

TIPP5.09 Fraud and Corruption Control System (FCCS)

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30 June 2023

Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

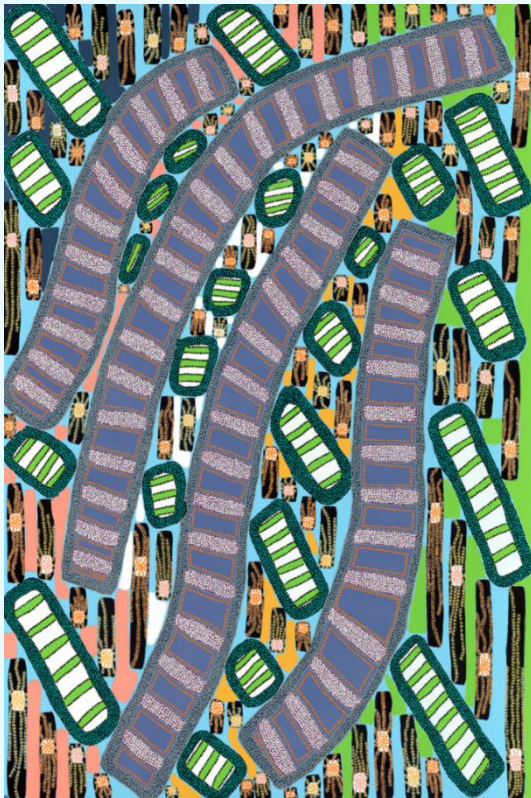
We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas, and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families, and communities, towards improved economic, social, and cultural outcomes.

Artwork:

Regeneration by Josie Rose



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Preface

NSW Treasury has adopted this NSW Treasury Fraud and Corruption Control System (FCCS) to document the approach to the development, implementation and regular review of strategies which build and maintain an ethical culture and reduce the risk of fraud and corruption in our organisation.

Fraud and Corruption can occur whenever a person supplies or has access to resources or information or has responsibility for decision-making.

NSW Treasury has zero tolerance for corrupt conduct, fraudulent activities, or maladministration. Everyone is responsible for the prevention of fraud and corruption. We must all demonstrate our commitment to the prevention, detection and response to fraud and corruption.

The FCCS establishes a clear accountability and responsibility structure for the implementation and monitoring of Treasury's fraud and corruption prevention strategies, and actions that will enable us to meet that commitment and effectively manage fraud and corruption risk.

Michael Coutts-Trotter

Secretary

NSW Treasury

30 June 2023

Note

General inquiries concerning this document should be initially directed to:

Risk, Compliance and Audit, NSW Treasury; risk@treasury.nsw.gov.au

This publication can be accessed from the Treasury's website www.treasury.nsw.gov.au

The Plan

The FCCS is designed to complement the Fraud and Corruption Prevention Control System Framework (the Framework) and Policy and Fraud and Corruption Incident Register. The FCCS outlines the action items to enhance general fraud and corruption control.

Attribute	Strategy	Action	Responsibility	When	Status
Foundations- all staff	Ensure all staff within NSW Treasury understand their responsibility when it comes to prevention, detection and response to fraud and corruption.	All Treasury staff to familiarise themselves with their responsibilities with the Framework and the FCCS.	All staff	Upon release of new plan and updates as they occur/ongoing. Ongoing with a plan review annually.	Ongoing, formal annual review as part of the mandatory compliance e-learning modules.
Foundations- leadership	Ensure all levels of management understand their obligations, accountabilities, and responsibilities.	All Treasury managers to familiarise themselves with their responsibilities with the Framework and the FCCS.	All Extended Leadership Team, and people managers.	Upon release of new plan and updates as they occur/ongoing. Ongoing with a plan review annually	All NSW Treasury staff have completed the annual compliance Senior Executive Compliance Attestation process for the 2022 calendar year. Furthermore, this is supported by the Treasury Compliance Assurance Program.
Foundations- Ethical Framework	Maintain clear policies setting out acceptable standards of ethical behaviour.	Treasury to ensure all policies relating to its Code of Ethics and Conduct, along with the Code itself, are kept current.	Executive Director- Finance and Operations, Chief People Officer & Risk, Compliance and Audit team	A review occurs at least every two years or when an earlier need is identified.	The NSW Treasury Code of Ethics and Conduct was published and shared with all staff as part of induction in April 2021. A review will be undertaken in 2023.

Attribute	Strategy	Action	Responsibility	When	Status
Awareness	Communicate to all Treasury staff their responsibilities with regards to prevention, detection and reporting of fraud and corruption matters.	<p>Ensure all employees, including contractors, complete mandatory online compliance modules which include the Fraud and Corruption Module and Risk Management Module.</p> <p>New starters are required to undertake induction training at Treasury (referred to as HIIT). The training includes discussion on fraud and corruption and expected actions.</p>	Executive Director- Finance and Operations, Risk, Compliance and Audit Team, HR, Communications and Office of General Counsel.	On commencement e-learning module and HIIT training to be completed. Annually – all staff to refresh knowledge through e-learning	New starter and annual compliance refresher training process embedded Completed for 2022 year. Still following up completion for some Office of Energy and Climate Change staff.
Awareness	Make information readily available for staff on Treasury’s approach to fraud prevention and control.	Update relevant policies, make these accessible on Treasury’s intranet and communicate to staff the relevant fraud and corruption policies.	Risk, Compliance and Audit Team	A review occurs at least every two years or when an earlier need is identified.	Policies updated in May 2023, to be shared on intranet in June 2023

Attribute	Strategy	Action	Responsibility	When	Status
Awareness	Suppliers and commercial partners understand Treasury will not tolerate corruption including fraudulent dealings.	Treasury's Statement of Business Ethics is developed and to be maintained by the Risk, Compliance and Audit team. Development of Consultant and Contractor Policy and NSW Government Supplier Code of Conduct and Procurement Policy Framework.	Risk, Compliance and Audit Team NSW Procurement	Updated May 2022	Complete and current
Awareness	Communicate to all Treasury staff their responsibilities about cyber security risks.	Ensure all employees, including contractors, complete mandatory online compliance modules which include Treasury's IT module, along with Cyber Security's online module from 2022. IT has also developed a staff communication plan for Cyber awareness Treasury has a dedicated Chief Information Security Officer (CISO) responsible for cyber awareness, prevention and detection activities.	Chief Information Officer Risk, Compliance and Audit Team	On commencement e-learning module and HIIT training to be completed Annually – all staff to refresh knowledge through e-learning December.	New starter and annual compliance refresher training process embedded Completed for 2022 year. Cyber Security Communication Plan has been implemented by the IT team and communication and awareness initiatives are ongoing.

Attribute	Strategy	Action	Responsibility	When	Status
Awareness	Communicate to all Treasury staff their responsibilities about privacy.	Ensure all employees, including contractors, complete mandatory online compliance modules which include Treasury's Privacy module along with being familiar with Treasury's Privacy Management Plan.	All Staff	As necessary	Ongoing.
Prevention	Maintain a complete and accurate gifts and benefits register.	Staff declare gifts and benefits in accordance with Treasury's gifts and benefits policy. These are recorded in Protecht (Treasury's enterprise risk management system). Maintain a gifts and benefits register – with approval of acceptance from manager and Risk, Compliance and Audit team. Report of gifts and benefits are provided to the Audit and Risk Committee.	All Staff Risk, Compliance and Audit Team	As necessary Annual reporting – usually to ARC in September	Ongoing. Ongoing and completed for 2022 year.

Attribute	Strategy	Action	Responsibility	When	Status
Prevention	Maintain a complete and accurate Conflict of Interest Register.	Staff declare conflicts of interest in accordance with Treasury's conflicts of interest policy. These are recorded in Protecht.	All staff	As necessary	Ongoing
		Maintain a conflicts of interest register – with approval of acceptance from manager and Risk, Compliance and Audit team. SES Private Interest Disclosures are sent to Secretary for sign off and reporting on this is provided to the ARC.	Risk, Compliance and Audit Team	Annual reporting – usually to ARC in September	Ongoing and completed for 2022 year
Prevention	Pressure testing of internal controls	Treasury's Compliance Assurance Testing Program is in place to test the operating effectiveness of internal controls. The annual compliance testing plan will incorporate internal fraud and corruption mitigation controls.	Risk, Compliance and Audit Team	As necessary	Ongoing

Attribute	Strategy	Action	Responsibility	When	Status
Prevention	Maintain a current enterprise risk register which considers fraud and corruption risks.	The risk team to work with respective business units to identify risk and controls around fraud and corruption as appropriate. These risks are to be highlighted to the respective Leadership Team members and are included in Treasury Executive Board reporting.	Risk, Compliance and Audit Team	Risk Workshops are done at least annually	Completed as part of the 2022 risk workshops with Senior Leadership Team. Ongoing engagement as required throughout the year.
Detection	Maintain a Fraud/Corruption Conduct Incident Register.	Staff report any alleged fraud or corruption breach incidents in Protecht.	All staff Risk, Compliance and Audit Team	As necessary. Register to be updated as matters arise and to be reviewed annually	Ongoing. Incidents have been reported as identified.
Detection	Risk-based internal audit program.	When drafting the internal audit program and individual scopes, consider possibility of fraud and corrupt conduct in the processes. As appropriate, evaluate the effectiveness of internal controls.	Risk, Compliance and Audit Team and Internal Audit Service Provider	Ongoing – with the plan refreshed annually	Ongoing In the process of establishing our 3-year internal audit plan.
Detection	Monitoring and review of IT systems controls.	Review user access for each key Treasury system and provide a report to the ARC indicating completion of activity. Provide exception reports to the ARC.	Chief Information Officer	At least annually As required	Ongoing and completed for 2022 year

Attribute	Strategy	Action	Responsibility	When	Status
Detection	Safeguarding our IT assets.	IT asset register is reviewed and reconciled monthly for certain IT assets e.g. iPhone, iPad, Telstra air card). Periodic stock-take conducted for laptops in collaboration with IT, Finance and GovConnect and reported to ARC annually of completion.	Chief Information Officer	Monthly Annually	Ongoing and completed for 2022 year
Reporting	Reporting Public Interests Disclosures to nominated body.	Treasury to report on Public Interest Disclosures to the NSW Ombudsman's Office as appropriate.	Chief Operating Officer (General Counsel)	Six monthly and by the due date set by the Ombudsman's Office	Ongoing
Reporting	Disclose to stakeholders in Annual Report any Public Interest Disclosures made.	Draft wording to disclose Public Interest Disclosures in the Annual Report.	Chief Operating Officer (General Counsel)	Annually	Ongoing
Reporting	Report matters to the Treasury Executive Board and ARC Committee.	Advise the ARC of any Fraud & Corruption allegations as appropriate (otherwise confirm nil instances). Convene the Treasury Fraud & Corruption Investigations Committee as needed.	Risk, Compliance and Audit Team Members of Treasury Fraud and Corruption Investigations Committee	Quarterly As needed	Ongoing and reported to the ARC on a quarterly basis

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