

Fraud and Corruption Control

Version: 1.0 | **Version effective date:** 25/11/2023

Supersedes: Fraud and Corruption Policy and Procedure 2021 V3.

Scope

This procedure applies to all Queensland Public Trustee (QPT) workplace participants, including permanent, temporary, full-time, part-time or casual employees, employees on secondment from another public sector organisation, and other persons who perform work for the QPT including volunteers, contractors, and consultants.

Purpose

The purpose of this procedure is to establish a fraud and corruption control system (FCCS) consistent with the Australian Standard on Fraud and Corruption Control (AS 8001:2021). This procedure and supporting documents provide guidance for all staff across the QPT and outlines the requirements and responsibilities for the effective prevention, detection and response in relation to fraud and corruption within the QPT.

Overview

The PT has adopted the best practice approach for fraud and corruption control as outlined in the Australian Standard, which provides the minimum requirements and additional guidance to develop, implement and maintain an effective fraud and corruption control system (FCCS) incorporating:

- a) Leadership and ethical culture
- b) Prevention of internal and external fraud and corruption including fraud and corruption against the QPT;
- c) Early detection of fraud and corruption if preventative strategies fail; and
- d) Effective response to fraud and corruption events in ways that achieve optimal outcomes for the QPT including the recovery of the QPT's property or the award of compensation to an equivalent value.

This procedure forms part of the overall Fraud and Corruption Control Framework, which includes:

- The Fraud and Corruption Control Policy;
- The Fraud and Corruption Control Plan;
- The QPT Fraud and Corruption Control Risk Register; and
- The Fraud and Corruption Control Awareness Program.

Process / Actions

1. Foundations for fraud and corruption control

Foundations for fraud and corruption control describes the broad actions that should be undertaken in mitigating fraud and corruption risks. These include:

1.1. Leadership and ethical culture

The Public Trustee's FCCS is led by the Public Trustee of Queensland and CEO with the support of the Executive Leadership Team who will take a leading role in demonstrating the QPT's zero tolerance for fraud and corruption and acknowledge accountability in preventing and managing the QPT's fraud and corruption risks.

This is shown by a commitment to:

- modelling the highest standards of ethical behaviour (setting the tone);
- not tolerating fraudulent or corrupt behaviour;
- providing adequate support and resources to implement the FCCS;
- treating all complaints and incidents of fraud and corruption seriously; and
- taking fair and proportionate action against staff or a third party found to have engaged in fraud and corruption.

A strong ethical culture is influenced by a robust Code of Conduct. The QPT's expectations for staff conduct are outlined in the [Workplace Conduct Policy](#), which provides all employees with a clear understanding of the standard of behaviour required in performing their role and obligations to comply with the [Code of Conduct for the Queensland Public Service](#).

1.2. Responsibility structures

The Public Trustee of Queensland and CEO:

While ***we all have a role to play*** in fraud and corruption prevention, detection and response, the Public Trustee of Queensland and CEO has ultimate responsibility for the FCCS and ensuring that the QPT has in place adequate anti-fraud and anti-corruption measures. The Public Trustee of Queensland and CEO also has responsibilities under other acts in relation to fraud and corruption, which includes but is not limited to, the [Crime and Corruption Act 2001](#), the [Public Interest Disclosure Act 2010](#), and the [Financial and Performance Management Standard 2019](#) for example.

The **Executive Leadership Team** is responsible for:

- supporting the Public Trustee of Queensland and CEO in committing to and implementing the FCCS, including as outlined above in section 1.1.
- considering fraud and corruption when making business decisions including approving QPT policies, procedures, practices, systems and business plans
- raising awareness of expected ethical culture which will assist in mitigating fraud risk across the QPT
- creating a culture in which staff are prepared and supported to report suspected fraud and corruption
- ensuring action is taken in relation to losses in accordance with the QPT's financial procedures and delegations for losses through fraud and corruption.

All levels of leadership and management are responsible for:

- promptly reporting fraud and corruption matters that come to their attention, in accordance with section 3.4.
- being aware of and managing fraud and corruption risks within their area of responsibility and ensuring fraud and corruption controls are operating effectively
- demonstrating appropriate supervision of staff
- responding appropriately to reported allegations
- ensuring staff complete assigned training and are aware of fraud and corruption risks.

All Staff:

- must comply with the Code of Conduct, be open and honest and accountable for their actions
- proactively prevent, detect and report fraud and corruption or matters that raise fraud and corruption risk as soon as possible
- complete mandatory training.

Refer to **Roles and Responsibilities** section for further detailed responsibilities, including specialist roles.

1.3. Fraud and corruption awareness

The QPT recognises that staff are the first line of defence against fraud and corruption. This reinforces the importance of raising of fraud and corruption risks across the QPT, and how they should respond if they detect or suspect fraud or corruption occurring.

Fraud awareness is promoted internally by a range of formal and informal means, and fraud awareness activities are detailed in the Fraud and Corruption Control Plan (FCCP), as well as the Fraud and Corruption Control Awareness Program, and reported on annually to the ARMC.

1.3.1. Staff fraud awareness

All employees are required to undertake online mandatory training in the Code of Conduct, Fraud and Corruption Control, Cyber Security Awareness, and Information Privacy within 20 days of commencing employment and are required to complete a refresher annually.

The Fraud Control Officer (FCO) and the Ethics and Integrity Unit will develop a Fraud and Corruption Control Awareness Program each year which is developed through a review of identifying key high risks areas for fraud and corruption within the QPT, through reviewing the Crime and Corruption Commissions (CCC's) and other external anti-corruption agencies prevention advisories, and the QAO and internal audit reports for example.

1.3.2. Customer and community awareness

To maintain public trust, the community must be confident that the QPT and its employees behave ethically. The QPT emphasises its commitment to probity and its zero-tolerance approach to fraud and corruption through various communication channels, including:

- the education and training provided to employees as detailed above
- making relevant documents and policies available on the QPT website
- our Gifts and Benefits Policy and Procedure, which details a number of considerations and criteria which must be met when offered a gift or benefit
- incorporating ethical standards and requirements in our job advertisements
- clearly stating obligations in tender documents, contracts, and other related documents
- responding to feedback and demonstrating our willingness to review our decisions and actions in accordance with the QPT Complaints Management Policy and Procedure
- taking suitable action when identifying wrongdoing and being honest and transparent in acknowledging issues and correct measures taken.

1.4. Fraud and corruption risk management

Internal fraud risk management comprises a regular program of risk assessment and annual fraud and corruption control planning to ensure that controls are in place to prevent and detect any significant instances of fraud, promoting awareness of the risk of fraud and responding to instances of fraud in alignment with the QPT values and the Strategic Plan 2020-2024. The program also includes the ongoing review and development of data analytics tools and reports to assist in the detection and prevention of fraudulent activities. Internal Audit completes specific procedures at nominated intervals.

The FCO ensures that fraud risk management is integrated with overall risk management procedures. The QPT has an established risk management process as outlined in the [Risk Management Policy](#) and [Procedure](#).

1.5. Fraud risk assessment and fraud risk register

An effective fraud and corruption control program requires a comprehensive understanding of the QPT's vulnerabilities. Fraud and corruption risk assessment is an integral part of the QPT's overall risk management process

and provides an understanding of fraud and corruption vulnerabilities and possible strategies to eliminate or minimise those risks.

All employees with supervisory or managerial responsibilities are required to assess the risk of fraud and corruption occurring in their areas of responsibility. Where risks are identified they should consider and implement appropriate control measures and ensure those measures remain appropriate.

The FCO will maintain the QPT Fraud Risk Register which outlines identified fraud risks within the QPT, the respective fraud controls and mitigating actions which have been evaluated, assessed and agreed by ELT.

The FCO will ensure that senior management undertakes specific fraud risk assessments in response to major program area changes and significant incidents. The FCO will also coordinate an annual review of fraud risks in the Fraud Risk Register in consultation with the ELT and other relevant stakeholders, which will incorporate:

- reviewing current fraud risk register items to confirm risk assessments
- identifying any new fraud risks
- reviewing FCCP action plans and their impact on residual risks assessed
- considering changes to business processes and the environment which may increase or mitigate the risk of fraud
- considering the results of internal reviews and issues
- reviewing the control environment and data analytics to confirm there are sufficient controls in place to prevent, detect and mitigate identified fraud risks.

So that all staff across the QPT understand the fraud and corruption risks contained in the Fraud Risk Register, a summary of these risks are outlined in **Appendix 1** (controls and mitigating actions for each of these fraud risks are outlined in the Fraud Risk Register).

1.6. Information Security Management System

The Information Security Management System (ISMS) preserves the confidentiality, integrity and availability of information by applying a risk management process and gives confidence to interested parties that risks are adequately managed. The ISMS is part of, and integrated with, the QPT's processes and overall management structure and that information security is considered in the design of processes, information systems, and controls.

1.7. Internal and External Audit

Internal and External Audit plays a critical role in reviewing the QPT's systems of internal control by using a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes, with regard to fraud and corruption.

It is not the responsibility of internal or external audit to specifically identify fraud and corruption risk. However, in testing controls and past transactions they may be able to detect actual or suspected incidents of fraud and corruption, in which case they are required to notify the QPT. Common techniques used by internal and external audit such as data mining, data analytics, and post transactional reviews, may detect fraud or corruption.

The annual internal audit plan is designed to assess whether the QPT's key risks, supporting processes and controls are identified, developed and operating as intended.

2. Fraud and corruption prevention systems

Fraud and corruption prevention involves those strategies designed to prevent fraud and corruption from occurring in the first instance. The QPT prevention systems contain a number of components as outlined below.

2.1. Integrity Framework

The QPT has clear policies setting out acceptable standards of ethical behaviour and these are available to staff within the [Integrity Framework](#) and the [Workplace Conduct Policy](#).

As outlined in section 1.1., all staff are required to comply with the Code of Conduct, which describes how all government employees should conduct themselves when delivering services. The *Public Sector Ethics Act 1994* sets out 4 principles fundamental to open, transparent and accountable public administration. The 4 ethics principles that underpin the Code are:

- integrity and impartiality;
- promoting the public good;
- commitment to the system of government; and
- accountability and transparency.

These principles form the standard of conduct expected by all public service employees and underpin all departmental policies, procedures and management practices to assist employees in undertaking their jobs.

2.2. Fraud and Corruption Control Plan

The Fraud and Corruption Control Plan (FCCP) outlines the QPT's approach and activities to monitor and assess the effectiveness of fraud controls within the QPT. The plan outlines specific actions to be taken to achieve the objectives set out in the Fraud and Corruption Control Framework, including general fraud control initiatives and targeted responses to high level risks identified through fraud risk assessments.

2.3. Internal controls

Internal controls are usually the first line of defence against fraud. While no system of internal controls can completely mitigate the risk of fraud, having basic controls in place that operate effectively can reduce the risk. Further, having processes and controls in place which specifically target the possibility of fraud can further address that risk.

The QPT Internal control environment is designed to facilitate the QPT fulfilling its obligation under the *Financial and Performance Management Standard 2019* (the FPMS) and to meet the specific needs and activities (current and emerging) of the QPT to achieve efficient, effective and economical internal controls that enable and support the sound management of its financial resources.

The control environment helps to ensure that the QPT has rigorous controls in place to effectively manage any increased risks that may present. QPT internal controls are classified as financial internal controls and non-financial internal controls.

The focus of the QPT's control environment is aimed at reducing the likelihood of internal or external fraud risk, including:

- an emphasis on effective accountability, performance, leadership, and high standards of ethical and professional conduct
- an organisational structure that details clear reporting relationships and accountabilities
- a delegation schedule for financial and human resource delegations
- a Financial Management Practice Manual which sets out the QPT's financial policies and practices
- a program of regular internal and external financial, compliance and performance audits
- a dedicated Ethics and Integrity Unit to enhance awareness of and respond to suspected fraud or corruption
- pre-employment criminal history screening, as per the QPT Employment Screening Policy and Procedure
- reporting of all conflicts of interest to the Director Independent Services and FCO

- clear policies and procedures for the delegation and separation of duties, and
- an organisational culture that encourages collaboration and the provision of feedback to improve our governance systems.

Outlined below is further information on a number of internal controls which play a significant role in the effectiveness of the QPT's prevention of fraud and corruption.

2.3.1. Employment screening

Pre-employment screening is an effective means of preventing fraud. The QPT conducts pre-employment screening checks on prospective employees to support our commitment to our customers in providing responsible, transparent and ethical services. All prospective employees will undergo the below pre-employment screening (where appropriate):

- criminal history checks
- verification of identification
- ability to work in Australia
- referee checks
- qualification checks (PO, SO, and SES roles)
- serious discipline history disclosure (previous public sector employees only).

Additionally, further criminal history checks are completed on current employees in the following circumstances:-

- A casual or temporary employee is recommended for a permanent role
- An existing employee is recommended for a permanent position, or temporary transfer at level or higher duties appointment
 - with financial delegations, or
 - with duties involving financial transactions
 - at a Senior Officer or Senior Executive Officer classification level.

Under the [Anti-Money Laundering and Counter-Terrorism Compliance Financing Act 2006](#) and the 'Anti Money Laundering and Counter-Terrorism Program', a number of employees are required to undergo supplementary employment screening as summarised below:-

- criminal history screening – annually
- bankruptcy search – annually
- politically exposed persons (PEP) – every 3 years
- relevant sanctions checks – every 3 years.
- refer to the QPT Employment Screening Policy and Procedure for further information on pre-employment screening requirements.

2.3.2. Managing conflicts of interest

Underpinning the Code and the principles and values prescribed in the *Public Sector Ethics Act 1994*, is that all public sector employees have a duty to always put the public interest first, which includes identifying and managing any actual, perceived or potential conflicts of interest.

A conflict of interest involves a conflict between our duty, as public service employees, to service the public interest and our personal interest. Fraud and corruption may occur because a conflict of interest has been concealed, understated or mismanaged. Identifying and managing conflicts of interest or threats to professional independence is effective in reducing the exposure to fraud and corruption.

Refer to the QPT [Managing Conflict of Interest and Declarations of Interest Policy](#) for further information on the identification, management and monitoring requirements.

2.3.3. Segregation of duties

Segregation of duties is a basic internal control that should be present in all aspects of the QPT's financial internal controls. Basically, the segregation of duties ensures that individuals do not perform incompatible duties. While the risk of collusion remains, ensuring that at least two people are involved in any transaction will generally minimise the opportunity for fraud being perpetrated.

In smaller offices, where staffing does not permit the full segregation of duties, compensating controls shall be in place endorsed/approved by the relevant Executive Director and the Chief Finance Officer.

The Financial Management Practice Manual (FMPM) and associated procedures and guidelines describes key elements of financial internal control system. The QPT has established a Corporate Delegations Framework and has issued a Financial and Administrative Delegations Register.

2.3.4. Gifts and benefits

A gift or benefit is understood as anything of value offered to an officer in the course of their duties, or in connection with a government service, that is over and above an officer's normal salary or employment entitlement. Accepting gifts, benefits or hospitality has the potential to compromise staff by creating a sense of obligation and undermining their impartiality. Staff must be open and transparent about offers of gifts, benefits, or hospitality in line with the QPT [Gifts and Benefits Policy and Procedure](#).

2.3.5. IT security

The QPT FCCS is reliant on the organisation wide approach to managing information and cyber security risks and draws on the benefits of the QPT Information Security Management System ISMS.

The QPT ISMS outlines the suite of policies, procedures and controls taken by the QPT to manage information and cyber security risks which in turn supports the prevention, detection and response to technology enabled fraud and corruption. The ISMS Framework is a systematic approach for managing an organisation's information security based on the requirements of international information security standard - ISO 27001 and the Queensland government IS18 Framework. It's a centrally managed system that enables an organisation to manage, monitor, review and improve its information security practices in one place.

2.3.6. Contractor and supplier due diligence

Confirming the identity and reputation of service providers is an important prevention strategy. The QPT performs effective due diligence on contractors and suppliers which may include the following:

- search on company register
- ABN confirmation
- insurance certificates of currency
- licencing and qualifications
- media searches such as Google and
- ethical supplier.

The QPT also ensures specific internal controls are in place to manage our dealings with third parties including preventing fraud and corruption against the QPT which includes:

- requiring certain third parties to report any conflicts of interest
- outlining obligations in contracts or other relevant documents
- requiring annual declarations by relevant third parties.

3. Detecting fraud and corruption

The QPT is committed to establishing robust systems designed to identify instances of fraud and corruption in a timely manner. This is done through a set of processes including, but not limited to:

- post transactional review
- analysis of management accounting reports
- data analytics
- identification of early warning signs
- fraud and corruption reporting channels
- whistleblower protection
- complaint management
- exit interviews.

3.1. Data analytics

The QPT has in place processes to review financial reports to detect anomalies that may be indicative of fraud or corrupt conduct. The analysis reviews financial transactions from Finance One (finance program), CIMS (Customer Information Management System) and Aurion (payroll).

3.2. Identifying early warning signs (red flags)

Awareness of warning signs (red flags) for possible fraud or corruption is a useful method of early detection. Fraud awareness training promotes understanding of red flags amongst employees. It should be noted the observation of just one of these red flags may imply a potential risk but may not constitute fraud or corruption. An employee may be a higher internal fraud risk when a combination of the following red flags are present:

Behavioural red flags	Transactional red flags
<ul style="list-style-type: none"> - Living beyond one's means (unexplainable excessive personal lifestyle such as expensive cars, jewellery, homes, clothes). - Gambling addiction, substance abuse or addiction problems. - Creditors or collectors appearing/ contacting the workplace. - Refusing leave, sick leave or promotions. - Deliberate disregard for internal controls (skipping approval steps) or failure to implement controls. - Prior criminal history (charges and/ or convictions). - Unnecessary retention/ control of records or business functions. - Insisting on working unusual or non-standard business hours. - Avoiding or delaying provision of documentation when requested by auditors. - Giving gifts to peers, supervisors or colleagues in positions of influence. 	<ul style="list-style-type: none"> - Transactions occurring at an unusual time (e.g., a cab charge receipt for a taxi fare on a Saturday evening from a staff member who only works Monday to Friday). - Frequency of the transaction is unusual (e.g., the transaction may be a one-off, or an unusual transaction consistently processed at a certain time by the same person). - Place of transaction is unusual (e.g., corporate card transaction from a casino or clothing store). - Amount of the transaction is unusual (e.g., amount of transaction just under the delegated authority of a person, an invoice split into two halves to appear within delegation limits). - Unusual relationships between persons (related parties, over personalised relationship between parties, management performing clerical functions which could easily be delegated to subordinate staff).

3.3. Management responsibilities

Managers and supervisors are often in the best position to identify system deficiencies that facilitate fraud and corruption. Where applicable, managers should review exception reports and analyse transactional data, which is produced by Internal Audit to detect fraud, including:

- using post-transaction review controls (including exception reports on changes to high risk data, review of access logs and controls);
- analysing transactional data or data analytics for anomalies (including the use of CAATs - Computer Assisted Auditing Techniques); and
- scrutinising variances in management accounts against budget and in year to year trends.

Managers should also assess other indicators relating to:

- personal risks – leave accumulations, uncharacteristic lifestyle changes, sudden changes in behaviour (for further information on this see section 3.2. above);
- cultural risks – performance pressure, attitudes to internal control;
- structural risks – changes to corporate structure, supervision of remote locations;
- business risks – changes to business strategy, corporate reputation; and
- situational risks – involvement in activities with a high level of inherent risk.

3.4. Fraud and corruption reporting channels

An employee who suspects another employee of engaging in fraud or corrupt conduct has a duty to immediately report the matter to their manager. Managers are required to immediately notify the Director, Independent Services and the Customer Advocate.

For guidance on how to report suspected or actual fraud and corruption refer to the QPT [Reporting Corrupt Conduct Policy](#).

3.5. Protections for reporting fraud and corruption

The QPT is committed to providing protection and support for all disclosers. The [Public Interest Disclosure Act 2010](#) and related [Standards](#) safeguard people who disclose unlawful and improper conduct including fraudulent and corrupt behaviour. Information about how to make a public interest disclosure, and how the disclosures are managed, is provided in the PT's [Public Interest Disclosure Policy and Procedure](#).

3.6. Exit interviews

Exit interviews can be useful in eliciting relevant information from departing employees. The QPT provides departing staff an opportunity to complete an exit survey or they can elect to have a face-to-face exit interview/discussion with their supervisor/manager, Executive Director, or People & Culture.

Any returned surveys are reviewed by People & Culture and forwarded to the relevant work area. If any concerns are raised (particularised, or not) and/or where the employees experience at the QPT has been less than ideal or expected, these surveys are also raised with the relevant Executive.

4. Responding to fraud and corruption

Fraud and corruption response includes those systems and processes that assist the organisation to respond appropriately to alleged fraud or corruption when it is detected.

Fraud response strategies provide reasonable assurance that perpetrators of fraud and corrupt conduct are identified, and appropriate remedies are applied.

4.1. Assessing and managing complaints

Any matter involving suspected fraud and corrupt conduct will be managed by the Ethics and Integrity Unit according to their local procedures by:

- assessing all matters to determine whether they amount to suspected corrupt conduct and recommending an appropriate course of action to deal with the matter;
- where there is a reasonable suspicion of corrupt conduct, making appropriate referrals to the Queensland Crime and Corruption Commission (CCC);
- assessing whether the matter may constitute a PID under the *Public Interest Disclosure Act 2010* and making the appropriate referrals to the Office of the Queensland Ombudsman;
- referring serious allegations of suspected criminal conduct to the Queensland Police Service on behalf of the QPT;
- undertaking and/or overseeing the investigation of alleged fraud or corrupt conduct; and
- consulting with the relevant areas of the QPT and advising on changes required to the internal controls or processes following a reported matter.

4.2. External reporting

The QPT has specific obligations to report suspected fraud and corruption to other public sector agencies which provide oversight and assistance in dealing with fraud and corruption. The Ethics and Integrity Unit will facilitate external reporting to the following agencies:

- Queensland Crime and Corruption Commission for allegations of suspected corrupt conduct;
- Queensland Police Service for criminal matters where necessary and where loss is a material loss;
- The Queensland Ombudsman for public interest disclosures (PIDs);
- The Queensland Audit Office in relation to prevention and detection of fraud; and
- The Queensland Auditor-General and the Minister for material losses.

4.3. Investigations systems

4.3.1. Preliminary assessment

The Director, Independent Services and the Customer Advocate (and FCO) will oversee a preliminary assessment of an allegation or incidence of suspected fraud and corrupt conduct to determine whether there is substance to the matter. The Director, Independent Services and the Customer Advocate will decide the actions to be taken based on an evaluation of the available information received as part of the allegation or obtained from preliminary inquiries.

Where the matter involves reportable losses or may result in serious reputation damage to the organisation or its clients, the Director, Independent Services and the Customer Advocate will, in consultation with The Public Trustee of Queensland and CEO, engage appropriately qualified and experienced investigators to undertake a preliminary assessment.

If possible, the assessing officer will assess the allegation after obtaining any readily accessible internal evidentiary information, where the collection of such evidence would not jeopardise any future investigation.

Any internal assessment process undertaken should not alert the subject/s of the allegation. The assessing officer will protect the confidentiality of the complainant and the subject officer of the allegation of fraud.

4.3.2. Full investigation

Following the preliminary assessment, the Director, Independent Services and the Customer Advocate may recommend to the Queensland Public Trustee and CEO a full investigation be conducted by an appropriately qualified investigator.

Any internal investigation will be conducted in accordance with the Queensland Public Service guidelines including the [Workplace Investigations \(Directive 17/20\)](#), [Managing Workplace Investigations: a practical guide for the Queensland public sector](#), and the approach outlined by the CCC in [Corruption in focus: a guide to dealing with corrupt conduct in the Queensland public sector](#).

The Director, Independent Services and the Customer Advocate will consider the following factors when deciding whether to investigate an allegation of fraud or corruption or other improper conduct:

- a) the seriousness of the alleged conduct
- b) whether or not there is a sufficient amount of evidence already available (and whether a workplace investigation in these circumstances is an appropriate use of agency resources)
- c) how natural justice requirements will be met, and
- d) whether there is a more appropriate option to resolve the matter through management action, alternative dispute resolution, or implementation of positive performance management strategies.

If a matter is to be investigated, the QPT may refer an investigation matter to the QPS, the CCC and the Auditor-General; utilise qualified internal investigators; or engage suitably qualified and experienced investigators to conduct an investigation on its behalf. Any investigator engaged by the QPT will undertake to:

- conduct the investigation in accordance with the Crime and Corruption Commission's Corruption in Focus, the Public Service Commission's Workplace Investigations Directive;
- apply principles of procedural fairness (natural justice) and human rights, and will exercise, or use any degree of caution considered necessary, to maintain the integrity of the investigation process;
- immediately report any conflicts of interest (any actual or potential) which arise; and
- undertake this investigation in an impartial and objective manner.

A final investigation report will be prepared to support any findings or recommendations made. Relevant parties will be notified as appropriate. If actions are to be taken in response to the investigation outcomes, they will be noted and reported in accordance with the relevant internal control procedures.

4.4. Record keeping

Proper and full records must be kept during the investigation and any evidence gathered (physical or digital) will be secured and preserved. These records should be kept in accordance with the QPT's recordkeeping requirements and the [Information Privacy Act 2009](#).

4.5. Fraud and corruption event register

The Director, Independent Services and the Customer Advocate will maintain the Register of all reports of suspected or actual fraud and corruption. The Register will help the QPT determine where to focus its efforts and where changes to controls, policies or procedures are required. The Register records all incidents of fraud and corruption affecting the QPT, including actions taken and the outcomes.

4.6. Reviewing controls

Following an allegation or incidence of suspected fraud, corruption or other identified wrongdoing, the Director, Independent Services and the Customer Advocate will ensure that a review is conducted to determine the adequacy of controls used to prevent fraud of the type suspected or occurring. Any actions proposed as a result of the review will be documented and included in the FCCP.

4.7. Recovering losses

The QPT will take appropriate action to recover any losses caused by theft, fraud or corruption, including through the Queensland Government Insurance Fund (QGIF), civil or criminal proceedings to maximise the recovery.

4.8. Disciplinary actions for staff

Action taken by the QPT in response to allegations of fraud and corruption will be conducted in accordance with the guidelines including the Queensland Public Service Discipline (Directive 05/23), *The Public Sector Act 2022*, and the principles of natural justice.

Roles and responsibilities

Position	Responsibility
Public Trustee of Queensland and CEO	<ul style="list-style-type: none"> • Ultimate responsibility for the FCCS and ensuring that the QPT has in place adequate anti-fraud and anti-corruption measures.
Board of Management (BoM) and Executive Leadership Team (ELT)	<ul style="list-style-type: none"> • Endorsing and supporting the Fraud and Corruption Control Framework and FCCP. • Overseeing systems to minimise fraud and dishonesty in their own area. • Implementing action plans contained in the FCCP and conducting risk assessments at least annually that include fraud risks within their areas of responsibility. • Ensure managers within their areas of responsibility identify, control, monitor and treat fraud risks within their areas. • Designing and implementing systems to prevent and detect fraud in operation, then monitor and review their effectiveness and efficiency. • Ensure all employees are made aware of their fraud and corruption control responsibilities. • Encourage and support the reporting of suspected wrongdoing. • Ensure all employees complete their mandatory training. • Ensure corrective actions are implemented as advised by EIU or other external agencies.
Director Independent Services and the Customer Advocate and Fraud Control Officer (FCO)	<ul style="list-style-type: none"> • Reporting significant fraud incidents to The Public Trustee of Queensland and CEO, the Board of Management (BoM) and ARMC as soon as practicable. • Ensuring there is an ongoing fraud awareness program. • Reviewing this framework and related policies and procedures annually. • Communicating with managers and staff about their responsibilities for preventing, detecting and reporting fraud and corruption. • Establishing a timetable within the planning process for managers to conduct annual fraud risk assessments in accordance with this framework. • Ensuring that suspected fraud is reported and responded to effectively in accordance with the FCCP and this document.
Independent Services Ethics and Integrity Unit	<ul style="list-style-type: none"> • Undertake and advise on QPT business and policy improvements to mitigate the risk of fraud and/or corruption. • Manage PT compliance, performance and risk in accordance with appropriate governance frameworks. • Ensure that governance, compliance, performance, and risk (including fraud risk) issues are reported to the Public Trustee of Queensland and CEO and Board of Management (BoM). • Support the Fraud Control Officer by coordinating or implementing fraud and corruption control actions as appropriate. • Report regularly on QPT performance and compliance including complaints and fraud issues.

Position	Responsibility
<p>Independent Services</p> <p>Ethics and Integrity Unit (continued)</p>	<ul style="list-style-type: none"> • Manage the Gifts and Benefits and Conflicts of Interests Register and related policies and procedures. • Provide advice and direction on the correct protocol for reporting unethical matters. • Develop and maintain ethics related policies and procedures for building and sustaining integrity and accountability. Report suspected fraud, corruption, criminal and other matters to appropriate external organisations where required. • Manage Public Interest Disclosures and ensure compliance with the <i>Public Interest Disclosure Act 2010</i>. • Independently investigate allegations of employee misconduct or facilitate an external investigator where required.
<p>Audit and Risk Management Committee (ARMC)</p>	<ul style="list-style-type: none"> • Assisting the QPT in fulfilling responsibilities relating to internal control arrangements. • Monitoring corporate risk assessment and the adequacy of the internal controls established to manage identified risks. • At least annually, considering a report from the FCO on the management of internal fraud risk. • Reviewing and endorsing the FCCP. • Considering periodic fraud and related loss reports.
<p>Internal Audit</p>	<ul style="list-style-type: none"> • Assessing the adequacy and effectiveness of internal controls within business areas as part of routine auditing activities. • Making recommendations to improve the effectiveness of key controls where required. • Developing and executing selected data analytics programs to detect fraud and corruption • Annually auditing the risk registers to provide reasonable assurance fraud risks are identified, classified with sufficient and appropriate treatment plans • Maintain a cycle of auditing of Program's risk registers to provide reasonable assurance fraud risks are included, classified with sufficient and appropriate treatment plans.
<p>ISMS professional</p>	<ul style="list-style-type: none"> • Have a sound understanding: <ul style="list-style-type: none"> • Of any technology enabled fraud and corruption exposures • How an Information Security Management System (ISMS) can effectively mitigate the risks of fraud and corruption • Of cybercrime and the methods for managing the risks of cybercrime • Assist in the capture and analysis of digital evidence in the event of any investigation following a report of a fraud and corruption incident.
<p>Chief Information Officer</p>	<ul style="list-style-type: none"> • Establishing, maintaining and reviewing technology-based prevention controls. • Establishing, maintaining and reviewing information and communications technology (ICT). • Facilitating ongoing enhancements of an Information Security Management System that is aligned with Information Standard 27001.

Position	Responsibility
Chief Finance Officer	<ul style="list-style-type: none"> • Ensure the adequacy of the internal controls for financial processes. • Provide the QPT with an assurance statement on the efficiency and effectiveness of the financial internal controls (s77 of the Financial Accountability Act 2009).
Executive Director People and Culture	<ul style="list-style-type: none"> • Ensure the relevant HR policies are in place, reviewed and updated. • Advise the delegates on recruitment, performance and discipline policy requirements. • Manage any breaches of conduct and behaviour in line with the policy and directives.
Managers and supervisors	<ul style="list-style-type: none"> • Manage the risk of fraud occurring in their areas of responsibility. • Ensure employees are aware of internal controls relevant to their area of operation. • Ensure audit findings and recommendations relevant to their area of responsibility are responded to promptly. • Take appropriate action once suspected fraud is reported by employees.
Employees (Including contractors, temporary and casual staff)	<ul style="list-style-type: none"> • Complete mandatory fraud awareness training. • Adhere to systems designed to promote high standards of ethical conduct and that contain internal controls that minimise the opportunity for fraud and dishonesty. • Ensuring their conduct meets the highest ethical standards in accordance with section 6(a) <i>Public Sector Ethics Act 1994</i>. • Follow internal controls in operations and report any instances where the controls are not working as intended. • Reporting any instances of suspected fraud to their manager or supervisor or the FCO. • Report any inappropriate workplace conduct to their manager, supervisor or to the Director Independent Services.

Definitions

Term	Definition
Corruption	<p>Corruption is dishonest activity in which a person associated with an organisation (e.g., director, executive, manager, employee or contractor) acts contrary to the interest of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation.</p> <p>Corruption can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interest of the organisation, in order to secure some form of advantage for the organisation either directly or indirectly.</p> <p>Examples of corruption include:</p> <ul style="list-style-type: none"> • abuse of position or power for personal gain, such as seeking or obtaining bribes, gifts, or other benefits in exchange for favourable treatment • nepotism in staff appointments

	<ul style="list-style-type: none"> • favouritism in awarding contracts and collusive tendering, favouring suppliers who are not as competitive as others for personal gain and manipulation of the tender process to achieved desired outcome • unauthorised release of confidential information • allowing a conflict of interest to undermine independence • payment or receipt of secret commissions (bribes).
<p>Corrupt conduct</p>	<p>As defined in section 15 of the CC Act. Under the Act, there are two different types of corrupt conduct.</p> <p>"Type A" corrupt conduct involves conduct that affects, or could affect, a public officer (an employee of a public sector agency such as the QPT) so that the performance of their functions or the exercise of their powers:</p> <ul style="list-style-type: none"> • is not honest or impartial, or • knowingly or recklessly breaches public trust, or • involves the misuse of agency-related information or material. <p>Common examples of Type A corrupt conduct include fraud and theft, extortion, unauthorised release of information, obtaining or offering a secret commission and nepotism.</p> <p>"Type B" corrupt conduct involves specific types of conduct that impair, or could impair, public confidence in public administration. This may include:</p> <ul style="list-style-type: none"> • collusive tendering, or • fraud relating to an application for a licence, permit or other authority relating to public health or safety; the environment; or the State's natural, cultural, mining or energy resources, or • dishonestly obtaining public funds or State assets, or • evading a State tax, levy or duty or fraudulently causing a loss of State revenue, or • fraudulently obtaining or retaining an appointment. <p>Both Type A and Type B corrupt conduct must be either a criminal offence or serious enough to warrant dismissal. See the Reporting Corrupt Conduct Policy for more information.</p>

<p>Fraud</p>	<p>Fraud is dishonest activity which causes actual or potential gain or loss to any person or organisation including theft of moneys or other property by internal (employee or contractor of an organisation) or external persons (customer, or external service provider), and/or where deception is used at the time, immediately before or immediately following the activity.</p> <p>Examples of fraud include:</p> <ul style="list-style-type: none"> • falsely recording work time to gain additional flexitime or over-payment of wages • misuse of cab charge vouches or corporate credit cards (i.e., not using them for travelling on official business or work related purchases) • theft of petty cash • using work resources for private business purposes • using Public Trustee information to gain a personal advantage • using personal relationships to gain an advantage in recruitment/procurement processes • deliberate misrepresentation of qualifications or experience in recruitment process • individuals making false declarations or fraudulently completing forms (e.g., court forms, statutory declarations) • an external vendor knowingly providing a false invoice for payment • individuals creating a false vendor in order to request payment from the Public Trustee for goods and/or services that were not provided • theft or misappropriation of customer or Public Trustee assets • colluding with external providers to influence the outcomes of procurement processes
<p>Conflict of interest</p>	<p>Where private interests interfere or appear to interfere with the performance of official duties and includes actual, potential and perceived conflicts of interest.</p>
<p>Material Loss</p>	<p>The <i>Financial and Performance Management Standard 2009</i> defines a material loss as:</p> <p>(a) a loss of money with a value greater than \$500;</p> <p>(b) for other property with a value greater than \$5000.</p>
<p>Public Interest Disclosure (PID)</p>	<p>A public interest disclosure is a disclosure under Section 12 and 13 of the <i>public Interest disclosure Act 2010</i> and includes all information and help given by the discloser to a proper authority for the disclosure.</p>

Legislation and other compliance obligations

- [Crime and Corruption Act 2001](#)
- [Criminal Code Act 1899](#)
- [Human Rights Act 2019](#)
- [Public Sector Ethics Act 1994](#)
- [Public Sector Act 2022](#)
- [Information Privacy Act 2009](#)
- [Public Interest Disclosure Act 2010](#)
- [Financial and Performance Management Standard 2019](#)
- [Financial Accountability Act 2009](#)
- [Anti-Money Laundering and Counter-Terrorism Compliance Financing Act 2006](#)

Supporting documents

- [Financial Management Practice Manual](#)
- [Complaints about the Public Official Policy](#)

- [Reporting Corrupt Conduct Policy](#)
- [Public Interest Disclosure Policy and Procedure](#)
- [Declaration of Interests Policy & Procedure](#)
- [Gifts and Benefits Policy and Procedure](#)
- [Risk Management Policy](#)
- [Risk Management Procedure](#)
- [Contact with Lobbyists Policy](#)

Related resources and information

- [Australian Standard on Fraud and Corruption Control \(AS 8001:2021\)](#)
- [CCC Fraud and Corruption Control: Best Practice Guide 2018](#)
- [Corruption in focus: a guide to dealing with corrupt conduct in the Queensland public sector](#)
- [Code of Conduct for the Queensland Public Service](#)
- [Queensland Audit Office: Fraud Risk Management Report 6: 2017-18](#)
- [Audit Office of New South Wales: Fraud and Corruption Control Policy 2022](#)

Contact

For further information, please contact: Team/unit name

Email: ethicsandintegrity@pt.qld.gov.au

Document information (for internal use only)

Procedure Owner	Director, Independent Services and the Customer Advocate.
Procedure Delegate	The Public Trustee of Queensland and CEO.

Current Version				
Approver's title	Approval date	Effective date	Next review date*	File number
Mr Samay Zhouand, The Public Trustee of Queensland and CEO.	25/11/2023	25/11/2023	25/11/2026	T23/2716
Keywords	Fraud, corruption, control			

Revision history			
Version No.	Document title	Date approved	Sections modified
2023.1	Policy Delegate	25/11/2023	Complete review of policy and procedure. Updated to comply and reflect requirements of AS 8001:2021.

Appendix 1: Summary of fraud and corruption risks

QPT Activity	Fraud and Corruption Risks
Procurement	<ul style="list-style-type: none"> • Fraudulent procurement by an employee or contractor • Fraudulent procurement practices by suppliers e.g., tender collusion/bid rigging by suppliers/providers • Fraudulent influence by an employee on panel arrangements or preferred supplier lists • Fraudulent contract management by an employee • Deliberately over-ordering resources to use the surplus for personal gain
Finance	<ul style="list-style-type: none"> • Fraudulent use of a corporate card • Fraudulent invoices requesting payment to false bank details • Misappropriation of cash • Misuse of Cab Charge for personal use or profit • Claims for reimbursement for non-work-related expenses • Overstatement of travel allowance claims
Recruitment	<ul style="list-style-type: none"> • Nepotism in recruitment and selection processes • Corruption in promotion processes • Bias against an applicant in recruitment and selection processes • Deliberate manipulation of recruitment selection panels • Fraudulent deception by an applicant in recruitment and selection processes
Payroll	<ul style="list-style-type: none"> • Fraudulent recording of overtime, allowances, penalties, or leave taken • Fraudulent manipulation of the rostering process • Inappropriate changes to master files • Fraudulent claims for study assistance
Assets	<ul style="list-style-type: none"> • Misappropriation of materials for private use or sale • Misappropriation of motor vehicles for private use or sale • Manipulation of a public auction or public tender process for disposal of assets • Misappropriation of customers assets
Reporting	<ul style="list-style-type: none"> • Fraudulent operational reporting by management • Fraudulent reporting to meet KPIs • Fraudulent reporting to meet government-imposed FTE limits • Manipulation of financial results (for example, non-accrual of expenses at year end to improve performance or over accrual to spend budget) • Manipulation of financial results to spend the allocated budget • Management knowingly concealing the corrupt conduct of subordinate employees
Information	<ul style="list-style-type: none"> • Fraudulent disclosure of confidential information by a current or former employee for personal gain • Fraudulent disclosure of politically sensitive information • Destruction of public records to enable a cover-up.