



Office of
Environment
& Heritage

Corruption control policy

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1. Introduction

The Office of Environment (OEH) has a zero tolerance for fraud and corrupt conduct and is committed to preventing, detecting and responding to corruption. This *Corruption Control Policy* aims to foster an environment that actively discourages fraudulent and corrupt activities in order to protect OEH assets, interests and reputation, and to provide a transparent framework for reporting and investigating matters.

Preventing and reporting fraud and corrupt activities is the responsibility of all staff and all levels of management. Any instances of fraud or corrupt activity will be assessed and investigated and referred to the NSW Independent Commission Against Corruption. Suspected criminal fraud will also be reported to the NSW Police

In the control of corruption, OEH applies and is guided by:

- the *Public Finance and Audit Act 1983*
- the *Independent Commission Against Corruption (ICAC) Act 1988*
- *NSW Treasurer's Directions*
- *NSW Treasury Internal Audit Guidelines*
- *NSW Public Interest Disclosures Act 1994*
- *Fraud and Corruption Control Standard AS 8001-2008*
- the *Government Information (Public Access) Act 2009*.

This policy, together with the Corruption Control Plan (Appendix A), falls under the auspices of the *OEH Code of Ethics and Conduct* and is a core component of the OEH Ethical Framework.

2. Application

This Policy applies to staff members, including:

- all Office of Environment and Heritage (OEH) employees, whether employed on an ongoing, temporary or casual basis
- volunteers
- contract staff
- members of the Senior Executive.

All managers are responsible for ensuring, upon engagement, that external contractors, consultants or volunteers are aware of and have access to this Policy.

3. Compliance

Compliance with this Policy is **mandatory**. Compliance with this Policy directive forms part of the contract of employment for all staff and failure to comply with the Policy may lead to termination of employment.

4. Definitions

Conflicts of interest is when the private interests of a public official come into conflict with their duty to act in the public interest.

Corrupt conduct refers to corrupt conduct as defined in s8 of the *NSW Independent Commission Against Corruption (ICAC) Act 1988*.

While it can take many forms, corrupt conduct occurs when:

- a public official improperly uses, or tries to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others
- a public official acts dishonestly or unfairly, or breaches public trust
- a member of the public influences, or tries to influence, a public official to use his or her position in a way that is dishonest, biased or breaches public trust.

Corrupt conduct may include conduct that occurred prior to a person becoming a public official that has an impact on the performance of their official functions¹

Fraud refers to an intentional dishonest act or omission done with the purpose of deceiving.

Maladministration refers to inefficient or improper administration. Maladministration is defined in the Protected Disclosures Act as 'conduct that involves action or inaction of a serious nature' that is:

- contrary to law
- unreasonable, unjust, oppressive or improperly discriminatory
- based wholly or partly on improper motives.

Nominated Disclosure Officers (NDOs) are officers trained to take protected interest disclosures. NDOs must have completed the NSW Ombudsman 'Public Interest Disclosures Management Training'

Public interest disclosure applies when a public official, or a contractor retained by a public authority, will have protection from reprisals if he or she makes a voluntary report of a matter that he or she suspects on reasonable grounds involves either corrupt conduct, or other specified wrongdoing under the *Public Interest Disclosures Act 1994*. A public interest disclosure can only be made through a number of set channels.

Public official means an individual having public official functions or acting in a public official capacity, and includes

- a person employed in a Public Service agency or any other government sector agency within the meaning of the [Government Sector Employment Act 2013](#)
- any person employed by or acting on behalf of such a person.

Staff see **public official**.

¹ ICAC Act 1988 S8 (4)

5. Policy

OEH will prevent, detect and respond to corrupt conduct by:

- implementing the Ethical Framework (*Government Sector Employment Act 2013*) and the *OEH Code of Ethics and Conduct* and associated policies
- developing and implementing a fraud and corruption risk assessment process
- delivering staff awareness and training programs, including the promotion of the Insite Ethics and Conduct webpages, eLearning module, training of Nominated Disclosure Officers (NDOs)
- managing robust internal reporting procedures
- informing the community and suppliers of the *OEH Statement of Business Ethics*
- resourcing a dedicated section in the Governance Branch to manage fraud and corrupt conduct investigations
- maintaining a comprehensive record management system to register allegations and to collate data for identifying trends related to fraud and corruption risks
- operating a telephone advice service
- providing OEH with a biennial *Corruption Control Plan* (Appendix A).

All staff have a role to play in helping OEH to:

- prevent fraud and corrupt conduct
- detect fraud and corrupt conduct

5.1 Prevention

Fraud and corruption risk assessment

Fraud and corruption can occur whenever a person supplies or has access to resources or information or has responsibility for decision making. Since this describes almost any workplace activity, all activities should be designed with an awareness of the fraud and corruption risks which arise in the activity and the management controls that can reduce the risk to an acceptable level.

The following areas and functions are perceived to have a significant fraud and corruption risk based on information provided by ICAC:

- financial functions – such as the receipt of cash, revenue collection and payment systems, salaries and entitlements
- development and planning functions
- regulatory functions – involving the inspection, regulation or monitoring of facilities and operational practices, including the issuing of fines or other sanctions
- demand driven or allocation based functions – where demand often exceeds supply, including the allocation of services or grants of public funds
- procurement and purchasing functions – including tendering, contract management and administration
- other functions involving the exercise of discretion, or where there are regular dealings between public sector and private sector personnel (especially operations that are remotely based or have minimal supervision).

All business units should be actively and regularly assessing risks to mitigate the control of fraud and corruption.

Audits

The Audit and Risk Section conducts and manages regular audits to identify and control risks.

Training

All staff are required to complete the Code of Ethics and Conduct e-Learning module on commencement at OEH. This module is mandatory and a record of completion is recorded in My Training History on My HR Self Service.

Staff awareness

Staff can develop an understanding of corrupt conduct and how to report it by:

- referring to information on the OEH Insite webpage – Ethics and Conduct
- participating in fraud and corruption awareness and ethics training
- participating in ethics surveys of all staff conducted by the Governance Branch
- being involved in risk assessment activities including those conducted in conjunction with the Audit and Risk Section
- completing the 'ethics, behaviour and conduct' field in the Performance and Development Feedback review templates
- referring to the *Corruption Control Policy* in staff induction resources.

Customer, community and supplier awareness

The incidence of corrupt conduct can be reduced through the education of customers, suppliers and the community about acceptable standards of behaviour expected of OEH staff as well as customers, suppliers and community members that interact with OEH.

The standards of behaviour expected by external parties are outlined in the *OEH Statement of Business Ethics*.

5.2 Detection

The requirement for staff to report suspected corrupt conduct is outlined in the *OEH Public Interest Disclosure (PID) Internal Reporting Policy and Procedures*.

The legislative requirements for protecting staff who make disclosures of suspected corrupt conduct, maladministration and serious and substantial waste are contained in the *NSW Public Interest Disclosures Act 1994*.

OEH Nominated Disclosure Officers (NDOs) have been trained to take protected disclosures. Nominated Disclosure Officers must forward notifications to the Public Interest Disclosures Coordinator for assessment. All NDOs have completed the NSW Ombudsman Public Interest Disclosures Management Training.

The Professional Standards Unit also manages the gifts and benefits register and monitors the conflict of interests registers as a means to identify any anomalies or trends which may indicate suspicious conduct.

5.3 Response

The Chief Executive has a duty to report to the ICAC any matter that they suspect on reasonable grounds concerns or may concern corrupt conduct.

Alleged or suspected corrupt conduct not investigated by the ICAC is referred back to OEH where the Professional Standards Unit is responsible for managing the investigation if an investigation is required. The Unit will work with the appropriate delegate and Employee Relations, when necessary, to determine the scope and purpose of an investigation in line with section 69 of the *Government Sector Employment Act 2013*.

Any management (disciplinary) action will be determined by the Delegate in consultation with Employee Relations in line with the *Managing Misconduct and Serious Misconduct Policy*.

Any matters involving suspected criminal fraud are also reported to NSW Police.

The Professional Standards Unit maintains a confidential database of all suspected fraud and corrupt conduct. Information about investigation outcomes are provided to the relevant business areas where systemic corruption prevention issues have been identified.

6. Accountabilities

Governance Branch

The Professional Standards Unit within the Governance Branch is responsible for:

- leading and advising on OEH's corruption control
- managing the assessment and investigation of activities involving suspicions of corruption, maladministration, serious and substantial waste and breaches of the *Government Information (Public Access) Act 2009*
- receiving reports, which may include protected interest disclosures in accordance with the *Public Interest Disclosure Act 1994*
- providing advice to the Chief Executive, Senior Executive and Management on prevention strategies
- maintaining a database of corrupt conduct, reporting intelligence on reporting trends and ensuring appropriate matters are reported to the Independent Commission Against Corruption (ICAC).

The Internal Audit and Risk Section within the Governance Branch is responsible for:

- delivering audit and risk management activities to ensure there are adequate systems of control
- reporting on omissions, weaknesses or deficiencies that require corrective action.

Chief Executive and Senior Executive

The OEH Senior Executive are particularly responsible for:

- demonstrating ethical leadership
- ensuring corruption risks have been identified, assessed and managed in risk management plans under their responsibility
- ensuring they have appropriate systems in place to provide assurance that corruption is not occurring within their area of responsibility
- guiding and supporting managers in managing the corruption risks of their teams

- supporting public interest disclosure reporters.

The Chief Executive, as the 'principal officer', has a duty under s11 of the ICAC Act 1988 to report to the ICAC any matter that the person suspects on reasonable grounds concerns or may concern corrupt conduct.

Managers

Managers are particularly responsible for:

- acting at all times with integrity
- ensuring all staff, contractors, consultants and volunteers are aware of and have access to the policy
- being aware of the corruption risks inherent in the work of their teams/units, including completing corruption risk assessments and management plans
- managing the corruption risks of their teams/units
- guiding and supporting staff under their supervision to behave ethically and encouraging employees and contractors to report wrongdoing
- reporting suspected corruption or breaches/weaknesses in the organisation's internal controls.

Audit and Risk Committee

OEH's independently chaired Audit and Risk Committee (ARC) is responsible for overseeing and advising the Chief Executive on the effectiveness of OEH's corruption control strategies and plans.

Public Interest Nominated Disclosure Officers

Nominated Disclosure Officers (NDOs) are senior staff specially trained to receive disclosures from staff who want to report corrupt conduct. The NDO is responsible for referring the disclosure to the OEH Public Interest Disclosure Coordinator for assessment and appropriate action.

All OEH staff

All OEH staff have a responsibility to act in the public interest and to abide by the core values set out in Part 2 of the *Government Sector Employment Act 2013*. All staff are required to act in accordance with the *OEH Code of Ethics and Conduct* which includes:

- acting at all times with integrity
- not engaging (or allowing other officials to engage) in corruption
- reporting suspected corruption or breaches of the organisation's internal controls
- completing any mandatory training or activities as determined by OEH to maintain awareness and assist with the prevention of corruption and fraud.

7. Risk

There are very real risks associated with staff intentionally not reporting corrupt conduct. This could lead to a perception that the staff member is also involved in corrupt conduct. Not reporting a matter poses not only a financial threat but a reputational one as well. This could

have a major impact on the morale of staff and create damaged relations with OEH stakeholders and clients.

The risk of staff not being sufficiently trained in identifying corrupt conduct and reporting it will be addressed through:

- mandatory requirement for all staff to complete the Code of Ethics and Conduct eLearning Module as part of their induction program
- Governance awareness training program
- Collaborating with the ICAC in the delivery of their training modules.

8. Legislation and obligations

Legislation and/or mandating instruments that this Policy supports are:

- *Government Information (Public Access) Act 2009*
- *Independent Commission Against Corruption Act 1988*
- *Ombudsman Act 1974*
- *Privacy and Personal Information Protection Act 1998*
- *Public Interest Disclosures Act 1994*
- *Public Finance and Audit Act 1983*
- *Government Sector Employment Act 2013*
- *Government Sector Employment Rules 2014*
- *Office of Environment and Heritage Code of Ethics and Conduct, 2015*
- *Office of Environment and Heritage Statement of Business Ethics*
- *Office of Environment and Heritage Procurement Manual, 2015*
- *Office of Environment and Heritage Private and Secondary Employment Policy 2015*
- *Office of Environment and Heritage Gifts, Benefits and Hospitality Policy and Procedures 2015*
- *Office of Environment and Heritage Private Interests and Managing Conflicts of Interest Policy and Procedure 2016*
- *Office of Environment and Heritage Public Interest Disclosures (PID) and Internal Reporting*
- *Fraud and Corruption Control Standard AS 8001–2008*
- *Environment & Heritage Portfolio Managing Misconduct and Serious Misconduct Policy.*

9. Review

The Governance Branch will ensure the implementation of this Policy and coordinate its review. Reviews will be undertaken at least every three years and more frequently if changes in legislation, policies or other areas require the amendment of this Policy. The next scheduled review is due in 2020.

10. Further advice

For further advice and information on the *Corruption Control Policy* you should speak to either the:

- Manager, Professional Standards Unit on 9995 6962, or
- Senior Governance Officer, Professional Standards Unit on 9995 5471.

11. Appendix A: Corruption Control Plan

OEH Corruption Control Plan 1: April 2016 – 30 June 18			
Prevention			
Strategy	Key relationship	Due date	Accountability
Policy framework			
Review OEH Governance related policies and practices to ensure currency and that they reflect best practice	Governance	Ongoing	Professional Standards, Audit and Risk, Privacy and Information Access
Implement and manage an integrated and fully documented compliance framework.	Governance	December 2017	Audit and Risk
Corruption risk assessment			
Identify corruption risks categories and levels	Professional Standards, Audit and Risk, Risk Champions	30 June 2017	Professional Standards
Develop a corruption and fraud risk assessment tool and have high risk business units (such as those referred in 5.1) apply the assessment tool and prepare risk mitigation strategies as required to address high risk corruption areas.	Professional Standards, Audit and Risk, Risk Champions	30 June 2017	Professional Standards
Represent and participate in the Enterprise Risk Management program to connect with risk owners and confirm the Divisions are considering corruption risks when completing the risk register.	Professional Standards, Audit and Risk	30 June 2017	Professional Standards
Review outcomes of the 2016 Corruption Prevention Related Audits and incorporate into corruption prevention risk assessment tools	Professional Standards, Audit and Risk	30 June 2017	Professional Standards

OEH Corruption Control Plan 1: April 2016 – 30 June 18			
Strategy	Key Relationship	Due date	Accountability
Corruption intelligence gathering			
Consider channels to share information regarding corrupt conduct by employees/contractors/suppliers within the Environment and Heritage Portfolio	Professional Standards with Environment and Heritage Portfolio	Ongoing	Professional Standards
Review OEH Divisional Conflicts of Interest Registers to ensure consistency and compliance to policy standard	Professional Standards, Division COI Administers	Bi-annual	Professional Standards
Maintain the Gifts, Benefits and Hospitality Register to identify non-compliant disclosures	Professional Standards	Ongoing	Professional Standards
Register all probity enquiries to determine trends and interventions	Professional Standards	Ongoing	Professional Standards
Investigate an on-line systems for disclosures of conflicts of interest	Professional Standards	December 2017	Professional Standards
Implement an on-line case management and anonymous whistleblowing reporting system	Professional Standards	June 2017	Professional Standards
Communication strategies – education and training			
Commence 'Think Before You Act - Governance Awareness Campaign' – raise staff awareness of wrongdoing and where to report	Professional Standards, Privacy and Information Access, ER and Workplace Health and Safety	30 June 2017	Professional Standards
Publish Code of Ethics and Conduct eLearning module (v2) – incorporate new assessment tasks aligned to the Governance Awareness Campaign	Professional Standards with Workforce Capability Development	30 June 2018	Professional Standards
Provide input to the Induction Kit	Professional Standards with Recruitment	30 June 2017	Recruitment

OEH Corruption Control Plan 1: April 2016 – 30 June 18			
Strategy	Key relationship	Due date	Accountability
Promote Public Interest Disclosure training with NSW Ombudsman	Professional Standards	Ongoing	Professional Standards
Promote ICAC calendar and regional training	Professional Standards with Workforce Capability Development	Ongoing	Professional Standards
Facilitate quarterly meetings with the Ethical Framework Steering Committee to progress communications and agendas	Professional Standards	Ongoing	Professional Standards
Draft content for the Chief Executive to communicate through email circulars – Senior Executive declarations of private interests	Professional Standards, Chief Executive	Annually	Professional Standards
Draft content for the Chief Executive to communicate through email circulars – Gifts and benefits declarations	Professional Standards, Chief Executive	Annually	Professional Standards
Develop a training and awareness program	Professional Standards, Audit and Risk	December 2017	Professional Standards and Audit and Risk
Deliver a pilot series of Governance Awareness Training workshop to managers	Professional Standards, Audit and Risk	June 2017	Professional Standards and Audit and Risk
Draft training modules as part of the training and awareness program	Professional Standards, Audit and Risk	June 2018	Professional Standards and Audit and Risk
Review and improve internal controls			
Provide Professional Standards assistance when required	Professional Standards	Ongoing	Professional Standards
Review of disclosure registers – COI and Gifts	Professional Standards	Ongoing	Professional Standards

OEH Corruption Control Plan 1: April 2016 – 30 June 18			
Strategy	Key relationship	Due date	Accountability
Recommend and implement control strategies following an investigation, complaint or audit to relevant business area.	Professional Standards, relevant business area	Ongoing	Business unit
Design and implement and an employment screening program consistent with <i>Standard AS 811-2600</i>	Professional Standards, Recruitment, ER	July 2018	Recruitment
Detection			
Strategy	Key relationship	Due date	Accountability
Proactive identification strategies			
Promote reporting through education, training and communication activities	Professional Standards	Ongoing	Professional Standards
Distribute campaign material for the reporting lines - postcards	Professional Standards	30 June 2017	Professional Standards
Arrange for periodic reminders to staff of public interest disclosures	Professional Standards	Ongoing	Professional Standards
Communicate with NDOs of new guidelines and e-News items	Professional Standards	Ongoing	Professional Standards
Meet regularly with Chief Executive to assess and progress s11 reporting to ICAC	Professional Standards, Chief Executive	Ongoing	Professional Standards
Provide quarterly reports to the Executive on COI reporting and trends	Professional Standards, Executive	Ongoing	Professional Standards
Internal and external reporting systems			
Maintain the integrity of the case management system, Nominated Disclosure Officer list, relationships with Environment and Heritage Portfolio.	Professional Standards	Ongoing	Professional Standards
Provide timely recommendations to the Chief Executive on the referral of matters to the relevant bodies.	Professional Standards	Ongoing	Professional Standards

OEH Corruption Control Plan 1: April 2016 – 30 June 18			
Strategy	Key relationship	Due date	Accountability
Deliver Corruption Control Reports to the ARC on time.	Professional Standards	Ongoing	Professional Standards
Deliver PID report statistics to the NSW Ombudsman on time	Professional Standards	Ongoing	Professional Standards
Facilitate Finance/Professional Standards meetings to progress issues that cross over the two business areas	Professional Standards, Finance	Ongoing	Professional Standards, Finance
Reactive - Internal Investigation Systems			
Coordinate the investigation of allegations of corruption, waste and serious maladministration.	Professional Standards	Ongoing	Professional Standards
Monitor the work performed by external providers to ensure value for money is achieved and high quality reports are received.	Professional Standards, Procurement	Ongoing	Procurement
Response			
Strategy	Key relationship	Due date	Accountability
Reporting to Audit and Risk Committee (ARC)			
Report findings from investigations and reviews about systemic weaknesses to the ARC, and manage actions to address these.	Professional Standards, ARC	Ongoing	Professional Standards
Links to disciplinary process			
Ensure findings from investigations and audits are balanced with practical recommendations to implement change where needed.	Professional Standards, Business Areas	Ongoing	Professional Standards
Advise delegates that disciplinary protocols are followed when adverse findings are made against individuals arising from fraud and corruption investigations.	Professional Standards, Employee Relations	Ongoing	Professional Standards

OEH Corruption Control Plan 1: April 2016 – 30 June 18			
Strategy	Key relationship	Due date	Accountability
Promote where feasible, outcomes of corrupt conduct/misconduct to all staff to strengthen the perception of organisational integrity within OEH.	Professional Standards	Ongoing	Professional Standards
Internal and external reporting of incidences			
Maintain the case management system to ensure the timely referral of matters to external agencies, other agencies or internal divisions.	Professional Standards	Ongoing	Professional Standards
Raise issues with the Chief Executive at regular Professional Standards Unit Meetings	Professional Standards, Chief Executive	Ongoing	Professional Standards
Post incident review of controls			
Ensure the implementation of treatments and controls are reviewed, assess whether the objectives of the controls are met and identify areas for further improvements.	Professional Standards, relevant business area	Ongoing	Professional Standards
Ensure affected business areas receive adequate training to prevent similar fraud and corruption incidents	Professional Standards, affected business unit	Ongoing	Professional Standards