



## Prevention and management of fraud and corruption

- Control plan for external  
stakeholders 2020-21



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## **1 Purpose of this control plan**

The fraud and corruption control plan (FCCP) for external stakeholders supports a proactive culture of integrity with the Office of the Queensland Ombudsman's external stakeholders, to reduce the potential for fraud and corruption to occur within or against the Office.

The FCCP explains the key processes in place to support the prevention, detection and response to suspected fraud and corruption within the Office. It ensures that external parties understand their responsibilities and the mechanisms in place to report and manage any suspected instances of fraud or corruption.

## **2 Policy statement**

The Office of the Queensland Ombudsman is committed to high standards of professional and ethical conduct. All employees have a responsibility to conduct business activities within legislative and organisational standards. Fraudulent activities or corrupt conduct are contrary to the Ombudsman's values and code of conduct.

In pursuit of this, the Queensland Ombudsman has zero tolerance for fraud or corruption in the workplace and is committed to preventing fraud and corruption against or within the Office.

## **3 Principles**

Corruption involves a breach of trust in the performance of official duties whilst fraud is typically characterised by deliberate deception to facilitate or conceal the misappropriation of tangible or intangible assets<sup>1</sup>.

Corrupt conduct can be attributed to anyone, including employees, people no longer working for the Office, suppliers to the Office or other private individuals or organisations where there is a direct link between the conduct and its adverse effect on the Office. It can include abuse of public office, loss of revenue to the State, perverting the course of justice, bribery, theft, forgery, collusion, access or misuse of confidential information.

The Office recognises that prevention, identification and control are integral components of good governance to minimise any opportunities for employees or other stakeholders to be involved in fraud or corruption. The Office is committed to:

- developing and maintaining staff awareness of fraud and corruption
- encouraging staff and external parties to report any and all suspected occurrences of corruption
- providing staff with support during and post reporting, and managing reprisals under the Office's code of conduct

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<sup>1</sup> CCC Fraud and Corruption Control: Best Practice Guide 2018

- incorporating a risk-based approach to the prevention, identification and management of fraud and corruption
- implementing a robust internal control program
- reporting all instances of suspected fraud and corruption and investigating appropriately
- appropriately disciplining or facilitating the prosecution of those responsible for incidents of substantiated fraud and corruption.

## 4 Application and scope

This control plan applies to complaints of suspected fraud or corruption about all employees, including the Ombudsman. Whilst all complaints are managed using the same process, any specific requirements for complaints relating to the Ombudsman are highlighted separately, in accordance with section 48A of the Crime and Corruption Act 2001.

This control plan is one element of an integrated Fraud and corruption control framework (FCCF) that is designed to effectively prevent, identify, control and respond to fraud and corruption. It fits within the Office's broader integrity framework that includes plans, policies, procedures, charters, registers, codes and other documentation in place to ensure compliance with obligations, including:

- standards of service for the government and Queensland community (*Public Service Act 2008*)
- managing ethics principles and values (*Public Sector Ethics Act 1994*)
- acting compatibly with human rights and considering human rights as part of decision making (*Human Rights Act 2018*)
- reporting and managing matters relating to corrupt conduct (*CC Act 2001*)
- managing public interest disclosures (*Public Interest Disclosure Act 2010*)
- establishing and maintaining appropriate systems of internal control and risk management (*Financial Accountability Act 2009*).

## 5 Procedures

### 5.1 Coordination mechanisms

#### The Fraud and Corruption Control Officer

The implementation of the FCCF is managed by a Control Officer. The Director, Corporate Services Unit is the Office's Fraud and Corruption Control Officer (FCCO) with the following responsibilities:

- manage the implementation of the FCCF
- review and action amendments to the FCCF
- act as the central point of contact for internal reporting of suspected fraud and corruption

- coordinates the fraud and corruption register and the associated internal records of matters reported
- coordinate the assessment of matters in consultation with relevant managers
- coordinate the reporting of matters to CCC
- oversight and co-ordinate investigations
- report on training, analytics, and controls to the Ombudsman and appropriate governance committees, and
- review data to identify trends and systemic issues, report on findings and coordinate any actions identified to improve processes or controls.

### **Nominated officer under section 48A of the CC Act 2001**

The Deputy Ombudsman is the Office's nominated person to deal with any complaint that may involve corrupt conduct by the Ombudsman, in accordance with s.48A of the CC Act 2001.

## **5.2 Risk management system**

The Office adopts one enterprise risk management framework for identifying, analysing and responding to strategic, and operational risks faced by the Office, including fraud and corruption risks.

## **5.3 Internal controls**

The Office has a number of measures in place to ensure that appropriate controls are in place to prevent, detect and respond to fraud and corruption, and that these controls continue to be effective:

- policies, procedures and plans are regularly reviewed as designated or in response to significant events that may arise
- where particular fraud or corruption risks are known to exist, internal control instructions are clearly documented
- internal controls are regularly reviewed and adapted in line with any recommendations made.

## **5.4 Reporting processes**

### **Making a complaint about suspected fraud or corruption**

A complaint may be made in writing or verbally, and can be made anonymously.

While it is not necessary to have sufficient evidence to prove an allegation prior to reporting a complaint, adequate information is required to suggest that the complaint, if proven, would amount to fraud or corruption. The complaint should ideally be made in a timely manner.

To support the assessment of a complaint, sufficient information and documentation is preferred, in writing. This may include:

- a description of the suspected fraud or corruption including:

- what happened
- when and where the fraudulent or corruption occurred
- who was involved and who witnessed the conduct
- supporting evidence and documentation
- a previous case reference number where relevant
- contact details if the complaint is anonymous (for example, a created email address).

Allegations of suspected fraud or corruption are referred to the CCC. It is an offence to provide the CCC with information that is known to be false or misleading either directly, or through another entity who is obliged to provide the information to CCC.

### **Who to make a complaint to**

A complaint may be made to the Office or to another appropriate external authority.

The process to deal with a complaint made by an external party is based on the way in which the complaint is received:

- If a complaint is made by telephone or in person, the receiving officer will refer the complaint to their manager, who should seek to collect all relevant information. If the receiving officer believes the manager may be involved in the fraud or corruption, the complaint should be referred directly to the manager of that person's manager or the Deputy Ombudsman or Fraud and Corruption Control Officer or Ombudsman.
- If a complaint is received in writing, the complaint is referred directly to the FCCO.

All complaints are forwarded to the FCCO by the officer in receipt of the complaint.

An external party may also report to an agency with appropriate authority for investigating the complaint, including the:

- CCC for all matters relating to corrupt conduct
- Queensland Audit Office (QAO) in relation to substantial misuse of resources
- Queensland Police Service (QPS).

### **Reports in relation to the Ombudsman**

A complaint that may involve corrupt conduct by the Ombudsman, should be reported to:

- the Deputy Ombudsman as the Office's nominated officer
- the CCC directly, or
- any other external agency with appropriate authority.

## **5.5 External reporting**

The Ombudsman has a duty to refer to the CCC a complaint, information or matter which the Ombudsman reasonably suspects involves, or may involve, corrupt conduct.<sup>2</sup>

## **5.6 Investigation management processes**

### **Principles and confidentiality**

All assessments and investigations are undertaken in a manner that:

- is impartial, fair and reasonable in accordance with the principles of natural justice
- is in accordance with the requirements of the Human Rights Act
- protects confidentiality as far as is possible.

In some instances, a person's identity may be disclosed in the provision of natural justice or in response to a court order or legal directive.

### **Assessment stage**

The FCCO coordinates the assessment of a complaint in consultation with the appropriate manager/s and the Ombudsman. Conflicts of interest (actual or perceived) and operational priorities are considered in determining who will assess the complaint.

Assessments will be conducted in accordance with the Human Rights Act.

All assessments are forwarded to the Ombudsman for review within 21 days of the receipt of the complaint.

If the Ombudsman determines that an assessment supports a suspicion of fraud or corruption, the matter is referred to the CCC.

If the complaint is assessed as a public interest disclosure on assessment, a risk assessment and protection from reprisals will be undertaken in accordance with the Public interest disclosure procedure.

### **Decision not to investigate**

The Ombudsman may decide not to refer or investigate a complaint where:

- the complaint has already been investigated or dealt with by another process
- the complaint or information should be dealt with by another process
- the age of the complaint or information makes it impractical to investigate
- the information provided is too trivial, lacks substance or credibility and dealing with it would substantially and unreasonably divert the Office from the performance of its functions
- another agency with jurisdiction to investigate the information has informed the Office that an investigation is not warranted.

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<sup>2</sup> *CC Act 2001, s.40*

## **Investigation stage**

Where a complaint is to be investigated by the Office, the Ombudsman will consider the nature of the complaint, potential officer/s involved in the matter and the Office's capacity to determine:

- whether the investigation is conducted internally or by an external investigator
- the scope of the investigation
- reporting or monitoring of the investigation.

External investigations are carried out in accordance with the Principles and confidentiality outlined above, and external investigators are required to abide by the Office's code of conduct and manage any real or perceived conflicts with professionalism and integrity.

If the complaint is identified as a public interest disclosure, the investigation will be undertaken in line with the Office's public interest disclosure procedure.

On finalisation of an investigation, the Ombudsman determines the course of action to be taken based on the investigation recommendations.

Prior to the closure of an investigation, consideration is given to the prevention processes or controls necessary to minimise the risk of similar future incidents.

## **Communication**

### Assessment stage

The person who made the complaint will be informed when a complaint is referred to CCC if contact details have been provided.

### Investigation stage

The person who made the complaint will be notified when an investigation is finalised by the agency undertaking the investigation. The extent to which findings are communicated will depend on the nature and outcome of the investigation. Where the investigation is undertaken by the Office, the action taken on the complaint will be communicated wherever possible.

If a decision is made not to investigate or deal with a complaint, the Office will provide written reasons for that decision if contact details have been provided. If the person making the complaint is dissatisfied with the decision, a review may be requested by writing to the Office within 28 days of receiving the written reasons for a decision.

If the investigation is undertaken as a public interest disclosure, communication will be consistent with the Office's public interest disclosure procedure.

## **Resourcing the management of complaints under section 48A of the CC Act 2001**

If the nominated person is dealing with a complaint in relation to the Ombudsman:

- The Office will ensure that sufficient resources are available to the nominated person to enable them to deal with the complaint appropriately.

- The nominated person will ensure that consultations, if any, for the purpose of securing resources sufficient to deal with the complaint appropriately are confidential and are not disclosed, other than to the CCC, without authorisation under a law of the Commonwealth or the State.
- The nominated person must, at all times, use their best endeavours to act independently, impartially and fairly having regard to the:
  - purposes of the CC Act
  - the importance of promoting public confidence in the way suspected corrupt conduct in the Office is dealt with and
  - the Office's statutory, policy and procedural framework.

If the nominated person has responsibility to deal with the complaint, they are delegated the same authority, functions and powers as the Ombudsman to:

- direct and control staff of the Office for the purpose of dealing with the complaint only
- enter into contracts on behalf of the department for the purpose of dealing with the complaint.

The nominated person does not have any authority, function or power that cannot be delegated by the Ombudsman under the law of the Commonwealth or the State.

## 6 The fraud and corruption control plan (FCCP)

### 6.1 Structure.

The FCCP specifies three stages in the prevention and control of fraud and corruption:

1) Prevention (P)	The systems, frameworks and processes in place to support the prevention of fraud and corruption
2) Detection (D)	The mechanisms in place to detect or expose fraud and corruption
3) Response (R)	The processes for responding to fraud and corruption and the channels for ensuring improvements or remedies for exposed or potential fraud and corruption are made

## 6.2 The plan

<b>What</b> <i>(Components)</i>	<b>How</b> <i>(Actions)</i>	<b>Stage</b> *
<b>Coordination mechanisms</b>		
Executive and management commitment	The Office's principal executive body endorse the fraud and corruption control framework	P D R
	Managers monitor adherence to Office procedures, plans, instructions or protocols, and ensure employees are provided with the appropriate communication, training, support or advice	P D
	Fraud and corruption prevention and controls are appropriately considered in the development and review of strategic and operational plans	P R
<b>Organisational culture</b>		
Culture	A culture of reporting is widely supported and promoted through induction, training, newsletters, the intranet, the internet, organisational planning, policies and procedures.	P D
Induction program for all employees	To establish the Office's integrity framework and expected standard of conduct, all new employees receive a copy of the Office's Code of Conduct and training as part of the induction program	P
	Fraud, corruption and public interest disclosure (PID) awareness information are provided as part of the induction program, along with information about relevant policies, procedures and plans	P
Ongoing training for employees	To reinforce the Office's ethical culture, including the obligation to prevent, detect and report fraud and corruption, all policies and procedures are accessible via the intranet and regular training is provided on the: <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Prevention and management of fraud and corruption, including responsibilities, reporting avenues and key internal controls</li> <li>• PID management training</li> </ul>	P, D
Communication	Fraud and corruption related initiatives or information are communicated through appropriate channels	P
Continuous improvement	The Office proactively seeks continuous improvement in the procedures and controls used to prevent, detect or respond to fraud and corruption	P R
<b>Client and community awareness</b>		
Availability of corporate information	The Office's website provides access to key corporate documents including the Strategic Plan, this fraud and corruption control plan and the PIDs procedure and plan	P D
	Relevant corporate reports and publications reference fraud and corruption prevention and control. (e.g. annual report)	P
Communication	Fraud and corruption related initiatives or information are provided to public sector officers through appropriate channels	P
	External parties who deal with the Office are advised of the appropriate policies, procedures and plans	P

\* Prevention (P), Detection (D), Response (R)

## 7 Authority and related documents

### 7.1 Authority

- *CC Act 2001*
- *Criminal Code Act 1899*
- *Integrity Act 2009*
- *Financial Accountability Act 2009*
- *Public Interest Disclosure Act 2010*
- *Public Sector Ethics Act 1994*
- *Public Service Act 2008*
- *Human Rights Act 2019*
- *Right to Information Act 2009*
- Financial and Performance Management Standard 2009

### 7.2 Related documents

#### Standards

- AS ISO 19600.2015
- AS/NZS ISO 31000:2009
- AS 8000-2003/Amended-2004 - Good governance principles
- AS 8801-2008 - Fraud and Corruption Control
- AS 8002 - Organisational codes of conduct

#### Government guidelines

- A Guide to Risk Management, Queensland Treasury 2011
- Code of Conduct for the Queensland Public Service, Public Service Commission 2011
- Financial Management Tools, Queensland Treasury 2016
- Fraud and Corruption Control: Best Practice Guide 2018
- Guidelines for the Development of Agency Codes of Conduct under the Public Sector Ethics Act 1994, Queensland Public Sector Management Commission, 1995
- Managing Conflict of Interest in the Public Sector: Guidelines and Toolkit, Crime and Misconduct Commission, 2004

## 8 Approval

Endorsed by:	Director Corporate Services Unit
Authorised by:	Anthony Reilly, Queensland Ombudsman
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