



Parliamentary  
Counsel's Office

Policy

# Fraud and Corruption Control

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Approved by Parliamentary Counsel: Annette O'Callaghan, 3 March 2022

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# PART 1 – POLICY

## Introduction

The potential for fraud and corruption exists in every organisation. The Parliamentary Counsel's Office (PCO) has an obligation to ensure that an effective system exists for the prevention, detection and reporting of fraud and corruption.

The **purpose** of the Policy is to:

- provide a framework for dealing with fraud and corruption risks faced by PCO
- provide guidance to employees in the risk-based approach adopted by PCO for control of fraud and corruption
- ensure all employees are aware of their responsibilities in regard to fraud and corruption.

Part 2 of this document details the Fraud and Corruption Control Strategy at PCO. It details the activities undertaken by PCO to minimise and prevent fraud and corruption.

This Policy and Strategy applies to all PCO employees, including those who are ongoing, temporary or casual and includes contractors and consultants.

## Definitions

The Independent Commission against Corruption (ICAC) definitions of fraud and corruption include:

**Fraud:** the dishonest obtaining of a financial or other benefit by deception. Common methods and types of fraud are shown at Appendix 1. Possible indicators of the existence of, or potential for, fraud are shown at Appendix 2.

**Corruption:** improper acts or omissions, improper use of influence or position and/or improper use of information. Corruption does not necessarily involve material gain for the perpetrator. Note that the definition of corruption includes fraud. Definition and examples of corrupt conduct are shown at Appendix 3.

## Risk Management

Conforming with this Policy and Strategy will considerably reduce the following risks:

- misuse of position or authority
- loss of funds, equipment, stores, confidential information
- unauthorised use of equipment, staff resources, stores, confidential information
- damage to the reputation of PCO
- inability to meet corporate objectives
- detrimental effect on morale and performance.

## Responsibilities

<b>Parliamentary Counsel</b>	The Parliamentary Counsel has overall accountability and responsibility for the management of PCO, including internal control, compliance with laws and regulations, risk management and ethical conduct. The Parliamentary Counsel is responsible for: <ul style="list-style-type: none"><li>• approving this Policy and ensuring fraud and corruption risks are addressed by PCO</li><li>• reporting instances of suspected fraud and corruption to ICAC and where appropriate to NSW Police.</li></ul>
<b>Audit and Risk Committee</b>	The Audit and Risk Committee provides review and assurance in relation to a range of activities relevant to internal audit, financial management and controls and risk management. The Committee consists of an independent chair and two independent members and is responsible for: <ul style="list-style-type: none"><li>• monitoring the implementation of this Policy and participating in its review.</li><li>• reviewing whether PCO has in place a current and appropriate enterprise risk management process and associated procedures for effective identification and management of fraud and corruption.</li></ul>
<b>Executive Director</b>	The Executive Director has responsibility for oversight of this Policy, its implementation and regular review within PCO. The Executive Director is responsible for: <ul style="list-style-type: none"><li>• coordinating implementation of the Policy</li><li>• regular review of the Policy</li><li>• receiving and actioning reports of suspected fraud and corruption</li><li>• including GovConnectNSW in the control framework.</li></ul>

<p><b>Supervisors</b></p>	<p>Supervisors are responsible for implementing the Policy, ensuring employees are aware of their responsibilities, contributing to risk assessments and ensuring appropriate controls relevant to their work area are in place to mitigate the risks. Supervisors are responsible for:</p> <ul style="list-style-type: none"> <li>• implementing the Policy</li> <li>• considering new risks on a regular basis and adjusting systems where necessary</li> <li>• ensuring employees understand the purpose of, and comply with, the internal control systems</li> <li>• reporting suspected cases of fraud and corruption.</li> </ul>
<p><b>Employees</b></p>	<p>Employees are to perform their duties in accordance with this <u>Fraud and Corruption Control Policy and Strategy</u> and the principles of the <u>Code of Conduct</u>. Employees are responsible for:</p> <ul style="list-style-type: none"> <li>• complying with internal control systems, policies and procedures</li> <li>• reporting suspected cases of fraud and corruption.</li> </ul>

## Policy

### **1. Fraud and corruption will not be tolerated.**

The Parliamentary Counsel's Office is the legislative drafting office for New South Wales and it has an obligation to maintain the highest standards of professionalism and conduct in providing drafting, publishing and advisory services and its employees are expected to meet those standards. No level of fraud and corruption will be tolerated and immediate action will be taken whenever such activity is detected.

### **2. Maintaining a framework to support and promote a strong ethical culture**

A fundamental aspect in managing the risk of fraud and corruption is the maintenance of a strong ethical culture. PCO has a framework of integrated policies and controls derived from the values of the PCO and its Code of Conduct.

PCO will regularly develop and monitor all aspects of this framework to ensure the strength of its ethical culture. The PCO Code of Conduct outlines the standards of behaviour expected of all PCO employees. Employees are to discharge their duties with integrity, efficiency and impartiality. Management and supervisors are responsible for ensuring principles of the Code are applied in the workplace.

The Strategy detailed in this document ensures a strong ethical culture exists at PCO that is committed to preventing and detecting fraud and corruption.

### **3. Compliance with Government and PCO policies and procedures**

All employees are to comply with the policies and procedures that govern the work of PCO. These policies and procedures are documented and available through Gulbarra (PCO's in-house wiki). Staff are also expected to comply with any relevant legislation, Memoranda and Circulars, and resources from relevant agencies such as ICAC and the NSW Ombudsman.

### **4. Maintaining a strong control system and internal control culture**

GovConnectNSW provides financial services, payroll services, and some information technology services for the PCO. The fraud and corruption risks that exist within PCO are shared with GovConnectNSW to the extent that their prevention and detection may rely on the capacity of GovConnectNSW staff and systems to identify fraudulent behaviour and to bring it to the attention of PCO.

The PCO maintains internal control systems and will work with GovConnectNSW, the Vendor Management Office (VMO) and the Compliance and Audit Group (CAG) to ensure their integrity. There will be a culture of internal control through ongoing professional development of management, adherence to the risk management framework, and requiring managers and supervisors to consider emerging risks on a regular basis and adjust systems to cater for these risks.

The Executive Director ensures, through participation in the CAG, that GovConnectNSW is included in the control framework.

### **5. Risk Assessment**

Through the Risk Management Framework, the fraud and corruption risk assessment will be undertaken annually to ensure it remains current and deals effectively with new and emerging risks.

## **6. Management Commitment**

PCO management is expected to understand the risks of fraud and corruption faced by PCO, to adopt a risk-based approach in their management and to lead by example in their behaviour in the workplace.

## **7. Employee Awareness**

Opportunities will be taken in induction programs, staff development activities and staff meetings to raise the risks of fraud and corruption and responsibilities of staff. Employees are kept informed via email notifications and Gulbarra of changes to PCO policies and procedures and changes affecting the public sector generally. This Policy has been communicated to all staff and is available on Gulbarra.

## **8. Internal Audit**

Internal audit provides assistance to management by assessing the adequacy and effectiveness of internal controls and reporting on deficiencies and weaknesses that require corrective action.

This is most effectively achieved through a planned and targeted internal audit program that addresses the high risk activities of the PCO. Completion of an appropriate program is the responsibility of PCO management, with review by the Audit and Risk Committee.

## **9. Reporting**

Employees may become aware of suspected fraudulent and corrupt conduct during the course of their activities. All employees are required to report suspected fraud and corruption.

**Internal reporting**—Staff may report fraud or corruption to their immediate supervisor, another supervisor or the Director, Governance and Operations or the Parliamentary Counsel. The Public Interest Disclosures Policy and Procedures explains how employees can report suspected fraud and corruption in such a way as to obtain protection under the *Public Interest Disclosures Act 1994*. This policy is on Gulbarra. Supervisors should refer reports of fraud or corruption to the Director, Governance and Operations or the Parliamentary Counsel.

**External reporting**—When matters come to attention that have the potential to be investigated then PCO is required to report such matters to the appropriate external body, such as ICAC, NSW Police or Audit Office of NSW.

It is important that reporting takes place as soon as there are reasonable grounds to suspect corruption, or a criminal offence has occurred or is about to occur. Employees may also make reports directly to these external bodies.

## PART 2 – STRATEGY

### **Fraud and corruption control strategy**

This Fraud and Corruption Control Strategy gives effect to the Policy. It relies on the commitment and attitude of all employees and management. Employees are those who are ongoing, temporary or casual and include contractors and consultants.

### **Attributes of the Fraud and Corruption Control Strategy**

The Strategy is based on the “ten attributes of effective fraud control strategies” developed by the Audit Office of NSW. These attributes are:

1. Integrated Macro Policy
2. Responsibility Structures
3. Fraud and Corruption Risk Assessment
4. Employee Awareness
5. Client and Community Awareness
6. Notification Systems
7. Detection System
8. External Notification
9. Investigation Standards
10. Conduct and Disciplinary Standards.



## 1. Integrated Macro Policy

The Policy sets out PCO's principles and responsibilities for fraud and corruption control. The Policy has been approved by the Parliamentary Counsel and provided to the Audit and Risk Committee. The policy is available on Gulbarra.

### **Elements of the Policy**

The policy includes the following elements:

- ethical culture in which fraud and corruption is not tolerated
- behave in accordance with PCO's Code of Conduct
- undertake risk assessments
- implement internal control systems
- abide by policies and control systems
- regular review of risks and internal controls
- reporting systems for suspected fraud and corruption
- investigation of suspected fraud and corruption and reporting to external bodies.

The most effective means of controlling fraud and other corrupt behaviour is for management to foster and encourage an ethical environment that is committed to preventing, detecting and reporting fraud and corruption and to implement control mechanisms that minimise the likelihood of fraud or corrupt practices occurring.

PCO operates on the basis that its systems and procedures reflect its core principles. The ethical values of PCO are clearly communicated to all employees.

### **Standards of behaviour**

The standards of behaviour expected from all employees are detailed in the PCO's Code of Conduct and are:

- respect for the law and system of Government
- respect for people
- act with honesty and integrity
- efficient and economic use of office resources.

### **Risk management**

For the control of potential fraud and corrupt behaviour PCO uses a risk management approach (see [Risk Management Policy and Framework](#)). This process identifies risks associated with the activities of PCO and designs actions that are to be undertaken to mitigate such risks. These actions are then incorporated into PCO's operating systems.

## Responsibilities

While overall responsibility for the fraud and corruption control strategy rests with management, all employees have an obligation to fulfil their responsibilities in implementing the strategy. This includes compliance with the internal control systems and reporting instances of suspected fraud and corruption.

The following sections contain more detail on aspects of the integrated policy.

## 2. Responsibility Structure

The Parliamentary Counsel has overall responsibility to ensure an effective fraud and corruption control strategy is operating that identifies potential risks and takes action to mitigate such risks.

The responsibilities of all stakeholders are detailed in the Policy section of this document.

The most important factor to ensure success of the strategy is the commitment and attitude of all employees. All employees of the PCO have a responsibility to undertake their duties in accordance with the strategy.

## 3. Fraud and Corruption Risk Assessment

PCO uses a risk management approach for the prevention and detection of fraud and corruption. PCO's [Risk Management Policy and Framework](#) is posted on Gulbarra.

The risk management approach provides a structured and transparent method to managing risk across PCO. Each risk category must be evaluated for potential risk of fraud and corruption. In addition to the annual risk review and assessment, a specific fraud and corruption assessment is required to be conducted every three years.

The management of risks includes development and implementation of appropriate policies and internal control systems and communication of requirements to employees.

## 4. Employee Awareness

PCO recognises that the success of the Strategy relies on the commitment and attitude of all employees.

Employees can make significant contributions to the control of fraud and corruption as they have a detailed understanding of how the PCO's systems operate, what is actually happening, what the weaknesses and failings are and where improvements can be made.

All employees have an obligation to fulfil their responsibilities in implementing the Strategy.

The following steps have been taken to ensure employees are aware of fraud and corruption issues:

- the Fraud and Corruption Control Policy and Strategy has been communicated to all staff and is available on Gulbarra.

- opportunities are taken in induction programs, staff development activities and staff meetings to raise awareness of the risks of fraud and corruption and responsibilities of staff.
- employees are kept informed via email notifications and Gulbarra of changes to PCO policies and procedures and changes affecting the public sector generally.
- employees have been made aware of the:
  - Code of Conduct.
  - Risk Management Policy and Framework.
  - Purchasing policies.
  - Financial and Administrative Delegations.
  - Public Interest Disclosures Policy and Procedures.

## 5. Client and Community awareness

Clients and the community are made aware of PCO's attitude and strategies concerning fraud and corruption by the publication of related material and by the behaviour of employees in dealing with clients and the community.

The provision of information externally allows interested parties to be aware that PCO is active and serious about the control of fraud and corruption. The PCO's Code of Conduct is published on the PCO's corporate website and includes comments on PCO's general principles of behaviour, ethical decision making and reporting suspected wrongdoing.

By employees undertaking their daily business in accordance with the principles outlined in the Code of Conduct it will be made clear that PCO acts in an ethical manner and will have the effect of reducing the likelihood of those outside PCO attempting to influence those within PCO.

## 6. Notification Systems

The fraud and corruption control strategy includes systems that allow employees, clients and the community to report suspected fraud and corruption.

### **Reporting by employees**

If an employee suspects another employee of committing a criminal offence, acting corruptly or engaging in misconduct then it is the responsibility of the employee to report such behaviour. Reports should generally be made to the employee's immediate supervisor or another supervisor in the employee's area. Supervisors in turn report the matter to the Executive Director or the Parliamentary Counsel. Employees are encouraged to provide a written summary of the matter. Reports can also be made directly to Independent Commission against Corruption.

The reporting levels are:

- immediate supervisor or another supervisor

- Executive Director
- Parliamentary Counsel
- ICAC
- Police

The Executive Director will receive, record and action reports of alleged fraud and corruption and ensure the matter is brought to the attention of the Parliamentary Counsel. The Parliamentary Counsel is required by law to report to ICAC any matter where there is a reasonable suspicion that corrupt conduct has occurred or may occur. In regard to fraud, where it is considered that a criminal offence has occurred, the matter is to be reported to NSW Police.

Reports should be made as soon as there is reasonable suspicion that fraudulent or corrupt conduct has occurred.

In all cases the employee who made the report will be advised of the eventual outcome of the review.

All reports will be treated confidentially and employees making genuine reports will not be prejudiced in their employment.

The Public Interest Disclosures Policy and Procedures explains how employees can report suspected fraud and corruption in such a way as to obtain protection under the *Public Interest Disclosures Act 1994*. Under the Act it is a punishable offence to take detrimental action against an employee who makes a disclosure.

#### **Reporting by clients and the community**

Any complaints received involving fraud or corruption are to be referred to the Executive Director or the Parliamentary Counsel.

#### **Public Interest Disclosures**

PCO has a clear and unequivocal commitment to supporting and protecting all employees who have acted in good faith in disclosing fraud and corruption within PCO.

A disclosure will be protected if it is made in accordance with the provisions of the *Public Interest Disclosures Act 1994* and PCO's Public Interest Disclosures Policy and Procedures.

Public interest disclosures can be made to:

- the Parliamentary Counsel
- one of PCO's nominated Public Interest Disclosure Coordinators
- the ICAC
- the Ombudsman or
- the Auditor General.

Employees are encouraged to report matters that show or tend to show incidences of corrupt conduct, maladministration or serious and substantial waste of public money and government

information contravention. PCO will take all reasonable steps to provide protection to employees from any detrimental action in reprisal for making a public interest disclosure in accordance with the *Public Interest Disclosures Act 1994* and PCO's policy and procedures.

Employees must familiarise themselves with the policy and procedures as there are sanctions against false or misleading disclosures or breaches of confidentiality.

## 7. Detection System

The following gives the main features of the detection system used by PCO:

- the Parliamentary Counsel and Executive Director, with the advice of internal auditors and the Audit and Risk Committee, make decisions on systems and functions to be audited based on risk assessments,
- risk assessments are performed to identify and manage risks,
- management of risks includes development and implementation of appropriate policies and internal control systems. Appendix 4 details the PCO's internal control systems and provides a self-assessment checklist for monitoring the systems,
- assurance that effective systems of internal control are operating is gained through management supervision of those systems and assessment by internal audit,
- reports from SAP show trends and performance measures, which are reviewed by management and any abnormalities are investigated,
- notification systems allow for reports on suspected fraud and corruption to be made from employees, clients and the community (see section 6).

## 8. External Notification

When matters come to attention that have the potential to be investigated then PCO is required to report such matters to the appropriate external body, such as the Independent Commission Against Corruption, NSW Police, NSW Ombudsman or Audit Office of NSW.

It is important that reporting takes place as soon as there are reasonable grounds to suspect corruption or a criminal offence has occurred or is about to occur. Employees may also make reports directly to these external bodies.

**Independent Commission Against Corruption** - Parliamentary Counsel must report to ICAC any matters that, on reasonable grounds, concerns or may concern corrupt conduct.

**NSW Police** - The Parliamentary Counsel must report to NSW Police any matters that, on reasonable grounds, concerns or may concern a criminal offence. This includes fraud.

**Audit Office of NSW** - A public official may complain to the Auditor-General that there has been a serious and substantial waste of public money by an authority or an officer of an authority.

**NSW Ombudsman** - Any person may complain to the Ombudsman about the conduct of a public authority.

## 9. Investigation Standards

### a. Corruption

The Parliamentary Counsel is responsible for receiving and actioning reports of alleged corruption. This action will include coordinating investigations within PCO.

The initial investigation is to establish whether there is suspicion on reasonable grounds that the matter concerns or may concern corrupt conduct. If there is such suspicion then Section 11 (2) of the Independent Commission Against Corruption Act 1988 (ICAC Act) requires the Parliamentary Counsel to report the matter to ICAC.

The following provides a checklist to ensure all appropriate matters have been covered for the purpose of reporting under section 11 of the *ICAC Act*:

Section 11 report checklist:

- a complete description of the allegations
- the name and position of those alleged to be involved
- the name/s of the person/s who made the allegation
- the name and role of any other person/s relevant to the matter
- the dates and/or timeframes in which the alleged conduct occurred
- an indication as to whether the conduct appears to be a one-off event or part of a wider pattern or scheme
- the date the allegation was made or the date PCO became aware of the conduct
- what PCO has done about the suspected conduct, including notification to any other agency
- what further action is proposed by PCO
- the approximate amount of money or value of resources (if any) involved
- any other indicators of seriousness
- any other information deemed relevant to the matter
- copies of any relevant documents
- references to any relevant legislation
- the name of the relevant contact officer
- whether or not the matter is a public interest disclosure under the *Public Interest Disclosures Act 1994*.

### b. Fraud

If during the initial investigation it appears the matter may involve fraud, then the investigation is to cease and NSW Police are to be informed. Fraud is a criminal offence. It must be treated as such from the outset. ICAC must also be advised.

### **Conducting Investigations**

Once a matter has been reported to the appropriate external authority then that authority will advise whether they or PCO will complete the investigation. The Parliamentary Counsel must remain in contact with the reporting authority to ensure the matter is dealt with in a timely manner and agree final reporting scope and timeframes. If an investigation is to be undertaken internally then options include:

- internal auditors
- selected management and/or employees
- external auditors
- external investigators.

An investigation plan is to be prepared by the Parliamentary Counsel. Matters to be considered as part of the planning process should include:

- description of the alleged wrongdoing
- terms of reference for the investigation
- specific issues and matters to be examined in depth
- details of initial inquiries
- identification of functional areas and key staff to be involved
- identification of specialist expertise or support required
- expected costs and time period for the investigation
- milestones, key review points and report-back dates
- possible outcome/s
- report to the person who initially raised the matter.

### **Rights of individuals**

A PCO employee who is the subject of fraud or corruption allegations is considered innocent unless and until proven guilty.

An employee has the right not to have details of the allegation disclosed to others or discussed by others not concerned with the matter.

## **10. Conduct and Disciplinary Standards**

PCO's Code of Conduct outlines the requirements and expected standards of behaviour of employees in their employment with PCO and provides guidance on resolving ethical issues that may occur in the workplace.

A breach of the Code may lead to performance management or disciplinary action. Such action could range from counselling to dismissal.

The Code applies to all persons undertaking work for PCO in either a paid or unpaid capacity.

Also applicable to PCO are the conduct and disciplinary standards for NSW public sector agencies as detailed in *The Code of Ethics and Conduct for NSW government sector employees* published by the NSW Public Service Commission (PSC), the *Government Sector Employment Act 2013*, the Rules and Regulations made under that Act, and other PSC guidelines.



## Appendix 1: A selection of common methods and types of fraud

(from the NSW Auditor-General's Report to Parliament, Volume 2, March 1994, "Fraud Control: Developing an Effective Strategy")

- payment for work not performed
- forged endorsements
- altering amounts and details on documents
- collusive bidding
- overcharging
- writing off recoverable assets or debts
- unauthorised transactions
- selling information
- altering stock records
- altering sales records
- cheques made out to false persons
- false persons on the payroll
- theft of official purchasing authorities such as order books
- unrecorded transactions
- transactions (expenditure/receipts/deposits) recorded for incorrect sums
- cash stolen
- supplies or equipment stolen or borrowed without authority
- IOUs used in petty cash
- substituting old goods for new
- sales not recorded at all
- false official identification used
- damaging or destroying documentation
- using copies of records and receipts
- using imaging and desktop publishing technology to produce apparent original invoices
- charging incorrect accounts with amounts stolen
- transferring amounts between accounts frequently
- delayed terminations from payroll
- bribes
- overclaiming expenses

- skimming odd cents and rounding
- running a private business with official assets
- using facsimile signatures
- false compensation and insurance claims
- stealing of discounts
- selling waste and scrap

Appendix 2: Possible indicators of the existence of, or potential for, fraud  
(from the NSW Auditor-General's Report to Parliament, Volume 2, March 1994, "Fraud Control: Developing an Effective Strategy")

- missing expenditure vouchers and unavailable official records
- crisis management coupled with a pressured business climate
- excessive variations to budgets or contracts
- refusals to produce files, minutes or other records
- increased employee absences
- borrowing from fellow employees
- an easily led personality
- covering up inefficiencies
- no supervision
- staff turnover is excessive
- figures, trends or results that do not accord with expectations
- bank reconciliations are not maintained or can't be balanced
- excessive movement of cash funds
- multiple cash collection points
- remote locations
- unauthorised changes to systems or work practices
- employees with outside business interests or other jobs
- large outstanding bad or doubtful debts
- employees suffering financial hardship
- employees apparently living beyond their means
- heavy gambling habits
- signs of drinking or drug abuse problems
- conflicts of interest
- lowest tenders or quotes passed over with scant explanations recorded
- employees with an apparently excessive work situation for their position
- supervisors bypassing subordinates
- subordinates bypassing supervisors
- excessive generosity
- lack of clear financial delegations

- secretiveness
- apparent personal problems
- marked character changes
- poor morale
- excessive control of all records by one officer
- unusual working hours on a regular basis
- refusal to comply with normal rules and practices
- non taking of leave
- excessive overtime
- large backlogs in high-risk areas
- lost assets
- unwarranted organisation structure
- absence of controls and audit trails

## Appendix 3: Definition and examples of corrupt conduct

### What is Corrupt Conduct?

(extract from ICAC publication “What is corrupt conduct?”, located at [www.icac.nsw.gov.au](http://www.icac.nsw.gov.au) under “About Corruption”)

Corrupt conduct, as defined in the *Independent Commission Against Corruption Act 1988*, is deliberate or intentional wrongdoing, not negligence or a mistake. It has to involve or affect a NSW public official or public sector organisation.

While it can take 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 acts dishonestly or unfairly, or breaches public trust
- a member of the public influences, or tries to influence, a public official to use his or her position in a way that is dishonest, biased or breaches public trust.

If the ICAC is to consider investigating the matter, the conduct must also meet the conditions set out in section 9 of the ICAC Act. These conditions are that the conduct could constitute or involve:

- a criminal offence, or
- a disciplinary offence, or
- constitute reasonable grounds for dismissing or otherwise terminating the services of a public official, or
- in the case of a member of the NSW Parliament or local government councillor, a substantial breach of an applicable code of conduct.”

The full definition of corruption which applies to the ICAC is detailed in sections 7, 8 and 9 of the ICAC Act.

### PCO Specific Examples of Corruption

- use of confidential information for private purposes including information about proposed legislation, the Government’s legislative agenda and confidential planning information
- use of PCO equipment, such as photocopiers, telephones or computers, to undertake private business
- acceptance of bribes or other benefits to show bias towards suppliers or contractors
- showing favouritism in appointments or promotions
- provision of submissions to management in support of an activity where the proposer/employee has an undisclosed financial or personal interest

## Appendix 4: Internal Control Self-Assessment Checklist

This procedure checklist details PCO's controls and procedures and is used for risk assessment purposes.

<b>DELEGATIONS OF AUTHORITY</b>
PCO delegations are on published on Gulbarra
<b>a. ADMINISTRATIVE DELEGATION</b>
<i>A position may have a delegated authority to authorise identified administrative functions. Positions with administrative delegation and any limits that apply include Parliamentary Counsel, Deputy Parliamentary Counsel and the Executive Director.</i>
The function being approved is within the terms of the delegation (eg matters relating to employment, salaries, leave, staff development, travel, other).
<b>b. FINANCIAL DELEGATION</b>
<i>A position may have a delegated authority to incur expenditure. Positions with financial delegation and any dollar limits that apply are Parliamentary Counsel, Deputy Parliamentary Counsel, Executive Director, Legislative Services Manager and officers issued with a purchasing card. Expenditure is approved prior to the expenditure being incurred (Section 12 of the Public Finance and Audit Act 1983 states: "Expenditure shall be committed or incurred by an officer of an authority only within the limits of a delegation in writing conferred on the officer by a person entitled to make the delegation.")</i>
The amount being approved is within the limit of the financial delegation.
The expenditure is for the official business of the approver's area.
Approval is only given when there is appropriate documentation supporting the expenditure as being for official business and showing the amount of the expenditure.
The approver has not approved expenditure relating to their own activities or for activities outside their area of responsibility.
<b>PROCUREMENT OF GOODS AND SERVICES</b>
<i>The PCO currently adopts the DPC's Procurement Policy.</i>
All procurement is conducted through the SAP system or PCard system.
Period contracts have been checked prior to the purchase of all goods and services.
Where there is no period contract for the supply of the goods or services then the purchase has been in accordance with Procurement Board Direction 2016-01 <i>Approved procurement arrangements from 1 July 2016.</i>
All procurements are via an official purchase order, except for exempt items such as HR payments, travel bookings taxation payments, insurance renewals and expenses covered by the Purchasing Card Policy.
Orders have not been split to avoid seeking approval from an officer with a higher delegation.
SAP is promptly updated once goods or services have been satisfactorily received (this enables the release of the account payment).
Where an invoice is received directly (due to an order not being issued to the supplier) then the invoice is certified for performance of service, approved by a section 12 delegated officer and submitted to GovConnectNSW for payment.
<b>BUDGET MONITORING AND EXPENDITURE REVIEW</b>
Monthly SAP expenditure transaction reports are obtained from GovConnectNSW.

The monthly expenditure transaction reports are reviewed to ensure that expenses charged against the office budget are correct and each transaction is verified against supporting documentation. The review of transactions is signed-off by the Chief Financial Officer.

Monthly operating statements are obtained and are reviewed by the Finance Officer, Chief Financial Officer and the Executive Director.

There is follow-up with GovConnectNSW on any queries.

Unresolved issues or repeated errors are advised to GovConnectNSW.

### **CABCHARGE**

*The Taxi Policy is on Gulbarra.*

Request forms to obtain packs of eTickets are approved by an officer with financial delegation.

The issue of eTickets is approved by an officer with administrative delegation to approve use of taxis.

Alternative transport to taxis has been considered eg public transport, free CBD shuttle bus, walking.

The eTickets are securely stored.

The cabcharge register is used to record taxi usage.

The monthly transaction listings of taxi charges are checked against the cabcharge register to ensure only correct costs have been charged against the budget.

The transaction listings and the cabcharge register are reviewed by the Chief Financial Officer to gain assurance that taxi use has been appropriate.

### **ATTENDANCE AND LEAVE RECORDING**

*Conditions are set out in the Flexible Working Hours Agreement, particularly employee's entitlements and manager's obligations. The Flexible Working Hours Agreement is on Gulbarra. Attendance and leave entitlements are contained in the Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009 (available on the intranet).*

Staff complete their flex sheets at least every 2 weeks (as required by the Agreement clause 9.2)

Attendance times and leave taken are correctly recorded on the flex sheet.

*For attendance times supervisors can gain assurance that recorded times are correct through observation of employees' attendance patterns. For leave supervisors may wish to keep a separate record when leave is taken eg noting in diary when an employee is absent and later using the diary entry to confirm that leave is correctly recorded on the flex sheet. Where leave is not recorded, use the diary entry to follow-up with the employee. In addition, administrative staff provide an additional cross-check of leave and flex records to ensure they match the daily staff attendance blog (although supervisors are in a better position to assess flex records against actual attendance patterns).*

### **CORPORATE PURCHASING CARD**

The cardholder is aware of the limitations placed on purchasing card use, such as dollar limits and the type of expenditure that can and cannot be incurred.

The cardholder keeps their purchasing card in a secure place.

The purchasing card is only used for official business purposes, with the expenditure approved by an officer with appropriate financial delegation.

The purchasing card statement of expenditure is reconciled monthly, with the reconciliation supported by transaction slips for all expenditure.

*(Note - purchasing cards may be cancelled if reconciliations are not submitted)*

Lost or stolen cards are to be reported immediately to Westpac via telephone on 1300 650 107 (Australia) or 61 2 9374 7082 (overseas). Also to the Director, Governance and Operations (9321 3381) and GovConnectNSW (9372 7777).

#### **MOBILE COMMUNICATION DEVICES**

*PCO's Mobile Phone Policy is on Gulbarra.*

Mobile communication devices are only approved in accordance with the administrative delegations and where a legitimate business need exists,

All approved mobile communication devices are ordered centrally by the Administrative Officer with the approval of an officer with appropriate administrative and financial delegation.

Staff review monthly accounts, identify all personal use and pay for such personal use as required by the Policy.

#### **RECORDS MANAGEMENT**

*PCO's Records Management Policy and Program is on Gulbarra.*

*LEGIS is PCO's electronic document and records management system for legislative projects.*

All staff have a LEGIS login account.

All record keeping activities must meet requirements of the *State Records Act 1998*, PCO's Records Management Policy and any policies relating to the security of electronic and paper-based records.

Network folder structure - directories on the PCO file server are used for the retention of electronic documents not associated with legislative projects.

Access to folders is governed by passwords and access is approved by the Parliamentary Counsel and implemented by legislative systems staff.

Confidential material or high security hard copy files are stored in lockable filing cabinets.

Disposing of records – the Executive Director has been consulted before disposing of or destroying any corporate records and all disposals are undertaken in accordance with the relevant disposal authority.

Details of staff members leaving PCO have been forwarded to IT to remove their access rights.

All contractors have signed a confidentiality agreement.

All ongoing and temporary employees are given access to information on LEGIS, for which access is password controlled. Access to the most sensitive material on LEGIS is controlled on a project-by-project basis and access by individual employees is set by the Parliamentary Counsel.

All draft legislation has been reviewed by a person other than the drafter and the review process has been recorded on LEGIS.

#### **RISK MANAGEMENT**

PCO's approach to identifying and managing risk across its whole area of operations is detailed in the PCO's Risk Management Policy and Framework available on Gulbarra (PCO's intranet).

Employees are aware of the PCO's Risk Management Policy and Framework and it is published on Gulbarra.

There is documented evidence that risk management has been considered in:

- the annual business planning process.
- the development and implementation of new, or changes to, policies, programs and legislation, including new policies and procedures new strategies and activities, changes to levels of activity and potentially sensitive issues.
- any new activity, change in activity, initiative or project that has the potential to cause significant reputational or other damage should they fail.



**FRAUD AND CORRUPTION CONTROL**

*PCO's system for the prevention, detection and reporting of fraud and corruption is detailed in the Fraud and Corruption Control Policy and Strategy on Gulbarra.*

Employees are aware of the Fraud and Corruption Control Policy and Strategy and it is available on the intranet.

Employees have completed the eLearning module. PCO accesses DPC's module by agreement.

Roles with high opportunity for fraud (due to the nature of the role) have been identified and the occupants of those roles are required to take a consecutive block of leave of at least 2 weeks each year.

**TERMINATION OF EMPLOYMENT**

The GovConnectNSW Employee Termination Checklist has been completed, which includes returning government property.

Pcard is returned to and destroyed by the Administrative Officer if the employee has one.