services Senior Risk & Audit Consultant	All Executive Directors Management
9	Gifts and benefits declarations > value of \$50	When received	Business Operations	All Executive Directors Management
10	Supplier/contractor due diligence and probity; Panels, Steering Committees and Advisory Boards	During procurement processes	PIRSA Accredited Purchasing Unit	Executive Directors Business Managers

Ref	Title	Timeframe	Responsibility to Action	Accountability
11	Confidentiality arrangements , including information security frameworks and protective security		PIRSA, CIO ED, Corporate Services	CFO (Agency Security) CIO

3.4 *Detection strategies*

Detection strategies are designed to discover any fraud or corruption as soon as possible after it has occurred.

In spite of better practice prevention activities, fraud, corruption and other criminal conduct, misconduct and maladministration may occur. The next line of defence is a robust suite of detection strategies to discover any of these types of activities as soon as possible to minimise any detrimental impacts. These include the following:

Ref	Title	Timeframe	Responsibility
1	Maintain an effective system of detective internal controls (based on risk), including reconciliation &, authorisations; independent confirmation of service delivery; job rotation; mandatory leave; review of budget and actual figures; regular review of audit trails and system access logs; regular review of exception reporting; focused internal audits; external audits; and business performance reviews – generally part of FMCP	Ongoing	ED, Corporate Services All Management
2	Review and approval of financial transaction reports , including monthly budget reports, exception reports (including purchase card	Ongoing	ED, Corporate Services All Management

Ref	Title	Timeframe	Responsibility
	exception reports), reconciliation reports, payments to overseas vendors		
3	Review and approval of other management reports , including bona fide certificate reports, leave reports, access to buildings, asset listings	Ongoing	ED, Corporate Services All Management
4	Internal (including specific ad hoc fraud indicator data analysis) and external audits	Annually and as required	Senior Risk & Audit Consultant
5	Public Interest Disclosure process (under the Public Interest Disclosure procedure)	As required	Responsible Officers GM People and Culture
6	ICAC reporting process (reporting where reasonably suspicious)	As required	Responsible Officers GM People and Culture

3.5 *Response strategies*

The primary objective of response strategies is to ensure appropriate mechanisms are established to take corrective actions; remedy the harm; improve prevention and detection strategies; and report any occurrences to the relevant stakeholders.

PIRSA will consider a range of remedies, including dismissal, demotion, disciplinary actions or prosecution of any persons who carry out fraud, corruption and other criminal conduct, misconduct and maladministration activities against PIRSA; and may seek to recover any losses which it might suffer.

All internally identified occurrences will be investigated in accordance with the principles enshrined in the *Public Interest Disclosure Act 2018*, PIRSA Public Interest Disclosure Policy HR R 016 and this plan.

An investigation may reveal matters that require referral to the SA Office for Public Integrity, SA Police, relevant Ombudsman, Auditor-General, Commissioner for Public Sector Employment, Under Treasurer or other appropriate authority. The outcomes of investigations will be maintained in the PIRSA Incident Register; and reported to the Chief Executive and tabled for the Risk and Performance Committee (RPC).

Response strategies include the following:

Ref	Title	Timeframe	Responsibility
1	Annual attestation (to confirm any known fraudulent activities) to Auditor-General under the Financial Management Compliance Program	Annually	CE ED, Corporate Services
2	Investigation protocols, including serious or complex offences referred to the South Australian Office for Public Integrity (OPI) or inquiry agencies to investigate under the Public Interest Disclosure Act	Ongoing	GM People and Culture
3	Central register maintained, reported and monitored	Ongoing	Senior Risk & Audit Consultant
4	Review of risks and internal controls post incident	As required	Senior Risk & Audit Consultant
5	Implement recommendation(s) and Administrative remedies promptly	As required	Senior Risk & Audit Consultant
6	Recovery of losses	As required	GM People and Culture

Ref	Title	Timeframe	Responsibility
7	Media management	As required	Strategic Communications Unit
8	Fidelity and employee dishonesty insurance	Annual	ED Corporate Services

4 DEFINITIONS

Refer to section '4. Definitions' of the [South Australian Public Sector Fraud and Corruption Control Policy](#) for definitions relating to terms used in this policy, including "fraud" "corruption", "misconduct" and "maladministration".

Fraud can be defined as:

- A dishonest activity causing actual or potential financial loss to any person or entity including the theft of moneys or other property by employees or persons external to the entity (this includes the deliberate falsification, deceit or other dishonest conduct, concealment, destruction or use of falsified documents used or intended for normal business purposes and the improper use of information or position/status for personal financial benefit to which the recipient is not entitled)
- An offence under the Crimes Act 1914 (Cth).

Corruption is defined as:

- The offering, giving, bribing, soliciting or acceptance of an inducement or reward, which may influence the action of any person
- The dishonest or partial exercise of official functions or contrary to the interests of the Agency and abuses his/her position of trust in order to achieve some personal gain for him or herself or for another person or entity
- A lack of integrity, including improper acts or omissions, including misstatement or misrepresentation of facts or evidence with the intention to mislead, improper use of influence or position (threats or reprisals against) and the improper use of information, including unlawful, inappropriate or unauthorised disclosure or provision of material to unauthorised parties
- A breach of public trust
- The misuse of information or material acquired in the course of official functions.

Fraudulent or corrupt acts may include:

- Systems Issues – where a process/system exists which is prone to abuse by either employees or public

- Financial Issues – where individuals or companies have fraudulently obtained money from the Agency
- Equipment Issues – where the Agency's equipment is used for inappropriate personal use
- Resource Issues – where there is a misuse of resources e.g. theft of materials

Examples of fraud include (but are not limited to):

<ul style="list-style-type: none"> • Theft of cash 	<ul style="list-style-type: none"> • Theft of funds from corporate accounts
<ul style="list-style-type: none"> • Theft from General Ledger accounts 	<ul style="list-style-type: none"> • Fraudulent alteration of cheques
<ul style="list-style-type: none"> • Lodgement of fraudulent credit applications (Card and Loan) 	<ul style="list-style-type: none"> • Operating a private business using company resources and time
<ul style="list-style-type: none"> • Disclosure of confidential information for the purposes of fraud 	<ul style="list-style-type: none"> • Identity takeover
<ul style="list-style-type: none"> • theft or misuse of intellectual property 	<ul style="list-style-type: none"> • False expense claims
<ul style="list-style-type: none"> • Data manipulation and alteration or falsification of records 	<ul style="list-style-type: none"> • Inappropriate relationships with suppliers

A basic guide for determining fraud could include the following questions:

- Was the conduct deceptive?
- Was the conduct unlawful?
- Was the conduct premeditated?
- Did the conduct result in money, benefits, or other advantages including information being received, to which the recipient was not entitled?
- Was any attempt made to do any of the above?

Maladministration in public administration is defined in section 5(4) of the ICAC Act as:

Maladministration in public administration—

(a) Means—

(i) conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or

(ii) conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and

(b) Includes conduct resulting from impropriety, incompetence or negligence; and

(c) Is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.

Act of Reprisal

Means any conduct that is or could reasonably be perceived to be reprisal, retaliation or revenge with respect to a person's status as a Informant, or any conduct that is or could reasonably be perceived to be intended to discourage the co-operation of a Informant within the Agency.

5 RELATED DOCUMENTS

5.1 SA Government

- [South Australian Public Sector Fraud and Corruption Control Policy](#)
- [Code of Ethics for the South Australian Public Sector](#) – sets out PIRSA employee obligations to create and maintain an environment which demonstrates professional integrity, ethical behaviour and service excellence - conducted with efficiency and impartiality, safe and free of any form of unlawful or inappropriate behaviour. The code of ethics is supported by the [Public Sector values](#) to guide agency organisational practices and employee personal behaviours relating to service, professionalism, trust, respect, collaboration and engagement, honesty and integrity, courage and tenacity, and sustainability.

- [Treasurer's Instruction 2: Financial Management](#) - which requires agency chief executives to establish and review, at least on an annual basis, their agency's fraud and corruption prevention, detection and control policies as part of agency risk management strategies.
- [Treasurer's Instruction 28: Financial Management Compliance Program](#) - which requires each public authority to develop, implement, document and maintain a robust and transparent financial management compliance program.
- [Independent Commissioner Against Corruption South Australia Directions and Guidelines for Inquiry Agencies, Public Authorities and Public Officers](#) issued under the [Independent Commissioner Against Corruption Act 2012](#) - which govern the minimum obligations of agencies, employees and contractors to report any matters reasonably suspected of involving corruption, misconduct or maladministration in public administration.

5.2 Standards

This Plan is intended to comply with the:

- [Australian Standard AS 8001:2008 Fraud and Corruption Control](#) – which provides guidance on key fraud and corruption controls relating to governance and ethics; awareness and training; prevention; detection and investigation; and monitoring and reporting.