



Fraud and Corruption Control Plan 2021-23

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1. APPLICATION

- 1.1 The Fraud and Corruption Control Plan (the Plan) sets out the Integrity Commissioner's expectations of all Australian Commission for Law Enforcement Integrity (ACLEI) staff members and contractors in preventing, detecting, investigating and responding to fraud or corrupt conduct.
- 1.2 The Plan applies to all ACLEI staff members¹, officials² and contractors - including the Integrity Commissioner, any Assistant Integrity Commissioners, people employed by ACLEI under the *Public Service Act 1999*, legal practitioners appointed to assist the Integrity Commissioner as counsel, consultants, and secondees. The obligations for all ACLEI staff and contractors are outlined at section 9.
- 1.3 In line with the requirements of the Commonwealth Fraud Control Policy, the following documents and management processes form the key components of ACLEI's fraud and corruption control framework:
- ACLEI's **Fraud and Corruption Control Plan** - being this document, which articulates ACLEI's framework for fraud and corruption control (including for fraud originating outside the agency) and describes ACLEI's policies and practices to mitigate fraud and corruption risk.
 - ACLEI's **fraud and corruption risk assessments**³ - which articulate ACLEI's identified fraud and corruption risks, and detail the range of prevention, mitigation and detection controls, as well as the risk treatments / counter-measures to be implemented during the term of this Plan. A summary of these risks and counter-measures is at [Appendix C](#).
 - ACLEI's **fraud and corruption control assurance program**⁴ - which outlines the activities for monitoring the implementation of controls, treatments and other counter-measures; the assurance mechanisms for ensuring controls are

¹ as defined at section 11 of the *Law Enforcement Integrity Commissioner Act 2006*.

² as defined at section 13 of the *Public Governance, Performance and Accountability Act 2013*.

³ CM 21#40257DOC - Fraud and Corruption Risk Register

⁴ CM 21#40258DOC - Fraud and Corruption Assurance Program

operating effectively, and the evidence to be provided to the Integrity Commissioner and other senior executives to validate implementation.

- ACLEI's Governance and Engagement team are responsible for the day-to-day operational implementation of ACLEI's fraud and corruption control plan, risk assessments and the assurance program. The roles also ensure the Integrity Commissioner, the Internal Governance Board and other managers are supported in their implementation of the framework and management of anti-fraud and anti-corruption requirements. Details of roles and responsibilities are outlined at section 8 and Appendix B of this document. Governance arrangements are outlined at Appendix E.
- 1.4 A range of other ACLEI policies also relate to staff conduct and the proper use of public resources. These are listed at paragraph 9.2 and operate in conjunction with the Plan.
- 1.5 In accordance with the Commonwealth Fraud Policy (at para. 28)⁵, the Plan will be reviewed at least every two years.

2. LEGISLATIVE BASIS

- 2.1 ACLEI's Fraud and Corruption Control Plan complies with:
- the *Public Governance, Performance and Accountability Act 2013* requirements, including the prevention, detection and dealing with fraud in section 10 of the *Public Governance, Performance and Accountability Rule 2014*, and
 - the Commonwealth Fraud Control Policy.
- 2.2 In addition, it has been developed with reference to:
- sections 10 and 13 of the *Public Service Act 1999*, relating to the Australian Public Service (APS) Values, Code of Conduct and Employment Principles
 - Part 12 of the *Law Enforcement Integrity Commissioner Act 2006* (the LEIC Act) - Dealing with ACLEI corruption issues
 - the *Public Interest Disclosure Act 2013*
 - Department of Finance Resource Management Guide No. 201 (RMG 201) - Preventing, detecting and dealing with fraud,
 - AS8001 on Fraud and Corruption Control; and
 - government guidance for effective fraud control published by the Commonwealth Fraud Prevention Centre⁶ (Appendix A).

3. DEFINITIONS

Fraud

- 3.1 The Commonwealth Fraud Policy defines 'fraud' as '*dishonestly obtaining a benefit, or causing a loss, by deception or other means*'. The fraud must be deliberate and there must be a reasonable prospect it may lead to a direct or indirect advantage or

⁵ <https://www.ag.gov.au/sites/default/files/2020-03/CommonwealthFraudControlFramework2017.PDF>

⁶ <https://www.counterfraud.gov.au/access-tools-and-guidance/i-want-develop-fraud-control-plan>

disadvantage to an individual or group. An act of fraud against an agency may be committed by a staff member or an external party or by both together.

Corruption

- 3.2 An ACLEI corruption issue is defined in sections 6(3) and 8 of the LEIC Act, as an issue of whether a staff member of ACLEI has engaged, is engaging or may engage in conduct that:
- involves an abuse of office
 - perverts the course of justice, or
 - (having regard to the duties and powers of the staff member) involves corruption of any other kind.
- 3.3 The definitions of fraud and corrupt conduct are intentionally broad, since each may involve a wide range of conduct. Corrupt conduct may, but does not necessarily have to, involve fraud against the agency.
- 3.4 Further information and a link to factsheets about corruption is available at: <https://www.aclei.gov.au/corruption-prevention/key-concepts/nature-corruption>.

4. BACKGROUND

- 4.1 Fraud and corruption risks exist in all elements of ACLEI's business. As ACLEI and Australian Public Service officers we hold privileged positions due to our access to information, decision making, technology and systems, along with our mobility within the APS. We must protect these attributes from misuse.
- 4.2 There is potential for fraud or corrupt conduct to occur due to:
- the subject matter and nature of ACLEI's work
 - the individuals or organisations who may have an improper interest in ACLEI and its functions, and
 - the information, resources and equipment available to ACLEI staff.
- 4.3 Proportionate and practical fraud and corruption control is essential to:
- safeguard public resources from misuse - including money, information, powers and property
 - protect the integrity and credibility of ACLEI and its staff
 - retain the trust and confidence of the public, government and Parliament and the agencies within our jurisdiction
 - protect ACLEI investigations from compromise, and
 - keep staff - and other people who may deal with ACLEI - safe from harm.

5. FRAUD AND CORRUPTION STRATEGY STATEMENT

- 5.1 ACLEI seeks to prevent fraud and corrupt conduct by creating, maintaining and strengthening an agency culture that is based on high levels of integrity and which actively monitors and responds to current and emerging risks. ACLEI seeks to establish a system of management that prevents, aids detection and - by

investigating and responding effectively - limits the impact of any fraud or corruption that may occur.

5.2 ACLEI takes a systematic approach to preventing fraud and corruption by:

- undertaking assessments to understand current risks and identify factors that may affect risk over time
- seeking an external view, to guard against understatement of risk
- ensuring appropriate systems exist to minimise and prevent the incidence of fraud and corruption at ACLEI, including based on corruption vulnerabilities identified in our own investigations and the subject of our corruption prevention advice (e.g. through our Glasshouse Report process)
- reviewing, through an assurance program, ACLEI's management systems and measures regularly, to ensure their effectiveness and assess cost/benefit
- integrating fraud and corruption risk considerations into operational and business planning, consistent with ACLEI's strategic risk management Framework and Policy
- dealing with any incidents consistently with the LEIC Act and Commonwealth Fraud Control Policy requirements and recovering proceeds of fraud or corruption, when possible
- holding individuals to account for their actions,
- engaging staff through surveys and monitoring results of the APS Census, and
- reporting fraud and corruption incidents to government in a transparent and accountable way, to enable a systemic response.

6. FRAUD AND CORRUPTION RISK ASSESSMENTS AND CONTROL FRAMEWORK

6.1 The Commonwealth Fraud Control Framework stipulates that the fraud and corruption risk assessment is to be reviewed regularly as part of management's regular risk monitoring activities. To meet the requirements, ACLEI undertakes assessment of fraud and corruption risk every two years, and more frequently if necessary. [Appendix C](#) summarises the most recent assessment results, and lists the areas of higher vulnerability and impact. Details of the identified risks, ratings, ACLEI's controls over those risks and the treatments that will be implemented are documented in the ACLEI fraud and corruption risk assessment (June 2021).

6.2 ACLEI's anti-fraud and anti-corruption strategies are designed to deal with those risks which are most likely to have an impact on ACLEI's operations. They include a balance of controls to prevent, detect and mitigate identified risks. These controls are detailed within the fraud and corruption risk assessment and are reviewed throughout the period as part of ACLEI's fraud and corruption control assurance program across a two-year period.

6.3 In summary, ACLEI's fraud and corruption control strategies include:

- attention to maintaining a professional culture in which integrity is highly valued and concerns are reported
- comprehensive integrity reporting arrangements

- mandatory regular fraud and corruption-control training for all staff
- a range of risk-based system audit log reviews, alerts and reporting
- employment screening and security assessment gateways, including re-assessments such as security clearance reviews
- internal policies covering ACLEI's anti-fraud, anti-corruption and other procedural requirements across its operations to support compliance, accountable conduct and appropriate record-keeping
- management reviews of staff compliance with policies and procedures
- electronic work time recording, leave approval and file management
- close management of travel, finance and procurement
- senior level financial delegations to support the review of key transactions and segregated duties
- internal and external audits (including, but not restricted to financial and administrative systems, information access and integrity declarations), and
- deterrence and response strategies, such as disciplinary or other action against persons found to have engaged in fraud or corrupt conduct.

7. RESPONSIBILITY FOR FRAUD AND CORRUPTION CONTROL AND ASSURANCE PROGRAM

- 7.1 The responsibility for ensuring that an appropriate system of fraud and corruption control is in place rests with the Integrity Commissioner, who may delegate practical aspects to other staff. A table showing how practical aspects of fraud and corruption control have been delegated to ACLEI staff members is at [Appendix B](#). All ACLEI staff members have responsibilities under this arrangement.
- 7.2 The day-to-day operational oversight of this fraud and corruption control plan, risk assessments and assurance program is the responsibility of the Integrity Governance Officer under the direction of the Director Engagement and Performance. These roles also ensure that the Integrity Commissioner, the Internal Governance Board and other managers are supported in their management of anti-fraud and anti-corruption requirements.
- 7.3 ACLEI staff can only discharge their duties effectively if ACLEI has clear and robust internal accountability arrangements and a strong culture of personal and organisational integrity. Therefore, all staff members are part of ACLEI's fraud and corruption control framework.

8. STAFF OBLIGATIONS

- 8.1 All ACLEI staff members - including temporary staff and secondees from other agencies - have a duty to:
- ensure that they adhere to relevant legislative and policy requirements as to their individual conduct (such as, but not limited to: the general duties of officials under the PGPA framework and the APS Values and Code of Conduct) and as a staff member of ACLEI under the LEIC Act

- conduct themselves with integrity and honesty at all times and contribute to a shared culture of high professional standards and ethical practice
- report any suspected fraud or corruption in ACLEI according to the protocol at Appendix D
- act consistently with ACLEI's Integrity Framework, including by escalating (not self-managing) risk, declaring potential conflicts of obligation or interest (sources of compromise) and making contact reports
- use and manage Commonwealth information, systems, resources, equipment, and identification documents ethically and accountably
- handle personal and sensitive information securely, according to ACLEI and Commonwealth guidelines, and
- comply with all ACLEI policies, Standard Operating Procedures, and any other guidance or instruction issued by the Integrity Commissioner.

8.2 Policies which are especially relevant to fraud and corruption control include:

- ACLEI Integrity Policy
- Integrity Risk Reporting and Management
- Making a Public Interest Disclosure
- Notifying ACLEI Corruption Issues
- Declarable Associations and Contact Reporting
- Private Interest Declarations
- Secondary Employment
- Gifts and Benefits, and
- Personal Use of Social Media.

8.3 All staff must maintain their awareness and knowledge of their obligations and ACLEI's governance arrangements by attending ACLEI's mandatory training program. Key governance and policy documents can also be found on the ACLEI intranet.

8.4 A staff member who is unsure of an obligation may seek guidance from their supervisor, an Executive Director or ACLEI's designated Integrity Governance Officer. If a staff member were to have difficulty resolving an ethical dilemma, they may also seek advice from the Integrity Governance Officer or the Australian Public Service Commission Ethics Advisory Service⁷ at ethics@apsc.gov.au or on +61 2 6202 3737.

9. MANAGER AND SUPERVISOR ACCOUNTABILITIES

9.1 Each manager and supervisor in ACLEI is accountable for the prevention and detection of fraud and corruption in their area of responsibility. This includes:

- maintaining their awareness and knowledge of this Plan and ACLEI's obligations under the PGPA and Commonwealth Fraud Control Policy requirements

⁷ <https://www.apsc.gov.au/working-aps/integrity/ethics-advisory-service-client-service-charter>

- implementing fraud and corruption controls in their areas of responsibility as outlined in the fraud and corruption risk register and assurance program
- promoting awareness of anti-fraud and anti-corruption obligations, and
- monitoring that their staff are aware of, and managing, their obligations e.g. through performance discussions.

Culture building and leadership

- 9.2 ACLEI managers and supervisors are expected to set an example of ethical behaviour and ensure consistent communication throughout ACLEI so as to establish an effective 'tone from the top'. Supervisors are also required to help new staff, secondees and/or contractors to understand the importance of ACLEI's integrity culture.

Managing resources

- 9.3 Managers and supervisors are to promote the accountable use of Commonwealth resources and diligently assess any records of expenditure, requests for use of resources and timesheets (flextime and time off in lieu) submitted by staff.

Managing reports of suspected fraud or corruption

- 9.4 Managers and supervisors are an essential step in the reporting process and maintaining staff confidence. Managers and supervisors are required to respond fairly, consistently and proportionately, thereby fostering trust and encouraging reporting (including self-reporting of integrity issues and conflicts of interest).
- 9.5 All managers and supervisors are responsible for escalating to the ACLEI Executive any suspected or detected fraudulent or corrupt activity. *(seeking legal advice regarding interaction with PID Act)*

Managing conflicts of interest

- 9.6 Conflicts of interest are managed through ACLEI's integrity risk reporting and management framework. The role of managers and supervisors is critical to ensuring that potential conflicts are appropriately managed or avoided.
- 9.7 Accordingly, managers and supervisors are required to receive reports of conflicts of interest or private interests from staff members, discuss the reports with them and ensure that any risks that may arise are managed according to the Integrity Risk Reporting and Management Policy. ACLEI's designated Integrity Governance Officer should also be consulted as to appropriate standards and assessment of risk.
- 9.8 Managers and supervisors should intervene if a staff member's personal interests are not sustainable without a real or perceived conflict of interest occurring.
- 9.9 Managers and supervisors should ensure that records are kept, proportionate to the issue and provided to the Integrity Governance Officer to provide insight to possible agency wide issues.

10. CONFIDENTIALITY AND PROTECTIONS

- 10.1 Staff members (existing and former) and contractors who make public interest disclosures are entitled to protections under the *Public Interest Disclosure Act 2013*

(PID Act). ACLEI also has an obligation under the LEIC Act to protect whistleblowers or disclosers from reprisals or victimisation—and will endeavour to keep identities confidential so far as is possible.

- 10.2 The ACLEI website contains information for members of the public about how to raise concerns confidentially about fraud or corruption in ACLEI.

11. DEALING WITH REPORTS OF POTENTIAL FRAUD AND CORRUPTION

- 11.1 All staff and contractors who identify potential instances of fraud or corruption must report the matter by following ACLEI's reporting process protocols outlined at [Appendix D](#). Such reporting may also be subject to the provisions of, and the protections for disclosers within, the PID Act.

Allegations and reports on matters relating to ACLEI staff members

- 11.2 ACLEI staff members are under a mandatory obligation to report any potential corruption involving an ACLEI staff member. Failure to comply with this obligation is an offence under the LEIC Act.
- 11.3 Staff are also encouraged to self-report any matter which may otherwise risk being perceived as fraud or corruption. For example, where a staff member has inadvertently or unintentionally done something that (if done intentionally) would constitute fraud or corruption, they should report this to their manager and/or the Integrity Governance Officer in line with mandatory reporting obligations and to assist with the appropriate assessment and resolution of these matters.

Allegations involving the Integrity Commissioner

- 11.4 Furthermore, the LEIC Act also requires the Minister is notified in writing of matters pertaining to the Integrity Commissioner as soon as practicable after becoming aware of the issue. Staff may also consult with ED Corporate Services and Governance to discuss the matter and to confirm reporting protocols in such instances.

Allegations and reports not relating to ACLEI staff members or Commonwealth public officials

- 11.5 Staff may also report allegations of fraud or corruption that do not involve ACLEI staff members, contractors or another Commonwealth public official, excluding information that they obtain in the course of executing their functions under the LEIC Act. If staff become aware of information which may constitute fraud or corruption involving persons who are not ACLEI staff or Commonwealth officials they are also encouraged to report such matters in order to support the work of other law enforcement entities (federal, state or territory).

Information confidentiality

- 11.6 All reports of potential matters of fraud or corruption are treated confidentially, and where appropriate, in line with the requirements of the PID Act.
- 11.7 All recipients of reports of potential fraud or corruption matters must ensure this information is referred to the Integrity Commissioner or their delegate for

assessment, decision on course of action, and compliance with the LEIC Act (including, where required, referral to the portfolio minister for decision).

Investigating reports of fraud or corruption

- 11.8 The Attorney-General determines what action to take, if any, in relation to an allegation of a potential ACLEI corruption issue, in accordance with the LEIC Act.
- 11.9 ACLEI's investigation processes and procedures for dealing with other suspected instances of fraud are consistent with Commonwealth Fraud Control Policy requirements (including the application of the Australian Government Investigations Standards). The Integrity Commissioner and Executive Director Corporate Services and Governance decide on a case-by-case basis how a suspected or alleged fraud should be dealt with. Options for dealing with fraud which originates outside the agency include referral to the Australian Federal Police or another police force, investigation by ACLEI, or—if investigation were not warranted—to take no further action. The Integrity Commissioner and Executive Director Corporate Services and Governance would also decide what recovery action or sanction (such as prosecution or civil action) may be appropriate in the circumstances of each case.
- 11.10 The protocol at [Appendix D](#) also shows how information about potential fraud or corruption is handled.

12. GOVERNANCE AND ASSURANCE

- 12.1 ACLEI has developed an assurance program as part of the Plan which aims to provide the governance and assurance mechanism for tracking the progress of planned activities, control tests, internal audit involvement, and reporting to ED Corporate Services and Governance and to the Integrity Commissioner.
- 12.2 [Appendix E](#) sets out the internal governance and assurance systems with which ACLEI staff members and contractors must comply. These systems are described further in relevant policy, or in the related procedural documents.

13. AWARENESS TRAINING

- 13.1 At [Appendix F](#) is an outline of the fraud and corruption awareness elements of ACLEI's mandatory training program. All staff members, including casual staff, secondees and the Integrity Commissioner must participate. ACLEI, through the Integrity Governance Officer, keeps and audits attendance records to ensure that all staff receive the required training. Information about anti-fraud and anti-corruption is also provided as part of staff induction to support staff awareness.

14. EXTERNAL MONITORING AND COMPLIANCE

- 14.1 [Appendix G](#) sets out external obligations and requirements which inform ACLEI's strategies for fraud and corruption control and provide additional assurance to the Parliament and the public.
- 14.2 ACLEI is required to collect data, review and update certain documentation to meet statutory and other mandatory requirements relating to fraud and corruption control. ACLEI maintains an incident register and calendar of requirements to ensure it meets these obligations, which are listed at [Appendix H](#).

14.3 An overview of ACLEI's compliance with section 10 of the *Public Governance, Performance and Accountability Rule 2014 (Preventing detecting and dealing with fraud)* is at Appendix I.

15. REVIEW OR VARIATION STRATEGY

15.1 At a minimum, this Plan will be reviewed every two years. It may also be reviewed 'as required' to ensure consistency with legislation, government policy, organisational changes within ACLEI, and/or changes in the working environment.

15.2 Other triggers for the review of the ACLEI fraud and corruption control arrangements and this policy may include:

- the ACLEI Internal Governance Board (including through its review of ACLEI's Enterprise Risks)
- the Audit Committee, and
- the preparation of the annual ACLEI Corporate Plan.

ACLEI Fraud and Corruption Control Plan 2021-2023



Jaala Hinchcliffe
Integrity Commissioner

12/11/2021

Relevant material

Title	Type	File Ref	Author	Date added
Fraud & Corruption Risk Register	Register	21#40257DOC	David Swan, Director People and Culture	25 June 2021
Fraud & Corruption Assurance Plan	Compliance	21#40258DOC	David Swan, Director People and Culture	25 June 2021

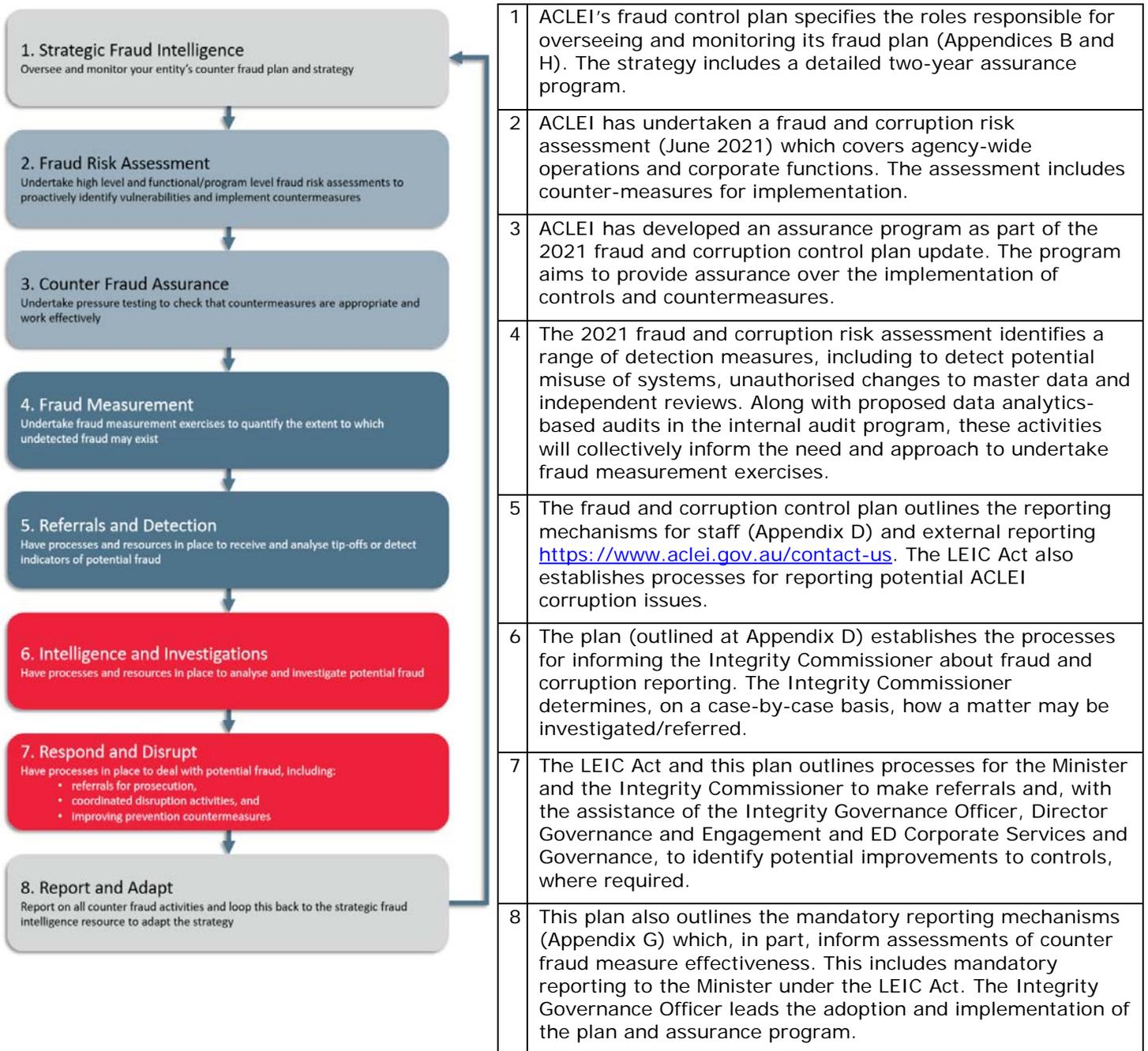
Version history

Version	Authorised by	Revision date	Author	Description of change
1	Jaala Hinchcliffe, Integrity Commissioner	11 November 2021	David Swan, Director People and Culture	Updated to incorporated updated Fraud & Risk Register & Assurance Plan

APPENDIX A

ACLEI’s fraud and corruption management strategy

The Attorney-General’s Department as the agency responsible for administering the Commonwealth Fraud Control Framework, outlines 8 elements for a counter-fraud strategy. The below diagram outlines how ACLEI meets these guidelines:



APPENDIX B

Fraud and corruption control responsibilities

Who?	What?
All staff members⁸	<ul style="list-style-type: none"> • Must comply with ACLEI governance and integrity arrangements, including ACLEI's policies and procedures (see para. 9.2). • Must consider fraud and corruption risk and bring any emerging risks to the attention of a manager. • Must report suspected or detected fraud and corruption to a senior manager or—if the allegation is about the Integrity Commissioner—to the Minister.
Managers/supervisors	<ul style="list-style-type: none"> • Must maintain their awareness and knowledge of this Plan and ACLEI's obligations under the PGPA and Commonwealth Fraud Control Policy requirements. • Are responsible for implementing fraud and corruption controls in their areas of responsibility as outlined in the fraud and corruption risk register and assurance program. • Are responsible for promoting awareness of anti-fraud and anti-corruption obligations. • Must monitor that their staff are aware of, and managing, their obligations e.g. through performance discussions.
Integrity Commissioner	<ul style="list-style-type: none"> • Is responsible for ensuring that an appropriate system of fraud control is in place rests with the Integrity Commissioner as ACLEI's Accountable Authority. • May delegate aspects of fraud and corruption control to other staff. • Decides on a case-by-case basis the handling of an incident.

⁸ *Staff members of ACLEI* are defined at section 11 of the LEIC Act and include: the Integrity Commissioner, any Assistant Integrity Commissioners, people employed by ACLEI under the *Public Service Act 1999*, legal practitioners appointed to assist the Integrity Commissioner as counsel, consultants and secondees from other agencies.

Who?	What?
<p>Executive Director Corporate Services and Governance</p>	<ul style="list-style-type: none"> • Is responsible, on an agency-wide basis, for improving systems for fraud and corruption prevention, detection, investigation and responding to any indicators that fraud or corruption may be occurring. • May receive reports of suspected fraud or corruption from all ACLEI staff members and conduct a preliminary assessment. • Provides advice to the Integrity Commissioner on the handling of an incident. • Provides guidance on integrity arrangements to staff and managers across the agency. • Ensures effective training programs are in place.
<p>Executive Directors Operations</p>	<ul style="list-style-type: none"> • Provide specific guidance to staff and managers within the Operations Branches on questions of integrity and promote high ethical standards. • Are responsible for ensuring practices and policies of the Operations Branches take fraud and corruption risk into account.
<p>Director Governance and Engagement</p>	<ul style="list-style-type: none"> • Is responsible for fraud and corruption control planning, including arranging risk assessments, updating the Fraud and Corruption Control Plan (this document), and ensuring measures contained in the Plan are implemented. • Brings any incidents of fraud or corruption to the notice of the Audit Committee. • Oversees the implementation of ACLEI's fraud and corruption risk assurance program.
<p>Integrity Governance Officer</p>	<ul style="list-style-type: none"> • Supports Director Governance and Engagement in the operational implementation of the fraud and corruption control plan, the risk assessments and the assurance program. • Maintains risk plans and incident registers. • Receives and monitors integrity declarations and contact reports. • Oversight of relevant audits according to ACLEI's internal audit program (undertaken by independent audit service providers). • Provides advice to staff and managers on matters relating to integrity and the prevention of fraud and corruption.

Who?	What?
	<ul style="list-style-type: none">• Provides an event summary to the monthly Internal Governance Board.• Identifies improvement opportunities to ACLEI's fraud and corruption control framework (including but not limited to: fraud and corruption control plan, policies and procedures, risk assessment and controls) and provides suggested actions for endorsement through Director Governance and Engagement and ED Corporate Services and Governance.• Maintains register of staff who have met ACLEI's annual anti-fraud and anti-corruption awareness training requirements.
Audit Committee	<ul style="list-style-type: none">• Provides independent advice and assurance to the Integrity Commissioner on ACLEI's risk, fraud and corruption control and compliance framework and financial responsibilities.• As part of its scrutiny of ACLEI's system of internal controls, reviews ACLEI's handling of any incidents of fraud and corruption.

APPENDIX C

Fraud and Corruption Risk Assessment 2021—Summary

In June 2021, ACLEI commissioned independent internal auditors (Axiom Associates) to assess ACLEI's compliance with the Commonwealth Fraud Control Framework (CFCF) and to identify any new or emerging fraud and corruption risks arising from ACLEI's operating environment and business structure.

In consultation with relevant ACLEI staff members, the audit reviewed the context in which ACLEI operates, our fraud and corruption risks (including those identified in the previous risk assessment) and their associated controls⁹.

The audit identified the following fraud and corruption risk areas of operation:

Risk Description	Overall Rating
1 An investigation/case within the Commission is compromised due to an official's corrupt conduct - including misuse or theft of Commission information, exhibits, and other evidence.	Moderate
2 Misuse of Assumed Identities, including identity crime via AI	Low
3 Finance - Falsifying finance system accounts and records - vendor accounts (creation of vendor account, changes to vendor bank accounts, access to bank accounts to pay oneself)	Moderate
4 Finance: external supplier fraud - Supplier receives payment from the Commission based on falsified invoice or on other falsified terms	Moderate
5 Finance: official directly selects (or causes the selection of a particular) supplier for personal/related party benefit - delegate/procuring official colludes with supplier for personal benefit	Moderate
6 Finance: Official makes false/unofficial expense reimbursement claims	Moderate
7 Finance: Misuse of Commission credit card	Moderate
8 Theft of Commission property (including portable and attractive items, electronic and storage devices containing Commission information) or Commission petty cash	Low
9 Assets: Misuse of Commission property	Low
10 Payroll: falsifying payroll accounts and records - such as: creation of ghost employees or amending current/departed employee records and/or unauthorised changes to rates of pay to pay oneself or related party	Moderate

⁹ CM 21#40257DOC - Fraud and Corruption Risk Assessment

11 Payroll: Employee falsifying their own payroll and entitlements (such as inflating hours worked to obtain more flex; not recording personal leave/annual leave when it has been taken, falsifying timesheets)	Low
12 Recruitment - application information includes false and misleading statements relied upon by the Commission to make its recruitment decision(s)	Moderate

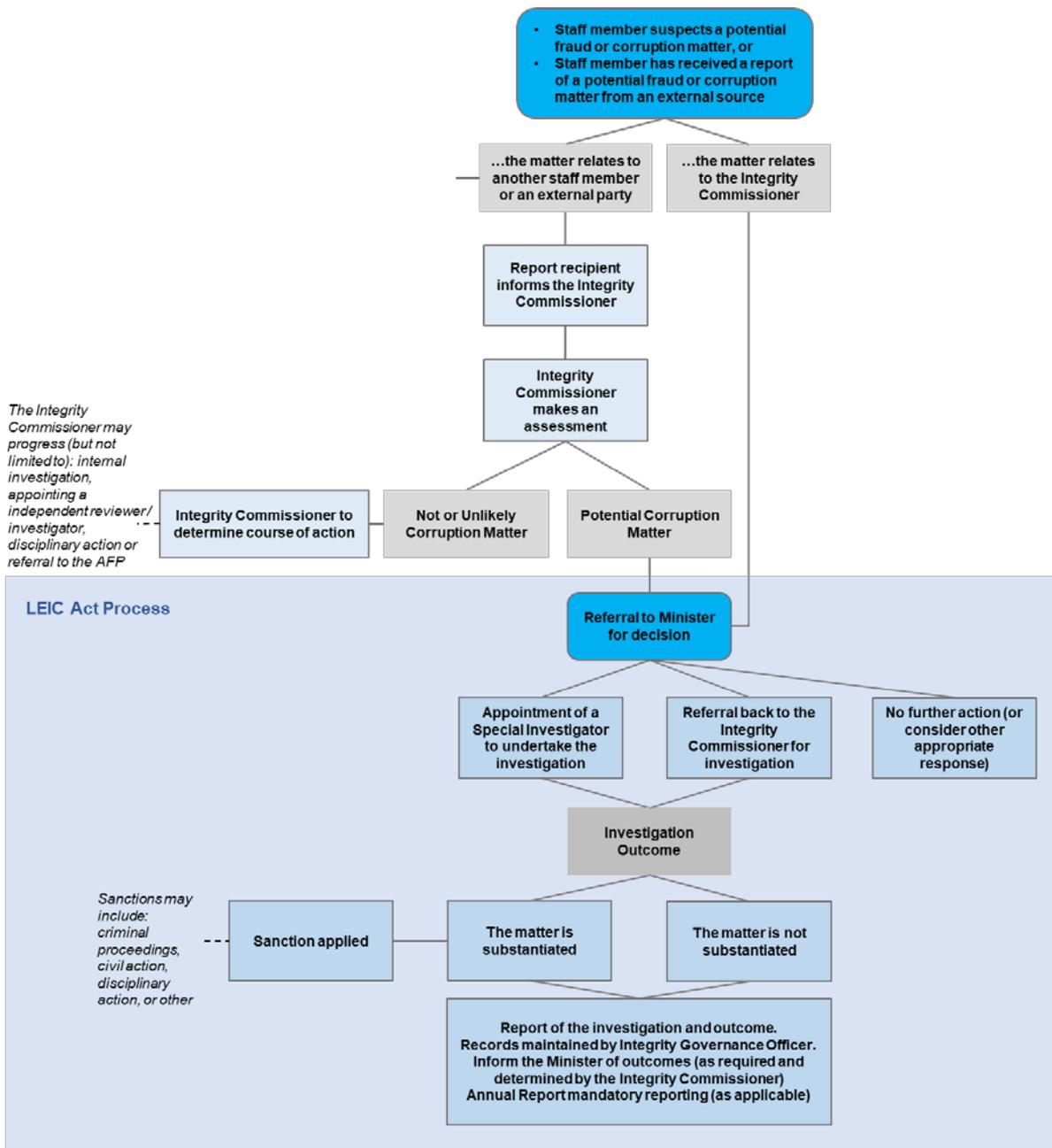
A review of controls with management identified a number of changes to controls. These are detailed in the 2021 fraud and corruption risk assessment. In summary, these include:

- Introduction of ACLEI specific induction for incoming employees and contractors that covers fraud and corruption policies, procedures and expectations.
- Development of a standard operating procedure for investigations under the LEIC Act which sets out minimum standards of compliance, the recording of interviews and the requirement that at least two officials attend operational activities.
- Assessment and documentation of IT controls in place for key systems and validation of the appropriateness of these controls in addressing fraud and corruption risks (among others).
- Introduction of a program of audit log reviews for key records management systems (CM, Jade) to validate the appropriateness of access and key actions.
- Introduction of a program of audit log review for the finance system, such as vendor master record changes, employee bank account changes.
- Introduction of a contracts register and purchase order process for procurements to enable the matching of purchase order, delegate approvals, invoice and goods and services received.
- Formal declarations being sought from applicants that they have not been subject to professional misconduct or other adverse professional or work-related findings.
- Suggestion for internal audit topics and management reviews to validate the operating effectiveness of established controls.
- Assessing opportunities for collating conflicts of interest declarations electronically to assist in analysis of, and correlating potential relationships within, this data.

APPENDIX D

Fraud and corruption reporting flowchart and handling protocol

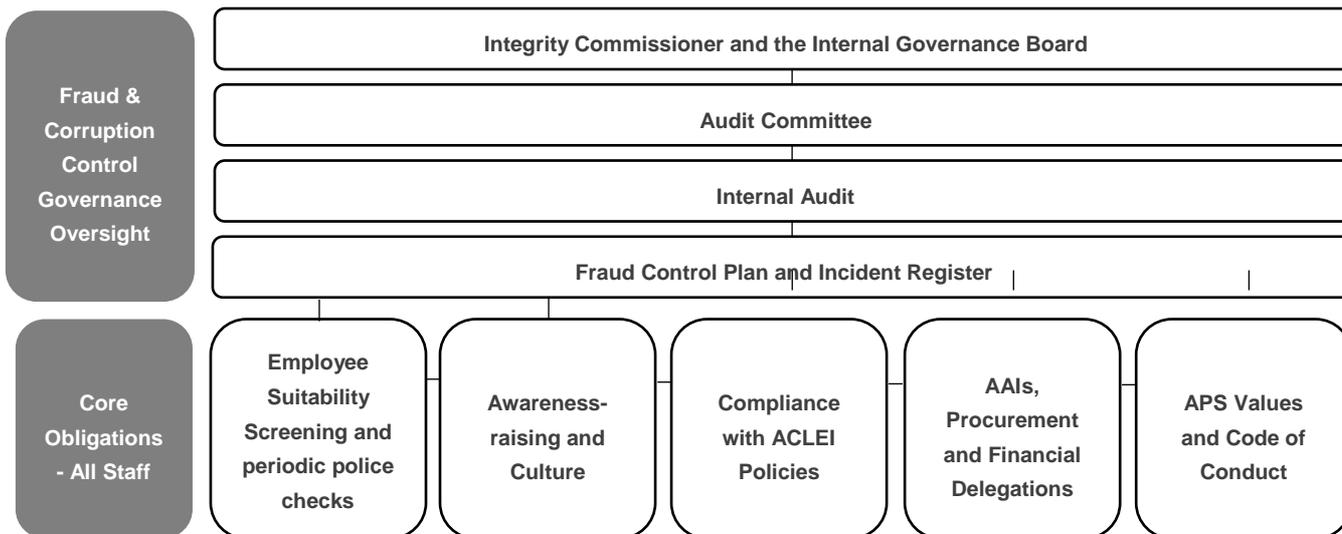
As outlined at section 12, the following diagram outlines ACLEI's reporting protocols for potential fraud and corruption matters. This diagram is to be followed in conjunction with the process descriptions at section 12.



APPENDIX E

Governance and assurance

A number of aspects of ACLEI's governance framework help to set a culture that encourages a high standard of integrity and transparency and deters the incidence of fraudulent or corrupt behaviour. These are outlined in the diagram and described below:



Employment suitability screening and periodic updates of police checks

All employment at ACLEI is contingent on obtaining and maintaining a satisfactory security assessment. ACLEI takes a risk-based approach based on the requirements of individual positions. Staff may be engaged with a Baseline clearance, with appropriate access restrictions in place, until their required clearance is finalised.

Police checks may be undertaken for existing staff throughout their term of employment at ACLEI to re-confirm their most recent criminal history and to assist in identifying potential character-related risks.

Awareness-raising and culture

ACLEI's rolling mandatory training program includes topics relating to security, financial responsibilities and obligations, APS values, integrity, and fraud and corruption awareness and detecting and reporting ACLEI corruption issues. All staff members, including casual staff, secondees and the Integrity Commissioner must participate. ACLEI keeps and audits attendance records to ensure that all staff receive the required training.

ACLEI's *Program for Personal Performance* includes reminders to update declarations and an annual integrity discussion between supervisors and staff members.

ACLEI adopts a 'thanks is enough' policy of not accepting gifts or hospitality, except in a narrow range of circumstances in accordance with ACLEI's Gifts and Benefits Policy.

Agency Policy

ACLEI policies establish processes and controls for management of resources and establish management expectations of staff conduct. The policies are subject to regular review to ensure they remain current and relevant to ACLEI's operations and environment.

The ACLEI Integrity Framework, summarised in the Integrity Policy, includes governance, performance and accountability features that are intended to create a workplace culture in which professional standards and accountability are valued and reinforced.

Procurement, financial delegations and Accountable Authority Instructions

The PGPA Act, Commonwealth Procurement Rules, the Integrity Commissioner's Accountable Authority Instructions and financial delegations provide ACLEI's framework for meeting the requirements of finance law, including: the effective, efficient, economical and ethical use of Commonwealth resources, accountability in decisions and administrative actions relating to purchase of goods and services, and the general duties of all officials.

APS Values and Code of Conduct

The *APS Values* and *Code of Conduct* apply to all ACLEI staff members. The Values and Code are part of the *Public Service Act 1999* and are binding. Employment at ACLEI is contingent on staff behaving in accordance with the Values and Code. Details of the *APS Values* and *Code of Conduct* are available on the Australian Public Service website.

ACLEI's *Procedures for determining breaches of the APS Code of Conduct* are published to the ACLEI website.

Fraud and Corruption Control Plan Incident register

ACLEI has an incident register to capture, analyse, report and escalate incidents of suspected fraud or corruption. The Register is maintained by the Integrity Governance Officer and it ensures that managers are aware of incidents and helps the Executive to oversee any action arising.

Internal audit

ACLEI's program of internal audits is informed by risk assessments and targets high-risk areas across the agency. The Audit Committee also endorses and oversees the internal audit program as part of its role to advise the Integrity Commissioner on ACLEI's systems of internal control.

As part of the work undertaken to develop the risk assessment and the fraud and corruption assurance program, a number of internal audit topics have been nominated for the two-year operation of the fraud control plan (the term of the Plan).

Audit Committee

The Audit Committee provides independent advice to the Integrity Commissioner about ACLEI's risk, control and compliance framework, and financial accountability responsibilities. The Audit Committee is authorised to obtain any information from any employee or external party and access any documents held by ACLEI. The Director Governance and Engagement and ED Corporate Services and Governance reports to the

Audit Committee on any incidents of fraud, including the progress and outcomes of all reported cases.

Internal Governance Board

The Integrity Commissioner and Executive Directors meet monthly as an Internal Governance Board and consider reports from Directors relating to financial and staff management, resource allocation, risk, strategic planning and performance. The Integrity Governance Officer makes reports to the Board on matters relating to integrity and corruption risk.

APPENDIX F

Fraud and corruption awareness training outline

Learning outcomes

Staff are

- aware of ACLEI's specific integrity, fraud and corruption risks
- know their responsibilities
- know what corrupt conduct could look like
- know how to report concerns
- aware of the danger of self-managing risk (let ACLEI manage its risks)
- acknowledge integrity as their most important practice

Topics

1. Definitions—fraud and corruption
2. Link to protecting ACLEI's core business and outcomes
3. Summary of risk and vulnerabilities—exposure and consequences to ACLEI
4. ACLEI's position on Fraud and Corruption & strategy overview
5. ACLEI's risks
 - a. Risk assessment outcome
 - b. What are we protecting?—introduction to assets, why they are important and how they are vulnerable
 - c. Risk hotspots
6. Asset protection model—treatment strategies and controls
 - a. Governance and assurance mechanisms
7. Responsibilities
 - a. Identified positions
 - b. All-staff responsibilities
 - c. Manager and supervisor responsibilities
 - d. Reporting protocols
 - e. Confidentiality and protections
 - f. What would be the consequences if caught?
8. Enabling staff to recognise and report
 - a. What does corrupt conduct look like? (including case studies)
 - b. How would ACLEI discover fraud and corrupt conduct?
9. Where to go for advice and more information

APPENDIX G

External monitoring and compliance

Commonwealth Fraud Control Framework

The Commonwealth Fraud Control Framework consists of three tiered documents:

- section 10 of the *Public Governance, Performance and Accountability Rule 2014* - a legislative instrument binding all Commonwealth entities, and which sets out the key requirements of fraud control. [Appendix I](#) of this document outlines how ACLEI complies with the provisions of section 10.
- the Commonwealth Fraud Control Policy - which binds non-corporate Commonwealth entities (such as ACLEI) and sets out procedural requirements for specific areas of fraud control (such as investigations and reporting), and
- PGPA Resource Management Guide No. 201, *Preventing, detecting and dealing with fraud* - provides detailed guidance about the Government's expectations for fraud control arrangements in all Commonwealth entities.

Under the Commonwealth Fraud Control Policy, the Integrity Commissioner must provide a report annually to the Minister, which includes:

- fraud initiatives undertaken in the reporting period, including an evaluation of their impact on fraud prevention, detection and response
- planned fraud initiatives yet to be implemented
- information regarding significant fraud risks for ACLEI, and
- significant fraud incidents which occurred during the reporting period.

This information is included in the *Annual Report of the Integrity Commissioner*, which is tabled in the Parliament each year.

Investigation standards

The Commonwealth Fraud Control Policy requires agencies to take into consideration the requirements of the *Australian Government Investigations Standards* when developing systems and processes for the detection and investigation of fraud. The only circumstance in which this condition would not apply is when a contrary requirement is provided for in legislation—such as the LEIC Act—in which case the legislative requirements (and relevant practices) would prevail.

Accordingly, ACLEI appoints skilled and experienced personnel when it is necessary to conduct an investigation relating to an ACLEI fraud or corruption issue.

External Audit

The Australian National Audit Office (ANAO) audits ACLEI's financial statements on an annual basis in accordance with the provisions of both the *Auditor-General's Act 1997* and the PGPA Act. From time to time, the ANAO may audit ACLEI against its PGPA performance statements or conduct other types of performance audits. The ANAO may

access any ACLEI information and documents to support this role and assess the integrity of financial transactions

Reporting - Fraud

In accordance with the Commonwealth Fraud Policy (para. 14), information on fraud in ACLEI must be provided to the Australian Institute of Criminology by 30 September each year, for inclusion in the consolidated annual report of Commonwealth fraud control arrangements.

Reporting - Corruption

Part 12 of the LEIC Act provides that any allegation or information that raises an 'ACLEI corruption issue' must be notified to the Minister for a decision on how it is handled. On conclusion of an investigation into possible corruption by an ACLEI staff member, the Minister must also receive a report containing any findings. Additionally, regulation 22 of the *Law Enforcement Integrity Commissioner Regulations 2006* prescribes which particulars of ACLEI corruption issues (including summaries of investigation outcomes) are to be published in the Integrity Commissioner's Annual Report.

Reporting - Breach of the APS Values and Code of Conduct

Breaches of the *APS Values* or *Code of Conduct* are reported to the Australian Public Service Commission annually for the State of the Service Report.

Reporting - Matters of a politically sensitive nature

Under the Commonwealth Fraud Control Framework, subject to operational considerations related to the Integrity Commissioner's functions, matters of a politically sensitive nature should be brought to the attention of the Minister at the time of referral.

Reporting - Intrusion into a computer system

Any actual or attempted unauthorised intrusion into a computer system must be reported to the Australian Signals Directorate.

Reporting - Protective Security Policy Framework

The Integrity Commissioner must undertake an annual security assessment against the mandatory requirements detailed in the Protective Security Policy Framework and report ACLEI's level of maturity to the Minister. The report must also state any details of measures taken to mitigate or otherwise manage identified security risks.

APPENDIX H

Fraud and corruption control review and update schedule

ACLEI is required to review and update its fraud and corruption control arrangements and certain documentation to meet statutory and other mandatory requirements.

Document/Activity	Responsibility	Timeframe
External or independent fraud and corruption risk assessment	Director Governance and Engagement	Every 2 years
Fraud and Corruption Control Plan (review and update)	Director Governance and Engagement.	Every 2 years
Fraud and corruption control implementation review and update	Integrity Governance Officer, reporting to the Director Governance and Engagement	Ongoing, exception reporting through the monthly Internal Governance Board
Report to the Minister (<i>Commonwealth Fraud Control Policy</i>)	Integrity Commissioner to provide a report annually to the Minister, which includes: <ul style="list-style-type: none"> • fraud initiatives undertaken by the entity in the reporting period, including an evaluation of their impact on fraud prevention, detection and response • planned fraud initiatives yet to be implemented • information regarding significant fraud risks for the entity, and • significant fraud incidents which occurred during the reporting period. 	Annually, through the Integrity Commissioner's Annual Report
Annual Report (<i>LEIC Act s 201</i>)	The Integrity Commissioner's Annual Report must include the prescribed particulars of any ACLEI corruption issues.	Annually, through the Integrity Commissioner's Annual Report
Commonwealth Fraud Control Survey (<i>Commonwealth Fraud Control Policy</i>)	Executive Director Corporate Services and Governance to the Australian institute of Criminology.	Annually
Protective Security Policy Framework	Integrity Commissioner report on security maturity for the period ending 31 July	Annually

APPENDIX I

PGPA Rule—Compliance

Public Governance, Performance and Accountability Rule 2014

Section 10—Preventing, detecting and dealing with fraud

Mandatory requirements	Compliance
<p><i>The Accountable Authority of a Commonwealth entity must take all reasonable measures to prevent, detect and deal with fraud relating to the entity, including by:</i></p> <p>a Conducting fraud risk assessments regularly and when there is a substantial change in the structure, functions or activities of the entity</p> <p>b Developing and implementing a fraud control plan that deals with identified risks as soon as practicable after conducting a risk assessment</p> <p>c Having an appropriate mechanism for preventing fraud, including by ensuring that: (i) officials in the entity are made aware of what constitutes fraud; and (ii) the risk of fraud is taken into account in planning and conducting the activities of the entity</p> <p>d Having an appropriate mechanism for detecting incidents of fraud or suspected fraud, including a process for officials of the entity and other persons to report suspected fraud confidentially</p>	<p><i>As part of its charter, developed under section 17 (2) of the PGPA Rule, ACLEI's Audit Committee provides independent advice and assurance to the Integrity Commissioner as to whether ACLEI has appropriate processes and systems in place to detect, capture and effectively respond to fraud risks.</i></p> <p>ACLEI commissions an independent assessment of fraud and corruption risk every two years, and more frequently if necessary. These risks are formally documented in the ACLEI fraud and corruption risk register.</p> <p>The Plan (this document) was developed following an independent fraud and corruption risk assessment and the development of an assurance program. The assessment has informed the prevention, detection, reporting, and investigation measures documented in this APA.</p> <p>Fraud and corruption controls are listed in the ACLEI fraud and corruption risk register for identified risks, and reviewed as part of an ongoing assurance program.</p> <p>A suite of policies and procedures, mandatory training program and a requirement to make integrity declarations contribute to raising staff members' awareness of fraud and corruption risk.</p> <p>These risks are also considered in operational and business planning. Systems of delegation, approval and acquittal serve to minimise the risk of financial and administrative fraud.</p> <p>ACLEI's controls as documented in the fraud and corruption risk register, which incorporates the control mechanisms for detecting potential fraud. These include proactive transactions testing, delegates' transaction and timesheet approvals, compliance reviews, independent audit log reviews and other risk-based systems reporting.</p> <p>Staff members may report suspected fraud or corrupt conduct to their supervisor, Executive Director, Integrity Governance Officer, the Integrity Commissioner, Commonwealth Ombudsman or—if necessary—to the Minister.</p> <p>ACLEI's website informs persons outside the organisation how they can raise concerns confidentially.</p> <p>Staff, former staff and contractors can make a disclosure under the <i>Public Interest Disclosure Act 2013</i>.</p>

Mandatory requirements		Compliance
<i>The Accountable Authority of a Commonwealth entity must take all reasonable measures to prevent, detect and deal with fraud relating to the entity, including by:</i>		<i>As part of its charter, developed under section 17 (2) of the PGPA Rule, ACLEI's Audit Committee provides independent advice and assurance to the Integrity Commissioner as to whether ACLEI has appropriate processes and systems in place to detect, capture and effectively respond to fraud risks.</i>
e	Having an appropriate mechanism for investigating or otherwise dealing with incidents of fraud or suspected fraud, and	ACLEI's protocol for dealing with fraud or corrupt conduct is documented at paragraph 12 and Appendix D of this APA.
f	Having an appropriate mechanism for recording and reporting incidents of fraud or suspected fraud	ACLEI's Integrity Governance Officer maintains an incident register and reports monthly by exception to the Internal Governance Board through the Director People and Culture.