

Parliamentary Counsel's Office

Fraud and Corruption Control Policy

September 2026

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Policy Owner / Contact

Corporate Services

Review Record

Date	Action	Version
March 2022	Draft	1.0
May 2023	Review	1.1
August 2026	Review	1.2

1. Overview

Treasury Circular TC18-02 requires every New South Wales public sector agency to develop, implement and maintain a framework to prevent, detect and respond to fraud and corruption. This policy forms part of the Parliamentary Counsel's Office (PCO) range of controls and supports the proper use of public money, assets, information and authority.

PCO does not tolerate fraud or corruption. Suspected wrongdoing will be assessed promptly and fairly, reported when required, and addressed through proportionate action. This does not mean that every allegation is proven. PCO will protect procedural fairness, confidentiality and the rights of everyone involved.

This policy explains PCO's approach to fraud and corruption control. It applies to all employees, contractors, consultants, labour hire workers, secondees, volunteers and any other person performing work for or on behalf of PCO. It also applies to suppliers and service providers where relevant to their engagement.

Fraud is dishonestly obtaining a benefit or causing a loss by deception or other means. Corrupt conduct is deliberate or intentional wrongdoing, not negligence or an honest mistake.

2. Roles and responsibilities

Role	Key responsibility
Parliamentary Counsel	Overall accountability for the management of PCO, including ensuring fraud and corruption risks are monitored and addressed. Reporting suspected fraud and corruption to ICAC and NSW Police as appropriate.
Audit and Risk Committee	Provide assurance and periodic review of PCO's Fraud and Corruption Control Policy in accordance with Treasury Circular TPP20-08.
Director, Corporate Services and Operations	Ownership and ongoing review of the Fraud and Corruption Control Policy, including implementation of the Policy, actioning reports of suspected fraud and corruption and ensuring third party providers comply with the Policy as appropriate.
People Managers	Ensuring employees understand their responsibilities and contribute to risk assessments and controls relevant to their work area.
PCO Employees	Compliance with internal control systems and procedures and report suspected cases of fraud and corruption. Working within the Code of Ethics and Conduct for NSW Government Sector Employees

3. Policy

3.1 Leadership

The Parliamentary Counsel and other members of the PCO leadership team are committed to maintaining the highest standards of professionalism and conduct in providing legislative drafting, access and advisory services. No level of fraud and corruption will be tolerated, and immediate action will be taken whenever such activity is detected.

3.2 Ethical framework

PCO's controls support the Ethical Framework for the government sector under the *Government Sector Employment Act 2013*, the Code of Ethics and Conduct for New South Wales Government Sector Employees, and PCO policies. Everyone covered by this policy must act in the public interest, use resources properly, manage conflicts of interest, protect information and speak up about serious wrongdoing.

The Code of Ethics and Conduct for NSW Government Sector Employees outlines the standards of behaviour expected of all PCO employees. Employees are expected to comply with the Code of Conduct and with any relevant legislation, memoranda and circulars, or resources from relevant agencies such as ICAC and the NSW Ombudsman. Relevant documents and links are available on Gulbarra.

3.3 Prevention systems

PCO will identify and assess fraud and corruption risks at least annually and when there is a significant change to functions, systems, suppliers or operating arrangements. A more detailed assessment will be completed at least every three years. Controls will be proportionate to PCO's size, risk profile and resources.

Priority controls include appropriate delegations, separation of incompatible duties where practical, independent checks where separation is not practical, conflict of interest declarations, secure access to systems, accurate records, supplier due diligence and regular review of higher-risk transactions.

Because PCO is a small agency, some concentration of decision-making and system access is unavoidable. PCO will manage this risk through proportionate controls that preserve timely decision-making while ensuring that no person has unchecked control over a higher-risk process. If full separation of duties is not practical, the control owner must document the reason and apply an independent compensating control.

While some are principally common sense, depending on the situation prevention may include:

- ensuring the person who requests, recommends or processes a transaction or decision is not the only person who approves it;
- referring a matter to the Parliamentary Counsel, another senior executive, an independent committee member, or an external adviser if internal independence is not possible;
- recording the decision, evidence considered, conflicts declared, reasons, approvals and any departure from normal process in a briefing or email;
- requiring decision-makers and advisers to disclose actual, potential or perceived conflicts of interest and withdraw from the matter where appropriate;
- using financial, procurement and administrative delegations that are current, documented and built into relevant systems;
- limiting privileged, administrator and payment access to the minimum necessary, prohibiting shared accounts, and independently reviewing access after role changes and at least annually;
- periodically sampling payments, purchasing card transactions, overtime, leave, recruitment, procurement, contract variations, information access and other higher-risk activity;
- using system workflows, automated approval limits, alerts, audit logs, exception reports and regular reconciliations wherever practical;
- maintaining central registers for conflicts of interest, gifts and benefits, secondary employment, delegations, contracts, purchasing cards and higher-risk decisions, with periodic senior review;
- rotating review or approval responsibilities where practical and ensuring workers in sensitive roles take regular leave, so another person performs or checks the work;
- maintaining procedures, checklists, process maps and handover records so that important processes are not controlled through one person's undocumented knowledge;
- periodically testing controls through peer review or internal audit;

- obtaining independent or specialist advice for high-value, high-risk, unusual or contentious matters;
- requiring retrospective review and documented ratification if urgent action prevents normal approval, without allowing urgency to become a routine substitute for proper controls;
- monitoring repeated use of the same supplier, direct dealings, contract variations, transaction splitting, override of controls, unusual timing and other indicators of elevated risk; and
- maintaining succession, backup and cross-training arrangements for key roles to reduce dependence on one person and support effective challenge.

Material control gaps, repeated overrides or unresolved concentration risks must be reported to the Parliamentary Counsel and, if appropriate, the Audit and Risk Committee.

3.4 Fraud awareness

PCO will provide fraud and corruption awareness training at induction and refresher training at least every two years. People in higher-risk roles, including finance, procurement, recruitment, information technology and contract management, will receive targeted guidance when needed. Key reporting channels and policy changes will be communicated to employees.

PCO also benefits from the professional obligations of employees who provide legal services. A solicitor or barrister must hold a current Australian practising certificate, or other authority recognised under applicable law, where required for their work. They must comply with the conditions of that authority, applicable professional conduct rules and continuing professional development requirements. These duties include honesty, competence, diligence, confidentiality, managing conflicts of interest, maintaining professional independence and upholding the administration of justice.

Solicitors and barristers must complete the mandatory ethics and professional responsibility component of their annual continuing professional development and promptly tell PCO if their authority to practise is restricted, suspended, cancelled or not renewed.

These professional duties supplement, and do not replace, the obligations applying to all PCO employees under this policy and the Code of Ethics and Conduct for New South Wales Government Sector Employees.

3.5 Third party management systems

Before and during an engagement, PCO will apply risk-based checks to suppliers, contractors and shared service providers. These may include identity and capability checks, conflict of interest declarations, appropriate approval of procurement, clear contractual obligations, access controls, monitoring of deliverables and invoices, and rights to address suspected wrongdoing. PCO will rely on whole-of-government and shared service controls where appropriate, while retaining accountability for risks within its operations.

3.6 Notification systems

Anyone covered by this policy must promptly report suspected fraud, corruption or related serious wrongdoing. A report may be made orally or in writing, and may be anonymous. Reports may also qualify as public interest disclosures under the *Public Interest Disclosures Act 2022*. PCO will assess reports under its Public Interest Disclosures Policy and apply the protections required by that Act.

Reports should normally be made to the Director, Corporate Services and Operations. If that person is involved in the matter, or the reporter is not comfortable using that channel, a report may be made to the Parliamentary Counsel, a Deputy Parliamentary Counsel, or another recipient authorised under PCO's Public Interest Disclosures Policy.

PCO will take reasonable steps to protect reporters and witnesses from detrimental action, maintain

confidentiality and provide appropriate support. Information will be shared only if authorised or reasonably necessary to assess, investigate or report the matter. Updates and outcomes will be provided to a reporter to the extent permitted by law and fairness to others.

A person may also report directly to an appropriate integrity agency, including the Independent Commission Against Corruption, the New South Wales Ombudsman, the Audit Office of New South Wales or where appropriate the New South Wales Police Force.

The Parliamentary Counsel must report to the Independent Commission Against Corruption under the *Independent Commission Against Corruption Act 1988*, section 11 if there is a reasonable suspicion that corrupt conduct has occurred or may occur.

3.7 Detection systems

PCO uses proportionate monitoring to identify unusual activity and control failures. This includes management review, reconciliations, financial and system access checks, analysis of higher-risk transactions, internal audit and review of complaints, incidents and conflicts of interest. The Director, Corporate Services and Operations with the support of the Leader, Finance & Governance monitors agreed actions and reports significant issues and overdue actions to the Parliamentary Counsel and the Audit and Risk Committee.

An Internal Audit Plan is reviewed annually to ensure the adequacy and effectiveness of internal controls of medium and high risk processes are reviewed. The PCO's internal audits are reviewed by the Audit and Risk Committee. Deficiencies and weaknesses identified in internal audits are addressed and remedied by the appropriate PCO employees.

3.8 Investigation systems

Corruption

The Parliamentary Counsel is accountable for deciding how allegations are handled and for making any required external report. The Director, Corporate Services and Operations (or other appropriate executive or nominated person) may coordinate the initial assessment, preserve records and obtain specialist advice. A person with an actual or perceived conflict of interest must not assess or investigate the matter.

Initial action must be limited to what is reasonably necessary to protect people, public resources, information and evidence, and to decide whether an external report is required. If the threshold in the *Independent Commission Against Corruption Act 1988*, section 11 is met, the Parliamentary Counsel must report the matter promptly to the Independent Commission Against Corruption and seek guidance before taking steps that could affect an external investigation.

Fraud

PCO will coordinate with relevant integrity or law enforcement agencies and will not continue an internal investigation in a way that could prejudice their work.

Suspected criminal conduct will be referred to the New South Wales Police Force when appropriate.

Conducting investigations

The Parliamentary Counsel must remain in contact with the reporting authority to ensure a matter is dealt with in a timely way and agree on the final reporting scope and timeframes.

The Parliamentary Counsel is required to prepare an investigation plan that includes:

- a description of the alleged wrongdoing;
- specific issues and matters to be examined;
- details of initial inquiries;
- identification of key staff involved, and support required;
- possible outcomes;

- a requirement to 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 the allegations are determined to be substantiated. They have the right not to have details of the allegation disclosed or discussed by others not concerned in the matter.

3.9 Conduct and disciplinary standards

A breach of the Code of Conduct may lead to potential misconduct or performance management consistent with the relevant provisions of the *Government Sector Employment Act 2013* and the *Government Sector Employment (General) Rules 2014*, Parts 7 and 8.

4. Further Information

Relevant guides and legislation:

- The Code of Ethics and Conduct for NSW Government Sector Employees
- [Fraud Control Improvement Kit](#) (NSW Audit Office, 2015)
- *Government Sector Employment Act 2013*
- *Government Sector Finance Act 2018*
- *Public Interest Disclosures Act 2022*
- Treasury Circular TC18, *NSW Fraud and Corruption Policy*, (NSW Treasury, April 2018)
- Treasury Policy TPP20-08, *Internal Audit and Risk Management Policy for the General Government Sector* (NSW Treasury, December 2020)
- Treasury Policy TPG24-08, *Policy and Guidelines: CFO Certification on the Internal Control Framework over Financial Systems and Information* (NSW Treasury, April 2024)

Related PCO policies include:

- Gifts, Benefits and Hospitality Policy (available on Gulburra)
- Process: Dealing with Complaints (available on Gulburra)
- Public Interest Disclosures Policy (available on Gulburra)
- Risk Management Framework (available on Gulburra)