

# Fraud, corruption, misconduct and maladministration control policy

This is a mandated policy under the operational policy framework. Any edits to this policy must follow the process outlined on the [creating, updating and deleting operational policies](#) page.

## Overview

The department is committed to the principles of integrity, respect and accountability, including the prevention, detection and control of fraud in the workplace, and embedding control of fraud into the department's decision-making culture and practices.

The department has a zero tolerance approach to fraud, corruption or serious misconduct and maladministration by employees or other public officers in the department. This policy:

- provides a clear statement to all employees that fraud, corruption or serious misconduct or maladministration is not acceptable and will not be tolerated
- protects departmental assets, interests and reputation from the risk of fraud, corruption, or serious misconduct or maladministration
- contributes to a departmental culture that is aware of the risks of fraud, corruption or serious misconduct or maladministration and appropriately manages with such conduct or suspected conduct
- ensures all employees are aware of their obligations to report conduct reasonably suspected of being fraud, corruption or serious misconduct or maladministration
- assists in ensuring a consistent approach is applied in the department to the management of incidents or suspected incidents of fraud, corruption or serious misconduct or maladministration
- assists in ensuring compliance in the department with relevant legislation, instruments and policies.

This policy should be read in conjunction with the [fraud, corruption, misconduct and maladministration control framework \(PDF 292KB\)](#) (staff login required).

## Scope

This policy applies to everyone employed by or engaged with department preschools, schools and services including through management committees and governing councils, as employees, volunteers, family-based carers and identified third-party providers.



# Contents

Fraud, corruption, misconduct and maladministration control policy .....	1
Overview.....	1
Scope .....	1
Detail.....	3
Monitoring and evaluation .....	3
Roles and responsibilities .....	3
Employees and persons engaged with department preschools, schools and services.....	3
Management, including site and service leaders .....	3
Audit and Risk Directorate.....	4
Audit and Risk Committee .....	4
Chief Executive .....	4
Definitions .....	5
corruption.....	5
preschools, schools and corporate services .....	5
family-based carers .....	5
fraud .....	5
identified third party providers .....	6
internal control.....	6
maladministration .....	6
misconduct .....	6
persons engaged with department preschools, schools and services .....	7
site or service.....	7
site or service leader .....	7
Supporting information .....	7
Related legislation .....	7
Related policies.....	8
Record history .....	8
Approvals.....	8
Revision record .....	8
Contact .....	10

# Detail

This policy complies with the [Independent Commissioner Against Corruption Act 2012](#). It is supported by the [fraud, corruption, misconduct and maladministration control framework \(PDF 292KB\)](#) (staff login required). The framework is aligned to the standards and requirements issued under the [SA Public Sector Fraud and Corruption Control Policy](#) by the Commissioner for Public Sector Employment pursuant to the [Treasurer's Instruction 2 – Financial Management](#) under the [Public Finance and Audit Act 1987](#).

## Monitoring and evaluation

Effective monitoring and evaluation provides the Chief Executive and the Audit and Risk Committee with a **high degree of assurance** that measures for the prevention, detection and management of fraud, corruption, or serious misconduct and maladministration are up-to-date and effective.

## Roles and responsibilities

### Employees and persons engaged with department preschools, schools and services

Comply with this policy and related framework, legislation and instruments.

Comply with ethical obligations at all times by acting in accordance with the [Public Sector Act 2009](#), [Public Sector \(Honesty and Accountability\) Act 1995](#), and the [Code of Ethics for the South Australian Public Sector](#).

Comply with any obligations to report to an appropriate authority conduct by other employees or public officers (as defined in the [ICAC Act 2012](#) and [Ombudsman Act 1972](#)) reasonably suspected of being fraud, corruption or serious misconduct or maladministration.

Public officers:

- must report corruption to the Office of Public Integrity (OPI)
- can report misconduct or maladministration to either the OPI or the Ombudsman SA.

### Management, including site and service leaders

Implement this policy and related framework.

Ensure all persons engaged with the site or service including through management committees and governing councils, are aware of and demonstrate compliance with this policy and related framework.

Ensure appropriate internal controls are in place and operating effectively to minimise the risk of incidents of fraud, corruption or serious misconduct or maladministration.

Ensure all incidents reasonably suspected of being fraud, corruption or serious misconduct or maladministration are properly managed in a timely manner including reporting such conduct to an

appropriate authority.

Ensure employees are provided with effective education and training in respect of the control, deterrence and effective management of fraud, corruption or serious misconduct or maladministration.

## Audit and Risk Directorate

Work jointly with other areas such as the Incident Management directorate, Financial Accounting and Compliance directorate to coordinate activities relating to the control, prevention, detection and management of fraud, corruption or serious misconduct or maladministration.

## Audit and Risk Committee

Determine if management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of governance, financial and business risks, including fraud across the department's operating environments.

Review the effectiveness of implemented policies that ensure risks are identified and that controls implemented by management are adequate, in place and functioning properly.

Review the department's fraud control plan and determine if the department has appropriate processes and systems in place to capture and effectively investigate fraud related information and to minimise risks.

## Chief Executive

The Chief Executive is responsible to the Minister for facilitating the effective implementation of this policy and related framework including:

- fostering a culture that makes active control of fraud, corruption or serious misconduct and maladministration the responsibility of all employees and other public officers
- facilitating the creation and implementation of clear policies and procedures that encourage the control, deterrence and effective management of fraud, corruption or serious misconduct or maladministration
- ensuring that the department has the appropriate processes in place to comply with obligations under the directions and guidelines issued by the Office of Public Integrity and Ombudsman SA.
- ensuring that powers and authorities are appropriately delegated with consideration to minimising the risk of fraud, corruption or serious misconduct or maladministration
- facilitating effective criminal history and other screening of employees, prospective employees and volunteers and, where relevant, contractors, sub-contractors or employees of sub-contractors and employees of suppliers through effective contractual arrangements as per the department [screening and suitability – child safety policy \(PDF 217KB\)](#).

# Definitions

## corruption

As defined in section 5(1) of the [Independent Commissioner Against Corruption Act 2012](#) (the ICAC Act):

corruption in public administration means conduct that constitutes:

- (a) an offence against Part 7 Division 4 (Offences relating to public officers) of the [Criminal Law Consolidation Act 1935](#), which includes the following offences:
  - i. bribery or corruption of public officers;
  - ii. threats or reprisals against public officers;
  - iii. abuse of public office;
  - iv. demanding or requiring benefit on basis of public office;
  - v. offences relating to appointment to public office; or
- (b) an offence against the [Public Sector \(Honesty and Accountability\) Act 1995](#) or the [Public Corporations Act 1993](#), or an attempt to commit such an offence; or
- (ba) an offence against the [Lobbyists Act 2015](#), or an attempt commit such an offence; or
- (c) any of the following in relation to an offence referred to in a preceding paragraph:
  - i. aiding, abetting, counselling or procuring the commission of the offence;
  - ii. inducing, whether by threats or promises or otherwise, the commission of the offence;
  - iii. being in any way, directly or indirectly, knowingly concerned in, or party to, the commission of the offence;
  - iv. conspiring with others to effect the commission of the offence.

## preschools, schools and corporate services

All services, functions and facilities of the department.

## family-based carers

Providers of international homestay and family day care.

## fraud

A dishonest activity causing actual or potential financial gain or loss to any person or entity including, but not limited to, the theft of moneys or other property by persons internal and/or external to the department and/or where deception is used at the time, immediately before or immediately following the activity. This includes the deliberate falsification, concealment, destruction or use of falsified documents used or intended

for normal business purposes and the improper use of information or position for personal benefit or gain.

## identified third party providers

A person engaged with the department preschools, schools and services to work with children and young people, to work in proximity to children and young people without constant supervision by a department employee, or to have access to records relating to children and young people (such as but not limited to contractors, consultants, children's centres and play centres).

## internal control

Integration of the activities, plans, attitudes, policies, and efforts of the people of an organisation working together to provide reasonable assurance that the organisation will achieve its objectives.

## maladministration

As defined section 4(2) – Misconduct and maladministration under the [Ombudsman Act 1972](#) (Ombudsman Act): Maladministration in public administration –

- (a) means-
  - i. conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or
  - ii. conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and
- (b) includes conduct resulting from impropriety, incompetence or negligence; and
- (c) is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.

## misconduct

As defined in section 4(1) – Misconduct and maladministration under the [Ombudsman Act 1972](#) (Ombudsman Act): Misconduct in public administration means an intentional and serious contravention of a code of conduct by a public officer while acting in their capacity as a public officer that constitutes a ground for disciplinary action against the officer.

As defined in section 3 – of the [Public Sector Act 2009](#) (PS Act):

- (a) a breach of a disciplinary provision of the public sector code of conduct while in employment as a public sector employee; or
- (b) other misconduct while in employment as a public sector employee,

the term includes making a false statement in connection with an application for engagement as a public sector employee and being convicted, while in employment as a public sector employee, of an offence

punishable by imprisonment

## persons engaged with department preschools, schools and services

All people engaged with department preschools, schools and services, including through management committees and governing councils, as employees, volunteers, family-based carers and identified third party providers for the term of their engagement.

## site or service

A department location such as a hub, school, preschool, metropolitan or country office, corporate office, support centre or unit, children's centre and play centre, out of school hours care centre and home of a family based care provider.

## site or service leader

The individual with ultimate responsibility for adults or children and young people at a site or service.

## Supporting information

[Australian Standard 8001-2021 Fraud and Corruption Control \(PDF 5MB\)](#)

[South Australian Public Sector Fraud and Corruption Policy 2022](#)

## Related legislation

[Code of Ethics for the South Australian Public Sector](#)

[Commissioner for Public Sector Employment Guideline: extent of obligation on employees to report they have been charged with a criminal offence](#)

[ICAC Directions and Guidelines](#)

[Ombudsman SA Directions and guidelines for public officers](#)

[OPI Directions and guidelines for public officers](#)

[Treasurer's Instruction 2 and 28](#) issued by the Department of Treasury and Finance, Government of South Australia pursuant to the *Public Finance and Audit Act 1987*

[Independent Commissioner Against Corruption Act 2012](#)

[Ombudsman Act 1972](#)

[Public Finance and Audit Act 1987 \(SA\)](#)

[Public Interest Disclosure Act 2018 \(SA\)](#)

[Public Sector Act 2009 \(SA\)](#)

[Public Sector \(Honesty and Accountability\) Act 1995 \(SA\)](#)

[Public Sector Regulations 2010 \(SA\)](#)

## Related policies

[Fraud, corruption, misconduct and maladministration control framework \(PDF 292KB\)](#) (staff login required)

[Public interest disclosure procedure \(PDF 679KB\)](#)

## Record history

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Policy Officer: Audit and Risk Directorate

Policy sponsor: Director, Audit and Risk

Responsible Executive Director: Chief Operating Officer

Approved by: Director, Audit and Risk

Approved date: 6 June 2023

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Version: 4.3

Approved by: Director, Audit and Risk Directorate

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Version: 4.2

Approved by: Deputy Chief Executive

Approved date: June 2017

Review date: July 2018

Amendment(s): update to ensure alignment with the South Australian Public Sector Fraud and Corruption Control Policy 2016.

Version: 4.1

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Version: 4.0

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Version: 3.0

Approved date: 12 July 2012

Amendment(s): change the name of Audit and Risk Directorate and the Director's position title.

Version: 2.0

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Amendment(s): Change from Code of Conduct to Code of Ethics.

Version: 1.0

Approved date: 24 June 2008

Amendment(s): Initial document.

# Contact

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