

Fraud and Corruption Control Charter

1 Purpose

The Charter, and IPART Framework, Policy and Procedure, states how IPART intends to direct and manage fraud and corruption control, protecting public finances and assets. This includes reinforcing an ethical working environment and culture that discourages and prevents fraud and corruption.

You should read this Charter to understand:

- how IPART manages risks of fraud and corruption,
- your role and responsibilities in relation to fraud and corruption control, and the roles of responsibilities of others, and
- the process for investigating allegations of fraud and corruption.

2 Scope

This Charter applies to employees, contractors, consultants and public officials (including Tribunal and Committees) (staff). All staff must comply with the NSW Government's ethical framework and IPART's Code of Ethics and Conduct. There is zero tolerance for any behaviour that does not meet these standards. This means that all staff must always act to protect IPART's reputation for independence, impartiality and professionalism and to model IPART's values.

3 Definitions

Fraud means dishonestly obtaining a financial or other benefit by deception. This includes theft, making false statements, or the deliberate falsification, concealment, destruction of documents or use of falsified documentation.

Corruption means conduct that is contrary to the duty to exercise public functions honestly and impartially. This includes official misconduct, bribery, blackmail, breaches of public trust or misuse of information acquired in official functions.

4 Control System

IPART has developed an integrated fraud and corruption control system (depicted in part in Figure 2). The control system is based on principles and attributes (see 4.1 next).

Figure 1 Integrating fraud and corruption control



4.1 Principles and attributes

This Charter responds to Treasury Circular (TC) 18-02 NSW Fraud and Corruption Control Policy, Audit Office of NSW Fraud Control Improvement Kit, and also considers Australian Standard (AS) 8001:2021 Fraud and Corruption Control.

IPART's approach to fraud and corruption control is based on three key principles and ten attributes (see Figure 1).

Figure 2 Fraud and corruption principles and attributes



5 Leadership

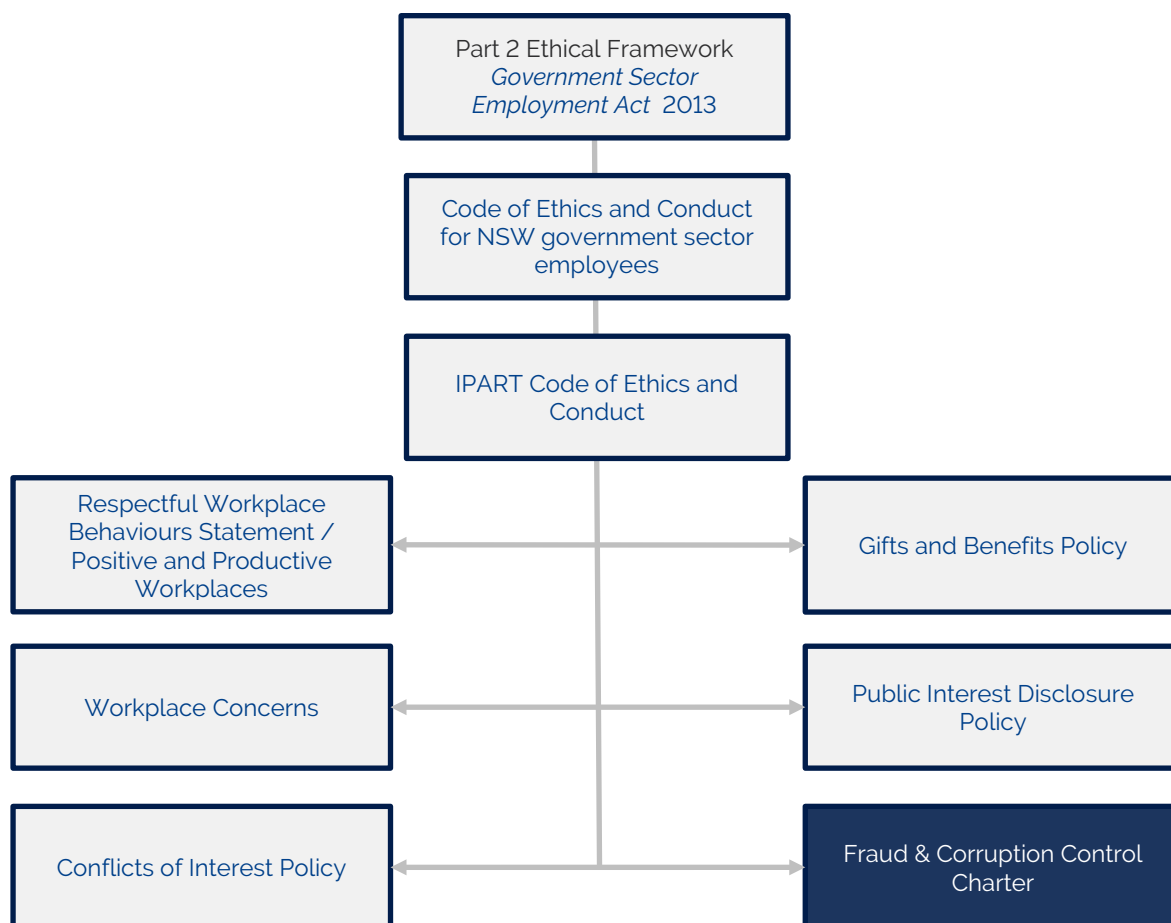
IPART Senior Management promotes a culture of honesty and integrity and is committed to:

- Minimising the opportunities for fraud to take place
- Implementing a robust, risk-based approach to identify opportunities for fraudulent activities and to manage the relevant risk.
- Detecting and investigating suspected fraud
- Disciplining actual fraud
- Reporting or referring matters to external parties, where appropriate.

Refer to Section 7 Responsibility Structures for a detailed outline of roles and responsibilities.

6 Ethical framework

As shown below, this Charter does not operate in isolation, but has links to NSW Government's ethical framework, IPART's Code of Ethics and Conduct, and other internal policies that govern ethical behaviour. These policies, read together, set out the expected standards of behaviour for all staff within IPART, our Ethical Framework.



Also refer Section 10, Fraud Awareness.

7 Responsibility structures

Risk management, which includes managing the risk of fraud, is embedded in role descriptions of key staff and covered in performance reviews through mandatory objectives. A specific outline of the roles and responsibilities for managing fraud and corruption risk is in Table 1.

Table 1 Roles and responsibilities for managing fraud and corruption risks

Role	Key accountabilities and responsibilities
Tribunal Chair	<ul style="list-style-type: none"> Has ultimate responsibility and accountability for fraud and corruption control at IPART as Accountable Authority (recognising that the leadership responsibility accountability for fraud and corruption control has been delegated to the CEO) Chair has a duty to report to the Independent Commission Against Corruption (ICAC) any matter that the Chair suspects, on reasonable grounds, may concern corrupt conduct (in line with Section 11 of the <i>Independent Commission Against Crime Act 1988</i>).
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> Has delegated responsibility and accountability for fraud and corruption control at IPART Promoting a culture of honesty and integrity within IPART Approving our Fraud and Corruption Control Charter and plans, and ensuring these are communicated, implemented, and kept current Reporting to the Audit and Risk Committee and Tribunal Chair about any incidents of actual or suspected fraud.
Audit and Risk Committee (ARC)	<ul style="list-style-type: none"> Reviews the fraud and corruption control framework including the fraud control plan and provide advice to the Tribunal Chair and CEO^a Be satisfied that that IPART has appropriate processes and systems in place to capture and effectively investigate fraud related information
Executive Leadership Team (ELT)	<ul style="list-style-type: none"> Responsible for fraud and corruption control within their span of control. Promoting an ethical culture Implementing and monitoring the fraud and corruption control charter, plan and associated activities within their individual lines of operations
General Counsel / Chief Audit Executive	<ul style="list-style-type: none"> Responsible for development, monitoring and review of regulatory, human resources, administrative and finance delegations for IPART. Responsible and accountable for the fraud and corruption control function, to ensure continued proficiency of fraud prevention and corrupt conduct capabilities across IPART Provision of a dedicated fraud and corruption control management function, which includes specialist resources, regular communication, recurrent training and periodic review of the framework and ongoing consultation with key stakeholders Ensure that internal audit plays a key role in the detection and prevention of fraud and corruption Provide support to the Principal Risk Officer (PRO) to undertake projects or investigations relating to fraud and corruption Receive allegations or notification of concerns regarding fraud Ensure investigations are conducted thoroughly Escalate matters relating to fraud and corruption to the CEO
Manager, Executive Office	Public Interest Disclosure Coordinator (see PID policy for responsibilities)
Director Corporate Services	<ul style="list-style-type: none"> Responsible for monitoring and reporting on IPART's compliance with NSW finance and expenditure requirements, procurement requirements, human resource requirements, and information technology include cyber security requirements.

^a IPART's Audit and Risk Committee Charter – April 2022 (D18/2214)

Role	Key accountabilities and responsibilities
Principal Risk Officer (PRO)	<ul style="list-style-type: none"> • Provide support to the Principal Risk Officer (PRO) to undertake projects or investigations relating to fraud and corruption • Provide leadership in managing fraud and corruption risks including strategies for prevention • Maintain IPART's fraud control framework and undertake projects to implement the framework within the organisation • Provide advice and assistance to staff and managers on managing fraud and corruption risks, strategies for prevention and incident management • Regularly review and update the Fraud Control Plan • Manage the internal audit and risk management functions to ensure areas of high fraud risk are identified through: <ul style="list-style-type: none"> ○ Implementing a risk-based internal audit approach including areas of high fraud risk ○ Evaluating the potential for the occurrence of fraud and how the organisation manages fraud risk ○ Assisting management to investigate fraud, identify the risks of fraud and develop fraud prevention and monitoring strategies
All staff	<ul style="list-style-type: none"> • Act within IPART's Ethical Framework. • Comply with policies and procedures. • Act within their delegations. • Report suspected incidences of fraudulent or corrupt behaviour. • Provide assistance to investigations if requested.

8 Fraud Control Policy

This Fraud and Corruption Control Charter is IPART's fraud control policy document.

9 Prevention systems

9.1 Fraud risk assessment

The risk of fraud and corruption is managed in line with IPART's Risk Management Framework.

On an annual basis, the PRO updates the fraud risk assessment in conjunction with subject matter experts/functional owners to raise awareness, discuss any concerns and walk through various scenarios and risk mitigation strategies.

The internal controls that prevent, detect and correct fraud and corruption are detailed in the fraud and corruption risk assessment (including control plan) (D22/25616) aligned with the IPART risk register.

9.2 Fraud Control Plan

The Fraud Control Plan contains the identified cyclic fraud and corruption control activities, responsibilities and timeframes for action, as well as information on review mechanisms. The plan also contains details of the risks requiring treatment through establishing new controls or enhancing our internal control environment. The Fraud Control Plan is regularly reviewed and updated, and the outcomes and results of its activities reported to the ELT and the ARC on a regular basis.

9.3 Analysis and reporting

Analytical processes for assessing and detecting fraud include (performance, risk and control) indicators and exception reporting in Human Resources, Procurement, Information Technology, Finance, Incident and Risk Management and Internal Audit quarterly reports.

Risk-based risk reviews, internal audit and external audit activities that include fraud risks and controls are planned, undertaken and reported to management, ELT, ARC and Tribunal.

9.4 Ethical workforce

IPART is committed to employing staff that support our ethical values. Pre-employment screening is used to verify information supplied by candidates on their resumes and applications. This includes two reference checks prior to a position being offered and NSW Police check prior to the start of employment.

9.5 Cyber security

IPART is committed to complying with the NSW Cyber Security Policy, including managing and optimising the information security threats and risks it faces. Cyber Security risk is managed in line with IPART's Risk Management Framework and is managed through the Cyber Security Plan (See CM9 19/225).

10 Fraud Awareness

10.1 Education

All staff are required to complete online mandatory training (through [MyCareer](#)) on a range of topics, as they relate to fraud and corruption awareness, including Fraud and Corruption, Gifts and Benefits, Conflict of Interest (including Regulated Entities), Code of Conduct, Cyber Security Awareness, Privacy, and Records Management. Refer to IPART's annual [Mandatory Training Calendar](#).

10.2 Awareness of policies

NSW Government and IPART have clear policies setting out expected standards of ethical behaviour (refer section 6 Ethical Framework) that are available on IPART's intranet.

When any of these policies are updated and approved, all staff are informed of key changes. All staff emails and/or e-News summarise key messages and reinforce the importance of meeting policy requirements. Policies and procedures are retained on CM9 and the intranet ([MiPart](#)).

Everyone covered by IPART's [Code of Ethics and Conduct](#) (see section 1.2 of that document) is required to annually attest that they have read and understood key policies by completing the Code of Ethics Declaration and the annual Conflict of Interest declaration (which includes consideration of Regulated Entities) (through MyCareer).

10.3 Induction

Staff induction includes mandatory compliance training through MyCareer (refer section [10.1 Education](#)) and declarations (refer section [10.2 Awareness of Policies](#)).

10.4 Community awareness

IPART is committed to ensuring that our practices are fair and ethical, and that staff act with integrity and efficiency in meeting our obligations to the community, customers and stakeholders.

IPART has published the following on its website:

- [Purpose and Values](#)
- [IPART's Statement of Business Ethics and Guiding Principles](#)
- [The Review Process](#)
- [Pecuniary Interests Register](#) (for current Tribunal members)
- [Employment opportunities](#) via iworkfor.nsw.gov.au
- [Tenders and contracts](#) for contracts above \$150k (including GST)

IPART [stakeholder survey](#) is conducted every two years and includes feedback on independence from both Government and regulated industries.

Also refer section [11 Third party management systems](#).

10.5 Targeted training

ICAC training is attended as required by staff with fraud control responsibilities (refer section [7 Responsibility structure](#)).

11 Third Party Management Systems

11.1 Due diligence

IPART's procurement processes are outlined in our [Procurement Manual](#), available on the intranet. The document outlines our risk-based procurement processes, which include escalating oversight and checks, and balances based on the value of an engagement.

11.2 Third party internal controls

Contracts include requirements related to business ethics and code of conduct in line with NSW Government's Procurement Board Standards (refer to buy.nsw.gov.au for standardised text, copy, methods, documents, and processes). Additional clauses (notification of fraud or corruption to IPART and IPART's right to audit) should be considered where outsourced processes have an element of fraud or corruption risk.

11.3 Third party awareness and reporting

IPART makes the [Code of Ethics and Conduct](#), [Statement of Business Ethics](#) and [Fraud and Corruption Control Charter](#) available to external parties on IPART's website.

In addition, our conflict of interest policy, gifts and benefits policy, public interest disclosure policy and continuous disclosure policy area also available under Governance Policies on IPART's website.

11.4 Disclosure of conflicts of interest

IPART's [Conflicts of Interest Policy](#) requires all staff to declare any conflict of interest,

For all staff, this includes considering conflicts of interest as a result of secondary employment, other paid or volunteer employment, and owning a business or conflicts with regulated entities generally using the [Declaration of interest](#) processes available via MyCareer.

Information specific to Tribunal members' obligations is also provided in the [Disclosure of pecuniary interests and conflicts of interest – Protocol for Tribunal members](#).

IPART's procurement (see [Procurement Manual](#)) and recruitment processes (see Recruitment in HR Resources) include specific internal controls relating to third parties:

- Vendors are requested to declare any conflict of interest during the procurement process on, and during, engagement with IPART. Refer to [IPART's Vendor Onboarding Information Pack](#).
- Recruitment and selection panels are required to segregate duties, and disclose conflicts of interest in the [Approval to Engage or Execute](#) and [Recruitment Selection Report](#) respectively.

12 Notification Systems

12.1 Culture

IPART will make sure that staff who report (reporters) of suspected fraud or corruption are supported and encouraged to access the professional support services they may need as a result of the reporting process – such as stress management, counselling services or legal advice. Refer [Investigation Systems](#) (Section 14) for feedback and follow-up to IPART officers who report suspected fraud.

12.2 Notification channels

12.2.1 Fraud and Corruption

Staff must report all allegations and matters of concern regarding suspected fraud or corruption to at least one of the following position holders:

Principal Officer
Chief Executive Officer, IPART

Chief Audit Executive
General Counsel, IPART

Audit and Risk
Principal Risk Officer, IPART

12.2.2 Public Interest Disclosure

The *Public Interest Disclosures Act 1994* (PID Act) imposes penalties, including criminal penalties, on people who take detrimental action on a person who has reported suspected wrongdoing. The IPART [Public Interest Disclosure Policy](#) (PID) enables staff, customers, stakeholders and suppliers to notify the organisation of suspected fraud or corrupt conduct.

IPART's Public Interest Disclosure Policy explains how staff may make public interest disclosures protected by the *Public Interest Disclosures Act 1994*:

- For a report to be a 'protected disclosure' it must be made to a nominated official in accordance with IPART's disclosure procedures – refer [PID Policy Appendix A](#) – IPART Internal reporting lines (notification channels). Any nominated official who is not listed in the table above will report disclosures regarding alleged fraud or corruption to one of the officers who is listed in that table.
- Staff can also make a report to a number of investigating authorities in NSW – refer [PID Policy Appendix B](#) – External reporting lines (notification channels).

12.3 Protection from reprisal

IPART will not tolerate any reprisal action against staff who report suspected incidents of fraud and corruption and will ensure appropriate action is taken to protect the reporter. The [Public Interests Disclosure Policy](#) includes further details about the protections against reprisals available to staff and what to do if they believe detrimental action has been or is being taken against them.

Protection from reprisal must be given to employees who make a public interest disclosure in accordance with the *Public Interests Disclosure Act 1994* (see section 12.5.2)

12.4 Confidentiality and anonymity

IPART will maintain the confidentiality of the report, reporter and subject of the report taking into consideration the following:

- consent is obtained (from the relevant party/parties)
- it is essential to afford natural justice
- IPART is of the opinion it is necessary in order to investigate effectively, or
- it is necessary to disclose this information as part of a referral of the matter to an investigating authority (eg, ICAC) or other public authority for investigation.

Suspected fraud or corrupt conduct can be reported anonymously (submit via post or through e-mail or phone and request your identity be withheld). However, as anonymity may limit our ability to seek further information to assess the report, anonymous reports are not encouraged. When the identity of the reporter is known, IPART is able to obtain any further necessary information, provide the reporter with protection and support and give feedback about the outcome of any investigation.

12.5 Making vexatious, frivolous or misleading allegations

Following an investigation, any report that is determined to be vexatious, frivolous or deliberately misleading in nature may be considered as misconduct and may result in disciplinary action against the reporter. Refer to [Managing and Resolving Workplace Concerns, IPART Positive and Productive Workplaces Guide](#).

12.6 Reporting system

A confidential Fraud and Corruption Register is maintained by the Principal Risk Officer (PRO). The PRO will report, deidentifying information, to the ARC (quarterly) and the Tribunal (six-monthly) regarding any incidents of actual or suspected fraud.

13 Detect

13.1 Internal control

IPART recognises a range of internal controls across its operations. Refer to the Integrated Risk Register, Controls (16/446-2). More specifically, the Fraud and Corruption Risk Register identifies key current risk treatments against each risk event, source, and cause (see D22/25616, November 2022).

13.2 Monitoring and review

IPART has many controls built into its business process to protect against fraud and corruption. These include, multi-layer review and approval, quality assurance, transaction exception reporting, budget to actual reporting, and system monitoring. These are intended to ensure that irregularities and warning signals are identified at an early stage and flagged for further review.

IPART receives regular attestation of controls from GovConnectNSW which are monitored by the Principal Risk Officer, Director, Corporate Services, and reported to the ELT, ARC and Tribunal.

13.3 Risk-based Internal Audit Program

IPART has a 5-year risk-based internal audit program that is informed by the risk register (which includes fraud and corruption risks).

Internal audits / reviews regularly examine samples of medium and high risk processes, with mandatory coverage of fraud prevention controls, across IPART to detect irregularities.

Outcomes of audit/reviews along with the status of management recommendations are reported to the ELT (including CEO), ARC, and summarised for the Tribunal.

13.4 External audit

The Audit Office of NSW (AO) performs an annual external audit of IPART's financial statements. This includes obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. In undertaking its role, the AO assesses the components of IPART's internal control environment relevant to its audit of the financial statements, and reports issues to management and those charged with governance. This generally includes a review across certain aspects of IPART's fraud and corruption internal control environment.

14 Investigation Systems

14.1 Investigation

IPART will review allegations of suspected fraud and corrupt conduct following notification to the PRO or General Counsel/Chief Audit Executive. Decisions to investigate shall be made by the CEO or the CEO's delegate, and investigations may only be conducted by an appropriately qualified investigator. Refer to Table 2, for recording initial advice and proceeding to investigation management.

It is noted that the Tribunal Chair or delegate has a duty to report to the Independent Commission Against Corruption (ICAC) any matter that the Chair suspects, on reasonable grounds, may concern corrupt conduct (in line with Section 11 of the *Independent Commission Against Corruption Act 1988*).

Further, where the matter is a Public Interest Disclosure (PID), additional obligations will apply, and this Charter should be read in conjunction with the PID Policy. For example, if a PID is made to IPART, IPART is required to let the person who made the disclosure know the proposed action to be taken within six months of the disclosure (section 27 of the *Public Interest Disclosures Act 1994*), and IPART must report on PID in its annual report under section 31 of the Act.

Table 2 – Initial advice and investigation management

Stage	Description/Actions
Initial advice of complaint or issue	
Receipt	<ul style="list-style-type: none"> Complaints or issues are advised by staff or other stakeholders PRO or General Counsel / Chief Audit Executive (CAE) will acknowledge receipt of the complaint or issue and determine who should make initial assessment (the assessor), timeframes, and access to relevant information (referring the matter to that party) PRO or General Counsel / CAE will record in Fraud and Corruption Register (Risk Management Report).
Assess	<ul style="list-style-type: none"> Assessor summarises the matter, legislative requirements, risks, conflicts of interest, options and recommendations
Decision	<ul style="list-style-type: none"> CEO or delegate must decide whether to proceed with an investigation: <ul style="list-style-type: none"> Proceeding with an investigation, must formally authorise the investigation including any conditions (eg, investigation with other appropriate authority), and must appoint a qualified investigator Not proceeding to investigation, to advise the parties of the outcome of the initial assessment and any improvement actions identified. PRO or CAE will record in Fraud and Corruption Register (Risk Management Report).

Stage	Description/Actions
Investigation of complaint or issue	
Plan	<ul style="list-style-type: none"> • Objectives and scope, conduct to be investigated, potential contraventions and possible outcomes • Risk management • Resolution options • Resources and work phases
Implementation	<ul style="list-style-type: none"> • Record activity (interviews, document reviews, meetings, etc). • Status reporting to CAE on budget, timeframe and deliverables • Review and supervision • Document management – stored in CM9 as 'Sensitive: Personal' and restricted to investigation team • Critical evidence and decisions documented.
Recommendations	<ul style="list-style-type: none"> • Brief preparation - Outcomes relating to IPART employees or contractors provided to the CEO • Investigation recommendations may include: <ul style="list-style-type: none"> – If there is evidence of corruption or misconduct, the investigator may submit a brief of evidence to the: <ul style="list-style-type: none"> • Independent Commission Against Corruption (ICAC) for matters relating to fraud and corruption • NSW Police for any criminal matters • NSW Ombudsman for any matters relating to maladministration • NSW Audit Office for use of public resources • Other agency that holds authority to deal with the matter for consideration of disciplinary or other action. – If there are no findings of corruption or misconduct, IPART may: <ul style="list-style-type: none"> • Make no finding • Take no action • Recommend preventative action where systemic issues and organisational corruption risks are identified. This can include: <ul style="list-style-type: none"> ▪ recommendations to strengthen practices, policies and procedures, ▪ providing training or additional information for staff about how to prevent corruption and misconduct.
Closure	<ul style="list-style-type: none"> • Decisions are communicated back to person who reported potential fraud or corruption matter where appropriate (eg, 'being evaluated', 'investigation started and timeframe' or 'will not proceed'). • PRO or CAE will record in Fraud and Corruption Register (Risk Management Report).

Note: Decisions must be in accordance with laws and regulations, be transparent and accountable, take action where necessary, and operate efficiently, effectively and ethically within IPART's resources.

14.2 Conduct and Disciplinary Systems

The [Code of Ethics and Conduct](#) is provided to assist IPART staff in understanding the expected standards of ethical conduct, and examples of breaches to behaving appropriately, as well as an indication of the pathways when a breach occurs.

IPART's Positive Workplaces Guide also discusses reporting workplace concerns, resolution pathways and discipline action.

14.3 Insurance

IPART's [TMF Miscellaneous cover](#) (D22/19251) includes fidelity cover. TMF covers IPART against loss of money and/or property owned by IPART or for which it is legally liable or has accepted responsibility, where the loss arises from:

- a fraudulent or dishonest act by any person engaged by IPART; or
- a computer virus, or the fraudulent input, modification or destruction of any of IPART's electronic data.

However, in the event of a claim of insurance, any unpaid salary, commission or other monies of the person found to be responsible for any fraudulent or dishonest act or where they have acted outside of their authority, shall be used toward compensating for the loss before any payment is made by TMF in respect of the claim.

15 Document control

IPART's Fraud Corruption Control Charter will be reviewed, at a minimum every 2 years, or in response to material changes in the operating environment.

Title	Fraud and Corruption Control Charter
Author	Principal Risk Officer
Owner	General Counsel / Chief Audit Executive
Endorsed ELT	6 December 2022 / D22/25630
Endorsed ARC	16 December 2022 / D22/27111
Approved	21 December 2022 / D22/25630
Version	1.1 (27 January 2022)
Status	Approved
Effective Date	December 2022
Reference	Fraud and Corruption Control Charter Working Document (D22/25339) Fraud and Corruption Control Charter Approved Policy (D22/27587) (November 2022)
Related documents	<i>Government Sector Employment Act 2013</i> <i>Independent Commission Against Corruption Act 1988</i> <i>Public Interest Disclosures Act 1994</i> NSW Government Sector Employees Code of Ethics and Conduct IPART Code of Ethics and Conduct IPART Respectful Workplace Behaviours Statement March 2022 IPART Positive and Productive Workplaces April 2022 IPART Workplace Concerns IPART Conflicts of Interest Policy (D19/6234) January 2021 IPART Gifts and Benefits Policy (D19/6201) August 2021 IPART Public Interest Disclosure Policy (D12/20093) May 2018 Fraud and Corruption Risk Assessment inc. Control Plan (D22/25616) November 2022
Review Date	Biennial review / December 2024