

Parliamentary Counsel's Office

Fraud and Corruption Control Policy

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Policy Owner / Contact

Corporate Services

Review Record

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1. Overview

Treasury Circular TC18-02 requires that the Parliamentary Counsel’s Office (PCO) develop, implement and maintain a fraud and corruption control framework to prevent, detect and manage fraud and corruption. TC18-02 defines fraud as ‘dishonestly obtaining a benefit, or causing a loss, by deception or other means’, and corrupt conduct as ‘deliberate or intentional wrongdoing, not negligence or a mistake’.

This Policy outlines how fraud and corruption are managed within PCO and includes the obligations and responsibilities of PCO employees. It applies to all employees, including permanent, temporary, and part-time employees, contractors and consultants.

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 review of PCO’s Fraud and Corruption Control Policy.
Director, Corporate Services	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.
Employees	Compliance with internal control systems and procedures and report suspected cases of fraud and corruption.

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 maintains a suite of integrated policies and controls that reflect its values. These will be regularly monitored and reviewed to support a robust and ethical culture.

The PCO Code of Conduct 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

A fraud risk assessment will be undertaken annually to ensure PCO appropriately deals with emerging and existing fraud risks. In addition, a specific fraud and corruption assessment will be conducted every three years.

3.4 Fraud awareness

Awareness of fraud and corruption will be raised through ongoing staff training, induction and development activities. Changes to policies will be updated on Gulbarra and communicated to staff via email.

Training will be provided to all new PCO employees, and thereafter annually.

3.5 Third party management systems

PCO works with GovConnectNSW, the Vendor Management Office (VMO) and the Compliance and Audit Group (CAG) to ensure the integrity of internal control systems. A culture of internal control will be maintained through ongoing professional development, adherence to the risk management framework, and consideration of emerging risks by the PCO leadership team.

3.6 Notification systems

If an employee suspects another employee of fraudulent or corrupt behaviour, the employee should report that behaviour. The Parliamentary Counsel is required by law to report to the appropriate external body (ICAC, NSW Policy or the Audit Office of NSW) any matter where there is a reasonable suspicion that corrupt conduct has occurred or may occur. Matters reported by employees will be taken seriously and investigated independently.

Matters should be reported to the Director, Corporate Services in the first instance. If the Director, Corporate Services is the subject of the matter, employees should approach the Parliamentary Counsel or a Deputy Parliamentary Counsel.

PCO is committed to supporting and protecting employees who have acted in good faith in disclosing fraud and corruption within PCO. All matters will be treated confidentially. In all cases, the employee who made the report will be advised of the outcome of the review.

Employees may also make reports directly to ICAC, the NSW Police, the Audit Office of NSW or the NSW Ombudsman.

3.7 Detection systems

The main features of the detection system used by PCO are:

- a. the Parliamentary Counsel, with the advice of internal auditors and the Audit and Risk Committee, makes decisions on systems and functions to be audited based on risk assessments,
- b. risk assessments are performed to identify and manage risks,

- c. management of risks includes development and implementation of appropriate policies and internal control systems. Appendix 4 details PCO's internal control systems and provides a self-assessment checklist for monitoring the systems,
- d. assurance that effective systems of internal control are operating is gained through management supervision of those systems and assessment by internal audit,
- e. reports from SAP show trends and performance measures, which are reviewed by management and any abnormalities are investigated,
- f. notification systems allow for reports on suspected fraud and corruption to be made from employees, clients, and the community.

Under the guidance of PCO management and the Audit and Risk Committee, the internal audit program addresses the effectiveness of internal controls, and high-risk activities and deficiencies that require corrective action.

3.8 Investigation systems

Corruption

The Parliamentary Counsel is responsible for actioning reports of alleged corruption (with the assistance of the Director, Corporate Services). This includes directing investigations within PCO.

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

Fraud

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

Conducting investigations

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

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

- a description of 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 subject of fraud or corruption allegations is considered innocent unless proven guilty. 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 performance management or disciplinary action. Such action could range from counselling to dismissal. The Code applies to all persons undertaking work for PCO in a paid or unpaid capacity.

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
- Public Interest Disclosures Act 1994
- Public Interest Disclosures Policy and Procedures (available on Gulbarra)
- Risk Management Policy and Framework (available on Gulbarra)