

EPA Fraud & Corruption Control System 2023-2025

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1. Purpose

The purpose of this Environment Protection Authority (EPA) Fraud and Corruption Control System (FCCS) is to provide a clear statement on:

- the EPA’s policy position on fraud and corruption
- the responsibilities of the EPA’s management, employees and others involved with the organisation for the prevention, detection and effective response when fraud, corrupt activity or unethical conduct is detected or suspected
- the EPA’s anti-fraud and anti-corruption strategies.

2. Scope - Definitions of Fraud and Corruption

This FCCS applies to all EPA activities and personnel such as employees, Board members, consultants and contractors.

Fraud	<p>“Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.</p> <p>This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.”</p> <p>Australian Standard 8001:2021 Fraud and corruption control, section 1.4.13</p>
Corruption	<p>“Dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage, or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.”</p> <p>Australian Standard 8001:2021 Fraud and corruption control, section 1.4.8</p>

3. Principles and Commitments

- The EPA has a zero-tolerance for fraud and corruption.
- Fraudulent or corrupt activity of any kind, including that which benefits the EPA, will not be tolerated because it is expected that all duties will be performed legally, ethically, with integrity and professionalism.
- Managing fraud and corruption risk is an important governance issue. Although not all fraud and corruption risks can be avoided or prevented, fraud can be uncovered early with help from others.
- Everyone has roles, responsibilities, and accountabilities to prevent, detect and respond to fraud and corruption.
- The EPA’s ethical culture is based on everyone conducting themselves in a manner consistent with the law, [State Service Code of Conduct \(Appendix A\)](#) and EPA policies and procedures that reflect transparency and accountability requirements, consistent and sound work practices, and organisational standards of compliance. Embedding these requirements into day-to-day work and promoting

awareness of fraud, corruption and ethics will reduce the likelihood of damaging public confidence in the EPA as Tasmania's main environmental regulator.

- The EPA is committed to supporting employees who report suspected fraud or corruption.
- All reported and/or suspected fraudulent or corrupt conduct will be investigated in accordance with this FCCS and the relevant legislative framework - criminal, civil, administrative or disciplinary penalties including termination of employment may occur.

4. Key Responsibilities for Fraud and Corruption Control

Everyone has a role to play in preventing fraud and corruption. All employees should understand what constitutes fraud and corruption and what to do if they suspect this activity. All employees are expected to comply with legislative requirements and internal policies, behave in accordance with the Code of Conduct, and identify and report fraud and corruption risks.

The following positions and bodies have key roles:

Chief Executive Officer

As the accountable authority responsible for taking all reasonable measures to prevent, detect and deal with fraud and corruption relating to the EPA.

EPA Board

The EPA Board is highly committed to the proactive prevention of fraud and corruption both against the agency and by the agency, noting the Board does not have a fiduciary responsibility for the agency. The EPA Board acknowledges that fraud and corruption is a significant risk that goes beyond the financial management responsibilities of the CEO and does include the functions of the Board. Hence, the Board 'sets the tone at the top' by ensuring support is established at the highest levels to facilitate ethical and responsible practices.

Budget Risk and Audit Committee

The Budget Risk and Audit Committee is the key governance body responsible for oversight of risk management processes and arrangements. This Committee reviews the EPA's Fraud and Corruption Control System and must be satisfied that the EPA has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

The Budget Risk and Audit Committee liaises with independent auditors to review the effectiveness of controls and processes to mitigate and control risk.

The Committee reviews all instances of reported fraud and corruption including the appropriateness and adequacy of actions resulting from investigation and changes to prevent future recurrence.

Executive Management

Division Heads have the additional responsibility to demonstrate strong leadership by fostering and supporting a culture of integrity, awareness and reporting.

Executive Management (including any person supervising employees or contractors) carries a shared responsibility and accountability to actively support and implement the framework including:

- Understanding and supporting the Fraud and Corruption Control System and providing employees within their Division, Branch or Section with the necessary information to comply
- Identifying and understanding the risks of fraud and corruption in their Division, Branch or Section
- Implementing and maintaining appropriate internal controls to reduce the risks to an acceptable level that will provide for the security and accountability of the resources under their control

- Ensuring the induction package for all new employees is completed and promoting the importance of ethical conduct and compliance with the Code of Conduct as well as fraud and corruption awareness training
- Providing leadership in setting the appropriate tone of intolerance for fraudulent and corrupt acts by displaying the proper attitude toward compliance with laws, rules, regulations and policies. All managers and supervisors should be cognisant of the risks and exposures inherent in their area of responsibility.

People and Culture (P&C)

Under the Service Level Agreement between the EPA and the Department of Natural Resources and Environment Tasmania (NRE Tas), aspects of the EPA's Human Resources work are managed by NRE Tas' People and Culture business unit (P&C). P&C will oversee all suspected fraud and corruption investigations and with the approval of the CEO may refer the matter to Tasmania Police, if appropriate. Investigations of alleged fraud perpetrated by an employee will be undertaken in accordance with [Employment Direction Number 5 – Procedures for the Investigation and Determination of whether an employee has breached the Code of Conduct](#) and/or [Employment Direction Number 6 - Procedures for the Investigation and Determination of whether an employee can efficiently and effectively perform duties](#).

The NRE Tas Chief People Officer has a key role in supporting and managing the appropriate investigation and resolution of suspected and/or reported alleged fraud or corruption in accordance with this system. The Chief People Officer will liaise with, and support, the Chief Executive Officer in determining the appropriate investigation procedure and actions that may be taken.

People and Culture will support anyone involved in reporting or investigating suspected fraudulent or corrupt activity. In particular, any victimisation of those reporting or investigating suspected fraudulent or corrupt activity will not be tolerated and will be managed in accordance with the EPA's Disciplinary Procedure. Support also includes access to the EPA's Employee Assistance Provider.

Fraud and Corruption Control Officer (FCCO)

The Executive has determined that no particular individual in the EPA has been given the title of Fraud and Corruption Control Officer (FCCO), each Division Head has this responsibility. As a FCCO the Division Head has primary responsibility for the oversight and management of this system and the management of fraud and corruption matters in their respective Division. The FCCO is the initial person who should be notified of any alleged fraudulent or corrupt activity.

Employees, Consultants, and Contractors

Employees and others engaged to work for the EPA are expected to act in a professional and ethical manner, and practice fairness, integrity and sound professionalism at all times in every aspect of their employment.

EPA personnel have a responsibility to:

- understand, observe and comply with the Code of Conduct ([Appendix A](#)) and related policies and procedures which reflect expected standards of ethical behaviour, including the obligations to identify and report unethical or improper behaviour and any suspected fraud or corruption.
- promote ethical culture and a work environment where fraudulent behaviours, or other forms of corrupt conduct, are not allowed.
- be alert and vigilant at work to detect any suspected fraudulent activity.
- assist in any investigations of fraud and corruption as required.
- protect and maintain strict confidentiality of a person they know or suspect to have made a disclosure or of the fraud incidents or investigations they have knowledge of.

- refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure of reportable conduct.
- cooperate with the implementation of fraud prevention strategies such as the disclosure of potential, actual or perceived conflicts of interest, or gifts, benefits or hospitality if they are unavoidable and cannot be managed.

Internal Auditor (Wise Lord & Ferguson)

The Internal Auditor provides to the Budget Risk and Audit Committee and the Executive with independent and objective appraisal and recommendations concerning a full range of business functions and operations undertaken by the EPA, including the adequacy of the fraud and corruption prevention strategies.

External Auditor (Tasmanian Audit Office)

The External Auditor will ensure that the risk of fraud is considered as part of the annual auditing of the EPA's financial statements in accordance with [ASA240 'The Auditors' Responsibility to Consider Fraud in an Audit of a Financial Report'](#). The Tasmanian Audit Office may also conduct performance audits which have a focus on the management of fraud and control risks.

Integrity Commission

The Integrity Commission improves the integrity of government and public authorities in Tasmania. Its aim is to enhance community trust and confidence in the system of government.

The Commission has a primary focus on education and prevention to reduce public sector misconduct and to improve the effectiveness of public authorities and their employees in working for a better Tasmania.

Details on the Commission's role and what happens with reported conduct can be found on its website at <https://www.integrity.tas.gov.au/>

5. Prevention of Fraud and Corruption

The main elements of the EPA's framework for preventing fraud and corruption are:

(a) Promoting an Ethical Culture

A fundamental strategy in controlling the risk of fraud and corruption is the development and maintenance of a sound ethical culture, underpinned by effective and continuous communications and the leadership and example set by all levels of management. At the senior level this is reflected by Division Heads having the role of Fraud and Corruption Control Officers (FCCO).

The EPA's attitude to ethical conduct is based on the [State Service Act 2000](#), Section 9 State Service Code of Conduct (refer [Appendix A](#)).

This Code of Conduct requires, among other things, that employees must:

- Behave honestly and with integrity;
- Comply with all applicable Australian law;
- Maintain appropriate confidentiality about dealings of, and information acquired by, the employee in the course of employment;
- Disclose and avoid conflicts of interest; and
- Use Tasmanian Government resources in a proper manner.

(b) Communication and Awareness

Every employee should have general awareness of fraud and corruption and how they should respond if this type of activity is detected or suspected. The EPA will ensure this by:

- Employees being made aware of the Code of Conduct and Fraud and Corruption Control System and Policy and the possible consequences if they engage in fraudulent or corrupt conduct through induction;
- Employees being made aware of the ways they can report allegations or concerns regarding alleged fraud or unethical conduct through the intranet and induction;
- The Fraud and Corruption Control System and Policy being made available through the intranet (Pod);
- Managers receiving notification of available fraud training courses and being exposed to the policy and reporting framework through the leadership and management training modules;
- Regular updates to fraud related policies and procedures will be communicated; and
- Encouraging employees to report any suspected fraudulent or corrupt activities.

(c) Internal Controls

Robust internal controls are integral to the mitigation of fraud and corruption. The EPA requires the development and maintenance of strong internal control systems with it being a management responsibility to ensure systems of control are appropriate to promote compliance with legislation and policies, employee safety, well-being and safeguarding of assets. Internal controls should be developed to mitigate identified risks and risk assessments should be performed regularly.

Documented risk assessments should be completed within each Division or business unit susceptible to internal and external fraud and corruption risks. This assessment should take into account all significant factors likely to expose the EPA generally or Division or business unit specifically to fraud and corruption. Mitigating controls should be identified within this assessment. If there are no strategies in place to manage the risk, internal controls should be implemented. These risk assessments should be completed regularly and undertaken if there are any significant changes in policy, process or procedure. The documentation of risks and controls effectively results in what may be referred to as a 'Fraud and Corruption Control Framework'.

Examples of strong internal controls include:

Segregation of duties - no one person should be responsible for a complete transaction from start to finish. A deliberate fraud is more difficult when segregation of duties is in place because it requires collusion of two or more persons. For example, the person that incurs an expense should not be the same person who approves the financial reimbursement.

Delegations and Authorisations – by creating policy and procedures that specifies who can conduct transactions and decisions on behalf of the EPA and sets limits on the amount able to be authorised decreases the scope for fraudulent or corrupt activity.

Reconciliations – regular independent reviews of accounting reconciliations (such as bank and payroll reconciliations and analysis between budget and actual figures) make fraud or corrupt concealment very difficult as differences need to be explained and followed through.

Physical access controls – By ensuring physical access to premises and computer systems it reduces the risk of fraud or corrupt activity because access is limited and recorded.

System access controls – by having strong controls around password security and limiting access to relevant functions in systems the risk of fraud or corruption can be reduced.

Hard coded IT system controls – prevents overriding or manual alterations.

Job rotation/mandatory leave – job rotation and ensuring that all employees take recreation leave on an annual basis is a conventional internal control process to prevent employees performing the same function

continuously and to help ensure that fraudulent or corrupt activities cannot remain covered up by an employee.

(d) Pre-employment Screening

Pre-employment screening is an effective means of preventing fraud or corruption, by identifying falsified qualifications or employment history. It can also identify relevant previous criminal convictions for offences of dishonesty.

People and Culture provides direction and advice to the EPA on checks that are considered appropriate to undertake given the candidates work area and the proposed position (in accordance with [Employment Direction No 7 Pre Employment Checks](#)). It is an EPA responsibility to assess and consider the proposed position and if screening is required.

(e) Managing conflict of interest

A conflict of interest occurs when a decision an employee may be required to make, either directly or indirectly affects themselves, family or associates. Timely disclosure of an actual, perceived or potential conflict of interest is the first step to ensure that it can be managed effectively and to avoid perceptions of fraudulent, corrupt or improper behaviour arising.

For further information please refer to the [Conflict of Interest and Disclosure of Gifts, Benefits and Hospitality Policies](#) (internal documents). Forms available that assist in disclosing conflict of interest include (note: all internal documents):

- [EPA Disclosure of Interest Form - General State Service Employees](#)
- [EPA Disclosure of Interest - Key Management Personnel - Policy and Procedures](#)
- [EPA Disclosure of Interests Declaration - Key Management Personnel](#)
- [EPA Declaration Form - Acceptance of Gift Benefit or Hospitality](#)
- [EPA Declaration Form - Giving of Gift Benefit or Hospitality](#)
- EPA Board members complete a declaration of interests prior to every EPA Board meeting.

6. Detection of Fraud and Corruption

The EPA recognises that, despite strategies to combat fraud or corruption, it is possible that it may occur. Therefore the EPA is committed to a framework aimed at detecting fraud and corruption as soon as possible after it has occurred. The key elements of this framework include:

- Management of internal controls;
- Management accounting review of financial reports;
- Post transaction review; and
- Identification of early warning signs.

Management of Internal Controls

Managers have an obligation to ensure internal controls that they are responsible for are used as (1) a deterrent to fraud or corruption and (2) to detect fraud or corruption. Managers need to involve themselves at the transaction level and verification can be assessed by their approval of such things as:

- Authorisation before a commitment is raised;
- Corporate Credit Card transactions and TARDIS reimbursements;
- Receipting and payment processes; and
- Attendance; Flexitime and leave management processes.

Management Accounting Review of Financial Reports

By analysing the EPA management accounting financial reports, trends can be examined and investigated which may be indicative of fraudulent or corrupt conduct. Some examples of the types of management accounting reports that can be utilised on a compare and contrast basis are:

- Budget reports for each operating unit;
- Proper analysis of budget variances; and
- Reports highlighting unusual trends in bad or doubtful debts.

Post Transaction Review

A review of transactions after they have been processed can be effective in identifying fraudulent or corrupt activity. Such a review may uncover altered or missing documentation or falsified authorisation/s.

Such a strategy can also significantly prevent fraud or corruption because the threat of detection may be enough to deter a person who might otherwise be motivated to engage in fraud or corrupt acts.

Post transaction review may occur through internal resources (e.g. the NRE Tas Finance Branch undertaking sample checks of credit card compliance), the Internal Auditor, or by the Tasmanian Audit Office in undertaking external audit or performance audit work.

Identification of Early Warning Signs

Identifying and acting on early warning signs of fraudulent or corrupt activity is an important part of detection. The key to achieving an early warning capability is awareness.

External fraud or corruption and internal control awareness training programs will be offered to relevant employees as they arise. The identification of early warning signs or "red flags" for suspected fraud and corruption are detailed in Appendix B and will be communicated through exposure of the framework.

All employees should be aware of their responsibility to remain vigilant, to have knowledge of possible fraud and corruption signals and identify and report any suspected fraudulent activity.

7. Reporting Alleged Fraud or Corruption and Protection of Employees

Reporting by Employees

It is vital that all instances of suspected fraud and corruption detected within the EPA are reported. It is also important that all employees have alternative means to report matters of concern.

As a standard course of action, employees are encouraged to immediately report suspected fraud or corruption directly with their FCCO (Division Head). The FCCO will manage such disclosures in accordance with this framework. The FCCO will maintain the appropriate confidentiality required and will not disclose any information without authorisation from the CEO or NRE Tas Chief People Officer.

Any reports by EPA employees relating to allegations against an FCCO (Division Head) should be addressed to the CEO.

If there is a concern in reporting to the FCCO or CEO the Chair of the EPA Budget, Risk and Audit Committee or Integrity Commission can be notified.

A report of apparent fraudulent or corrupt behaviour may be made in person, by telephone or in writing.

All alleged instances that are detected will be notified to the CEO, with formal reports and updates provided on a timely basis. A flowchart that diagrammatically represents the further stages of investigating and reporting of any alleged fraud or corruption is attached as Appendix C.

Employees should be aware that the EPA is committed to supporting those reporting suspected fraud or corruption. Counselling, assistance and advice will be provided where necessary and action will be taken against anyone attempting to cause detriment to those reporting suspected fraud or corruption. Please refer to [EPA Public Interest Disclosure Procedures](#) (which is the equivalent of Whistleblowing requirements) for further information on protecting the discloser.

External anonymous reporting

Anonymous reporting to the EPA can be done in a variety of ways:

- Emailing PID@epa.tas.gov.au
- Posting a letter addressed to the CEO at GPO Box 1550, Hobart, Tasmania 7001
- Phoning (03) 6165 4599 and asking to speak with a Division Head as FCCO.

8. Investigation and Reporting Steps

Internal Reporting Flow Chart (Refer Appendix D for a summarised version)

Stage 1 – FCCO informed of alleged Fraud or Corruption

Stage 2 – FCCO to notify CEO of alleged Fraud or Corruption within 24 hours of Stage 1

Stage 3 – the CEO in consultation with the NRE Tas Chief People Officer, if appropriate, may appoint investigator for preliminary review of the incident(s) within 24 hours of receiving notification of the allegation

The responsible investigator will arrange discussions with appropriate Management relating to all facets of the alleged fraud or corruption and any other matters that may assist in the preliminary review.

All communication and documentation related to the investigation will be kept confidential and in a secure location.

Stage 4 – Where preliminary investigation work is performed, it must be completed as soon as possible and within 5 working days from commencement of the investigation, with the outcomes reported to the CEO

Although there is a period of 5 working days to complete the preliminary investigation, the expectation is that the task is given very high importance and is finalised as soon as practicable. If there is an early expectation that there will be Tasmania Police involvement (refer to Stage 5(b)), then it is imperative the preliminary investigation is progressed expediently. Tasmania Police need to immediately begin any alleged fraud or corruption investigation and any delay can severely impact their efforts and final report, and in turn, can adversely affect subsequent actions and resolutions.

Stage 5 – Based on results from the preliminary review or given the nature of the alleged fraud one or more of the following actions may occur:

- a) The CEO may determine to undertake an investigation regarding an alleged breach of the State Service Code of Conduct, by an employee or employees, in accordance with [Employment Direction 5 - Procedures for the investigation and determination whether an employee has breached the Code of Conduct](#).
- b) The CEO, may report the matter to Tasmania Police for investigation where the alleged fraud or corruption may involve an illegal activity.
- c) No further action is warranted in respect of the alleged fraudulent or corrupt behaviour.
- d) An internal systems control review is undertaken.

If the preliminary review produces no evidence of fraudulent or corrupt behaviour, all documentation will be kept confidential and secure within P&C and the parties investigated will be protected.

The CEO and if appropriate the Chief People Officer, in consultation with the relevant FCCO will decide whether to undertake an internal systems control review given the nature of the issues that were identified.

- In these circumstances an investigator will be appointed with the relevant knowledge and skill to undertake such a review. The person may seek support, advice and/or assistance from a suitably qualified internal or external professional.
- Their investigation will be undertaken in accordance with this framework. The report resulting from the investigation will be provided to the CEO and if appropriate the Chief People Officer and FCCO for their review and actioning of any identified areas requiring improved control as recommended.

Where the CEO determines to undertake an investigation of an alleged breach of the Code of Conduct in accordance with [Employment Direction 5 - Procedures for the investigation and determination whether an employee has breached the Code of Conduct](#) the investigation will be facilitated by the Chief People Officer and relevant P&C staff.

- The CEO will appoint a suitably qualified investigator with the relevant knowledge and skills to undertake the investigation. If the alleged breach of the Code of Conduct involves an alleged major fraud or corrupt actions the appointed investigator may engage a specialist forensic auditor to assist their investigation.
- Where an alleged fraudulent or corrupt act may involve an illegal activity and there appears to be good evidence to support it, the matter will be referred to Tasmania Police.
- The Chief People Officer and/or the investigator appointed under [Employment Direction 5 - Procedures for the investigation and determination whether an employee has breached the Code of Conduct](#) will liaise with Tasmania Police to ensure that any administrative investigations being undertaken do not comprise or impede their criminal investigation.

Stage 6 – Budget, Audit & Risk Committee and Tasmanian Audit Office to be notified if Fraud or Corruption investigated, Office of the CEO to record on EPA Fraud and Corruption Register

The Office of the CEO has responsibility to maintain the EPA Fraud and Corruption Register and report to the Budget, Risk & Audit Committee on any fraud or corruption that is investigated. Instances of suspected fraud or corruption will be communicated to the Chair of the Budget, Risk & Audit Committee within 10 days of the CEO approving an investigation, or as agreed. A report will then be provided at the next Budget, Risk & Audit Committee meeting.

Once the Chair of the Budget, Risk & Audit Committee has been notified, the Office of the CEO will also notify the Tasmanian Audit Office of a fraud or corrupt act under investigation.

Any reports to external parties will be prepared for signature by the CEO.

Stage 7 - Recovery of fraud or corruption proceeds and administrative remedies

Recovery of money or property will be vigorously pursued should fraud, corruption or breaches of the Code of Conduct occur. The approach to be taken will be determined by the Chief People Officer (in consultation with the FCCO and appointed investigator) on a case-by-case basis and recommendations made to the CEO. As necessary, advice from Tasmania Police and/or the Director of Public Prosecutions will be obtained to inform the appropriate course of action.

Irrespective of whether alleged fraud or corruption is to be pursued through Tasmanian Police the CEO may undertake administrative investigations in accordance with [Employment Direction 5 - Procedures for the investigation and determination whether an employee has breached the Code of Conduct](#) and the [State Service Act 2000](#).

Stage 8 - Notifying Employees

The FCCO in the Division in conjunction with the CEO and if appropriate the Chief People Officer will determine how to inform employees regarding any fraud or corruption.

Stage 9 - Review of Internal Controls

In each instance where fraud or corruption is detected, Management of the relevant area are required to reassess the adequacy of the internal environment and consider whether improvements are required. Where they are required they should be implemented as soon as possible. As noted in Stage 5 the nature of the review may require that it is undertaken by suitable independent qualified professionals e.g. the internal audit providers.

Reporting on recommendations for the modification of the internal control environment and progress in implementing recommendations is required to be provided to the Budget Risk and Audit Committee.

The EPA will provide information to NRE Tas for any ministerial briefing, as required.

9. Preliminary Investigation

Although the CEO will appoint a suitably qualified investigator with the relevant knowledge and skills in a CD5 investigation, FCCO's and other employees may be involved in the preliminary investigation stage.

It is important that employees recognise and understand that all available evidence must be gathered in a manner that will assist rather than jeopardise any further investigation or prosecution. Therefore, it is integral that vital evidence is secured and protected. Timeliness is also a key component, the report and investigation should be completed as soon as possible and every effort made to minimise any delaying factors. Employees should respond in a timely manner to any request for information during a preliminary investigation.

The preliminary investigation will consider patterns of behaviour and possible motives that may assist in identifying any employees involved. The extent of the losses incurred and possible means of recovery may also be detailed in the report.

Confidentiality and secure storing of all documentation is vital in any investigation.

10. External assistance to an Investigation and/or Internal Review

Assistance will be sought where needed from the EPA's Internal Auditors, Tasmanian Audit Office, Tasmania Police and/or the Integrity Commission. In the event that apparent significant monetary fraud or corruption appears to be involved, the CEO and Chief People Officer will consult with the Chair of the Budget Risk and Audit Committee on the need to obtain the services of forensic audit specialists.

11. Monitoring and compliance

Application of the Fraud and Corruption Control System may be subject to internal audit, external audit and performance audits.

12. Supporting information

Legislation

[State Service Act 2000](#)

[Public Interest Disclosure Act 2002](#)

[Financial Management Act 2016](#)

[Audit Act 2008](#)

[Integrity Commission Act 2009](#)

[Criminal Code Act 1924](#)

[Police Offences Act 1935](#)

[Financial Management and Audit Act 1990](#)

Policies, Procedures and Standards

[EPA Disclosure of Interest and Disclosure of Gifts, Benefits and Hospitality Policy and Procedures](#) (internal documents)

[EPA Internal Audit Charter - Budget Risk and Audit Committee](#) (internal document)

[EPA Budget Risk and Audit Terms of Reference and Induction information](#) (internal documents)

[EPA Fraud and Corruption Fact Sheet](#) (internal document)

[EPA Public Interest Disclosure Procedure](#)

EPA Board and Director Delegations and Authorisations

[EPA Workplace Equality and Respect Standards Action Plan](#) (internal document)

[EPA Policy Statement on Information Provision](#)

[EPA Staff Exit Policy and Procedure](#) (internal document)

[EPA Administrative Complaints Handling Policy Procedures](#) (internal document)

[EPA Issue Resolution Policy and Procedure](#) (internal documents)

Under the Service Level Agreement with NRE Tas there may be Finance, P&C, ICT and other relevant policies and procedures:

- [Portable and Attractive Items Policy](#) (internal document)
- [Internet and Email Usage Policy](#) (internal document)
- [Corporate Credit Card Policy](#) (internal document)
- [Receipting and Cash Collection Policy](#) (internal document)
- [Procurement and Disposal Policy and Procedures](#) (internal document)
- [Financial Authorisation Policy](#) (internal document)

Disciplinary Procedures (under development)

[Employment Direction 5 - Procedures for the investigation and determination whether an employee has breached the Code of Conduct](#)

[Employment Direction 6 - Procedures for the investigation and determination of whether an employee is able to efficiently and effectively perform their duties](#)

[Employment Direction 7 - Pre-Employment Checks](#)

Australian Standard 8001-2021 Fraud and Corruption Control

[AS 4811-2006 Employment screening - Jul 2006](#)

[Auditing Standard ASA 240 - The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report - Dec 2021](#)

[Auditing Standard ASA 550 - Related Parties - Dec 2021](#)

13. Appendices

Appendix A – State Service Code of Conduct ([State Service Act 2000](#))

Appendix B – Identification of Early Warning Signs and Examples of Fraud and Corruption

Appendix C – Fraud Reporting Procedures Flowchart

Appendix D – Internal Reporting Flowchart

Appendix A – The State Service Code of Conduct (State Service Act 2000)

1. An employee must behave honestly and with integrity in the course of State Service employment.
2. An employee must act with care and diligence in the course of State Service employment.
3. An employee, when acting in the course of State Service employment, must treat everyone with respect and without harassment, victimisation or discrimination.
4. An employee, when acting in the course of State Service employment, must comply with all applicable Australian law.
5. For the purpose of [subsection \(4\)](#),
"Australian law" means –
 - (a) any Act (including this Act) or any instrument made under an Act; or
 - (b) any law of the Commonwealth or a State or Territory, including any instrument made under such a law.
6. An employee must comply with any standing orders made under [section 34\(2\)](#) and with any lawful and reasonable direction given by a person having authority to give the direction.
7. An employee must maintain appropriate confidentiality about dealings of, and information acquired by, the employee in the course of that employee's State Service employment.
8. An employee must disclose, and take reasonable steps to avoid, any conflict of interest in connection with the employee's State Service employment.
9. An employee must use Tasmanian Government resources in a proper manner.
10. An employee must not knowingly provide false or misleading information in connection with the employee's State Service employment.
11. An employee must not make improper use of –
 - (a) information gained in the course of his or her employment; or
 - (b) the employee's duties, status, power or authority –in order to gain, or seek to gain, a gift, benefit or advantage for the employee or for any other person.
12. An employee who receives a gift in the course of his or her employment or in relation to his or her employment must declare that gift as prescribed by the regulations.
13. An employee, when acting in the course of State Service employment, must behave in a way that upholds the State Service Principles.
14. An employee must at all times behave in a way that does not adversely affect the integrity and good reputation of the State Service.
15. An employee must comply with any other conduct requirement that is prescribed by the regulations.
16. For the purposes of this section, a reference to an employee includes a reference to an officer and a reference to State Service employment includes a reference to an appointment as an officer and an arrangement made under [section 46\(1\)\(a\)](#).

Appendix B – Identification of Early Warning Signs – Red Flags and Examples of Fraud and Corruption

Possible Fraud and Corruption Signals – Red Flags

The following represents some signals, particularly if evident in combination that may indicate a need for further investigation to determine if fraud or corruption is occurring.

Examples:

- Bragging about exploits.
- Changes to documents, e.g. invoices, log books, time sheets.
- Constant association with, and entertainment by, a member of a supplier's, contractor's or consultant's staff.
- Evidence of living beyond their means (for example, buying or otherwise acquiring expensive personal items and extravagant household furnishings).
- Excessive number of duties residing with one person.
- Excessive alcohol, drug and gambling problems.
- Getting annoyed at reasonable questioning (undue secrecy, or excluding people from information).
- Inclination toward covering up inefficiencies.
- Lack of authorisation on documentation.
- Misplacement of documentation.
- Pronounced criticism of others, endeavouring to divert suspicion.
- Refusing to leave records during the day; working overtime regularly.
- Replying to questions with unreasonable explanations.
- Rewriting records under the guise of neatness in presentation.
- Unexplained employee behavioural or lifestyle changes.
- Unofficial and/or unusual changes to an individual's work practices.

Examples of Fraud and Corruption

The following list whilst not exhaustive provides examples of the types of conduct that might amount to **fraud**:

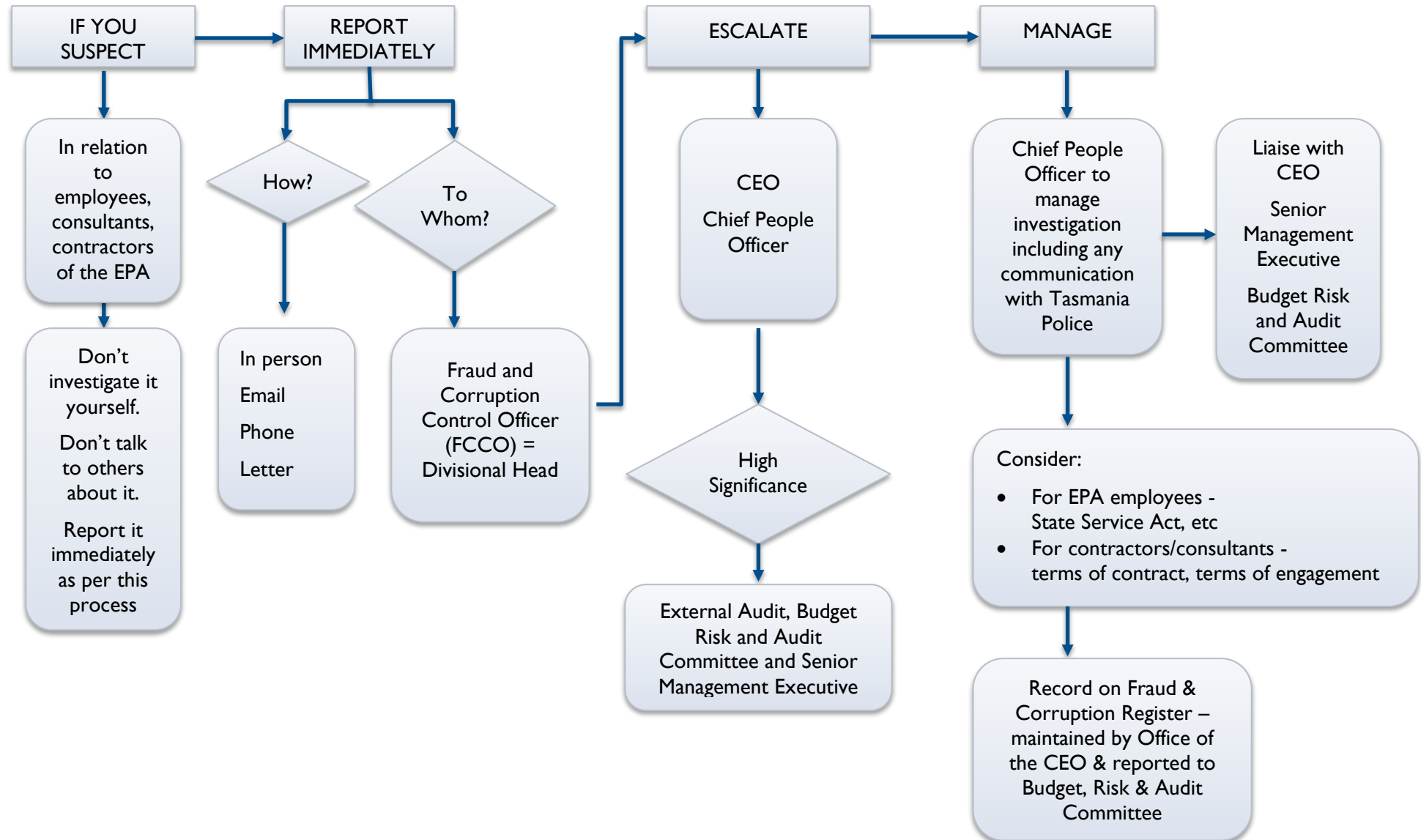
- Theft of assets such as inventory, cash and equipment;
- Illicit use of assets, information or services for private purposes such as:
- Unauthorised use of motor vehicles, equipment, photocopiers, ICT resources;
- Dishonest use of intellectual property;
- Releasing confidential information for other than a proper business purpose;
- Serious conflicts of interest where the action is for their own self-interest rather than the interests of the EPA (e.g. failing to declare an interest in an assessment or regulatory process or investigation);
- Receiving or giving kickbacks or secret commissions for preferential treatment and/or favours to or from third parties;
- Receiving payment, hospitality or gratuitous favours for influencing future decisions e.g. procurement, research activities and licence approvals;

- Dishonestly receiving or using grant or research funds;
- Misuse of entitlements such as:
 - Falsifying travel claims for example claiming travel allowances when actually paid by invoice or another employee member;
 - Not submitting leave forms for periods of leave taken;
 - Knowingly submitting inaccurate payroll information for payment e.g. for shifts not worked, call backs not incurred, inaccurate flexitime records; and
 - Charges to the Tasmanian Government Credit Card whilst claiming reimbursement or using it for personal purposes.
- Payment for goods and services not required, not received or at excessive prices, such as:
 - False invoicing for goods and services – creating a fictitious invoice claiming payment for goods or services that were not delivered or exaggerating the value of goods delivered or services actually provided; and
 - Fictitious employees on the payroll.

The following list whilst not exhaustive provides examples of the types of conduct that might amount to **corruption**:

- Misuse of official responsibilities, status, power or authority for personal benefits such as:
 - Bribery;
 - “Ransomware” – extortionate demand for funds based on a claim that malware has been delivered to a computer system;
 - Finance fraud (e.g. loan or credit card application in a false name and supported by false information);
 - Acceptance of gifts, benefits or hospitality that are intended to achieve a specific or generic commercial outcome in the short or long term. An essential element making this behaviour corrupt would be in breach of EPA Disclosure of an interest policies and procedures, or that it was done without the appropriate transparency;
 - Serious nepotism or cronyism where the appointee is inadequately qualified to perform the role they are appointed in;
 - Engaging family or friends as contractors, consultants or suppliers for the EPA or manipulating a procurement process by favouring one tenderer over others but where no bribe or other benefit occurs;
 - Dishonest use of computer equipment, EPA vehicles or mobile phones;
 - Breach of trust – misusing funds held on trust for a person or organisation;
 - Release or use of misleading or inaccurate information for the purposes of deceiving, misleading or to hide wrongdoing;
 - Dishonest use of purchase orders, Corporate Credit Card, private fuel purchases;
 - Cyber-intrusion – theft of information through unauthorised system access such as ‘phishing’; and
 - Theft or improper use of intellectual property or other confidential or privileged information with the intention of using the information for personal gain.

Appendix C – Fraud or Corruption Reporting Procedure Flowchart



Appendix D – Internal Reporting Flowchart

Stage 1 – FCCO notified of alleged Fraud or Corruption

Stage 2 – FCCO to notify CEO and P&C Chief People Officer of alleged Fraud or Corruption within 24 hours

Stage 3 – Chief People Officer in consultation with CEO may appoint investigator for preliminary work within 24 hours

Stage 4 – Where preliminary investigation work is performed, it must be completed as soon as possible and within 5 working days from commencement of the investigation, with the outcomes reported to the Chief People Officer and the CEO

Stage 5 – Based on results from the preliminary review or given the nature of the alleged Fraud or Corruption one or more of the following actions may occur:

- (a) The CEO may determine to undertake an investigation regarding an alleged breach of the State Service Code of Conduct, by an employee or employees, in accordance with [Employment Direction 5 - Procedures for the investigation and determination whether an employee has breached the Code of Conduct](#)
- (b) The Chief People Officer, with the approval of the CEO, may report the matter to Tasmanian Police for investigation where the alleged fraud may involve an illegal activity
- (c) No further action is warranted

Stage 6 – Budget Risk and Audit Committee and External Auditor to be notified if Fraud or Corruption did occur, Office of the CEO to record on the EPA Fraud Risk Register

Stage 7 – Recovery of Fraud or Corruption proceeds and administrative remedies

Stage 8 – Notify Employees

Stage 9 – Review of Internal Controls



ENVIRONMENT PROTECTION AUTHORITY