

ASSURANCE AND AUDIT COMMITTEE FOR ENDORSEMENT

Title	Annual certification for preventing, detecting and dealing with fraud.
Purpose/Issue	To advise that the department has appropriate mechanisms and processes in place to prevent, detect, and effectively respond to fraud so the accountable authority can provide certification of compliance with PGPA Rule 17AG(2)(b).
Recommendation(s)	That the Committee: <i>Note the mechanisms in place to prevent, detect and respond to fraud.</i>
Attachment(s)	<p>A – Certificate of Compliance Report demonstrating compliance with legislative requirements</p> <p>B – High fraud risks by division Chart of which risk each division assessed as a high risk</p> <p>C – Enterprise fraud risk profile List of identified fraud risks and the average fraud risk ratings</p> <p>D – High fraud risk treatments Chart of the treatments proposed by each division to control high risk</p>
Prepared by	Section 47F Fraud Control Officer
Sponsored by	Janean Richards, Chief Operating Officer

Background

This Fraud Control Report demonstrates that the department has undertaken a number of measures to deal appropriately with fraud in 2018-19. The 2018-19 Certificate of Compliance is at **Attachment A**.

Paragraph 17AG(2)(b) of the *Public Governance, Performance and Accountability Rule 2014*, requires that the department's annual report includes certification from the Accountable Authority that:

- fraud risk assessments have been undertaken and fraud control plans have been prepared;
- that there are appropriate mechanisms for preventing, detecting, investigating or otherwise dealing with fraud;
- that alleged fraud is recorded or reported upon; and
- all reasonable measures have been taken to deal appropriately with fraud.

Section 47E(a)

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Attachment A – 2018-19 Certificate of Compliance

PGPA Act s26, PGPA Rule s10 Fraud Control	<ul style="list-style-type: none"> A Fraud Control Plan must be implemented in line with the Commonwealth Fraud Control Framework 2017 	<ul style="list-style-type: none"> If a Fraud Control Plan was not implemented in line with the Commonwealth Fraud Control Framework 2017 If instances of fraud were not reported to the Certificate of Compliance inbox when relevant 	Department of Industry, Innovation and Science	Nil to report	Not applicable	All reasonable measures to prevent, detect and deal with fraud relating to the department have been taken during 2018-19. The department's fraud control and anti-corruption measures comply with the mandatory requirements of the PGPA Rule and the better practice measures as outlined in the <i>Commonwealth Fraud Control Framework 2017</i> and the <i>Australian Government Investigation Standards 2014</i> .
				Nil to report	Not applicable	In accordance with 10(a) PGPA Rule the department has conducted fraud risk assessments regularly, and when there was a substantial change in the structure, functions or activities of the department during 2018-19.
						In accordance with 10(b) PGPA Rule the department had developed and implemented <i>Fraud and Corruption Control Plan 2018-20</i> that deals with identified risks. That plan was in place during 2018-19 and was available on the department's internet page and intranet.
						In accordance with 10(c) (i) PGPA Rule the department had appropriate mechanisms for preventing fraud, and making staff aware of what constitutes fraud by developing and advertising the online fraud and corruption awareness online module, by participating in the International Fraud Awareness Week and by ongoing communications utilising the intranet throughout 2018-19.
						In accordance with 10(c) (ii) PGPA Rule, the risk of fraud and corruption was taken into account in planning and conducting activities of the department. This was achieved through the roll-out of fraud and corruption risk assessments across every division, the development of the SES Fraud Risk Management Guidance, Enterprise Fraud Risk Profile and treatment plans for each division.
						In accordance with 10(d) (f) PGPA Rule, the department had in place an appropriate mechanism for detecting incidents of fraud or suspected fraud, including a process for officials of the entity and other persons to report suspected fraud confidentially. These mechanisms included: <i>Passive</i> detection activities including the development and roll-out of new online two-way, anonymous reporting tool (whispli) and streamlining the fraud report process. <i>Active</i> detection - the department engaged an intelligence analyst to develop an active detection capability during 2018-19, Section 47E(a) [Redacted]
PGPA Act s46 Significant instances of non-compliance and the Annual Report for Commonwealth Entities	<ul style="list-style-type: none"> All significant instances of non-compliance to the framework or finance laws reported to the Minister 	<ul style="list-style-type: none"> Have there been any significant instances of fraud identified? 	No			
		<ul style="list-style-type: none"> Have these instances been reported in the department's Annual Report? 	(N/A)			

Appendix B - High fraud risks by division 2018-20

Section 47E(a)

Attachment C – Enterprise fraud risk profile (EFRP) - 2018-20

Section 47E(a)

Attachment D – High fraud risk treatments (consolidated list)

Section 47E(a)

Section 47E(a)

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