



Progress

- Strategy
- Strategic risks
- Framework
- Risk Management Manual
- Intranet site
- Risk Management Champions
- Business Planning processes



Your role

- Be familiar with the Agency's risk management strategy and policy;
- Alert managers to the presence of risks and participate in their management; and
- Use the tools available to identify and manage risks in the workplace
- Give us feedback



Fraud control



Fraud Control

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“Dishonestly obtaining a benefit, or causing a loss, by deception or other means”



Fraud against the Commonwealth

Includes (but is not limited to):

- Theft
- Accounting fraud (false invoices, misappropriations etc.)
- Unlawful use of, or unlawfully obtaining, property, equipment, material or services
- Causing a loss, or avoiding and/or creating a liability
- Providing false or misleading information to the Commonwealth, or failing to provide it when there is an obligation to do so
- Misuse of Commonwealth assets, equipment or facilities
- Making or using false, forged or falsified documents
- Wrongfully using Commonwealth information or intellectual property
- Bribery, corruption or abuse of office



Fraud and Error

- Fraud is a criminal offence
- Fraud is based on deception

An error is not fraud

If you make a mistake:

- Tell your supervisor about the error
- Follow it up with an email
- Keep a record of the email



NDIA's Approach to Fraud Control

- Fraud Control Framework & Plan
- APS Values and Code of Conduct
- Fraud Policy Statement
- Fraud Awareness Education
- Financial rules
- Governance arrangements
 - Prevention and detection strategies



Internal Fraud

Involves fraud occurring *within* the Agency or Scheme

Examples:

- Falsifying a medical certificate or statutory declaration
- Cheating on a flex sheet
- Unauthorised disclosure of information
- Claiming travel allowance you are not entitled to
- Failing to record, or incorrect recording of, leave
- Misuse of Cabcharge vouchers
- Use of the Corporate credit card for personal gain



... and more

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- Using office printers for non-work related printing
- Internet – unreasonable personal use of internet, including emails and communicator/Lync
- Failing to secure portable assets such as TVs during relocation/renovations
- Personal use of pool vehicles/fuel cards
- Stealing laptops/phones/GPS devices



False information

Providing false information includes:

- Backdating and post signing of records
- Altering funding agreements/contracts etc. after the event
- Submitting information in reports, acquittals, returns etc. that the author knew did or did not happen, and is untrue



Internal Fraud - Penalties

Internal fraud can result in criminal prosecution, and/or investigation under the APS Code of Conduct.

Penalties can include:

- Dismissal
- Demotion
- Loss of Commonwealth contributed superannuation
- Criminal conviction
- Imprisonment



Corruption & Collusion

How can it happen?

- Internal/external collusion – if a staff member colludes with an external supplier to procure goods/services to get a personal benefit
- “kick-backs” – payments made by service provider organisations to their employees/executive using Commonwealth funding
- Acceptance of gifts/hospitality over specified amounts



Conflict of Interest

A conflict of interest occurs when an employee is influenced, or may be perceived to be influenced, by personal interests when conducting his/her official duties

- If you have a conflict of interest, or are unsure, talk to your manager



External Fraud

Fraud conducted *to* the Agency or Scheme by

- Participants
- Providers

Examples:

- Community organisations receiving funds from the Agency and fraudulently misusing the money
- Providing false or misleading financial information/reports to the Agency
- Overcharging the Commonwealth for services
- Submitting false invoices
- Misuse of assets (including unauthorised acquisition or disposal)
- Submitting audit reports that are not independent or are inaccurate



Things to watch out for

Things to watch out for:

- Breaches to funding agreement/grants guidelines
- Delays in providing reports or answering communications
- Failure to submit reports required
- Lack of records for invoices and purchase orders
- Conflicts of interest in the Board/CEO
- Complaints from ex-staff or clients
- Poor internal controls and lack of policies in organisations
- High staff turnover
- Poor governance – no separation of duties, one person performing multiple roles



External fraud - penalties

Penalties and sanctions may include:

- Criminal conviction
- Imprisonment
- Fine
- Repayment of monies
- Confiscation of assets



Your role

- Report any weaknesses in Agency business controls or processes that might facilitate fraud against the Commonwealth to the NDIA Fraud Manager s22(1)(a)(ii) - irrelevant material
- You can report any suspected fraudulent or unethical behaviour to your immediate supervisor or the NDIA Fraud Manager s22(1)(a)(ii) - irrelevant material

Reporting suspected fraud

You can provide information about suspected fraudulent or unethical behaviour impacting NDIA or the Scheme via

- email: s22(1)(a)(ii) - irrelevant material
- Phone: 1800 650 717.

Information may be provided anonymously.



What not to do

DO NOT

- Attempt to investigate the fraud yourself
- Alert the suspect
- Mark or unnecessarily handle documents or material – keep in original condition
- Discuss the matter with anyone, including colleagues, other than for appropriate reporting purposes



Contacts

Risk, Assurance & Fraud team

Director: s22(1)(a)(ii) - irrelevant material

Fraud Control Manager: s22(1)(a)(ii) - irrelevant material

Risk Management: s22(1)(a)(ii) - irrelevant material

Fraud hotline: 1800 650 717



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Fraud and Risk Management

National Office

s22(1)(a)(ii) - irrelevant material

August 2014



Session Outline

- What is Risk/Risk Management?
- Why is it important?
- The Agency's approach to Risk Management
- What is your role?
- Fraud in the Commonwealth
- The Agency's approach to Fraud Control
- What is your role?



What is Risk?

“Risk is the effect of uncertainty on objectives”

AS/NZS ISO31000:2009

Risk Management



Risk Management is the process of identifying, analysing and evaluating risks with a view to ensuring the effective management of potential opportunities while reducing or avoiding adverse effects.



Why is it important?

- To minimise the negative impact of risks upon achievement of objectives; and
- To maximise the Agency's ability to realise potential opportunities



Prevention is better than the cure...

Risk management is a proactive attempt to identify potential risks and incidents before they happen in order to develop prevention and response strategies.



Risk Management: Benefits

- Increase the likelihood of the Agency achieving strategic and business objectives;
- Encourage a high standard of accountability at all levels of the organisation;
- Support more effective decision making through better understanding of risk exposures;
- Create an environment that enables the Agency to deliver timely services and meet performance objectives in an efficient and cost effective manner;
- Safeguard the Agency's assets – human, property and reputation; and
- Meet compliance and governance requirements.



Agency Approach

- Requirements:
 - CAC Act/PGPA Act;
 - NDIS – Risk Management Rules
 - APRA CPS 220 (Board policy)
- Risk is part of the way we do business in the Agency, not another thing to do



Agency Approach - Components

- Risk Management Framework
- Risk Management Strategy
- Risk Management Manual
 - Tools and templates
- Intranet site
- Risk Management Champions



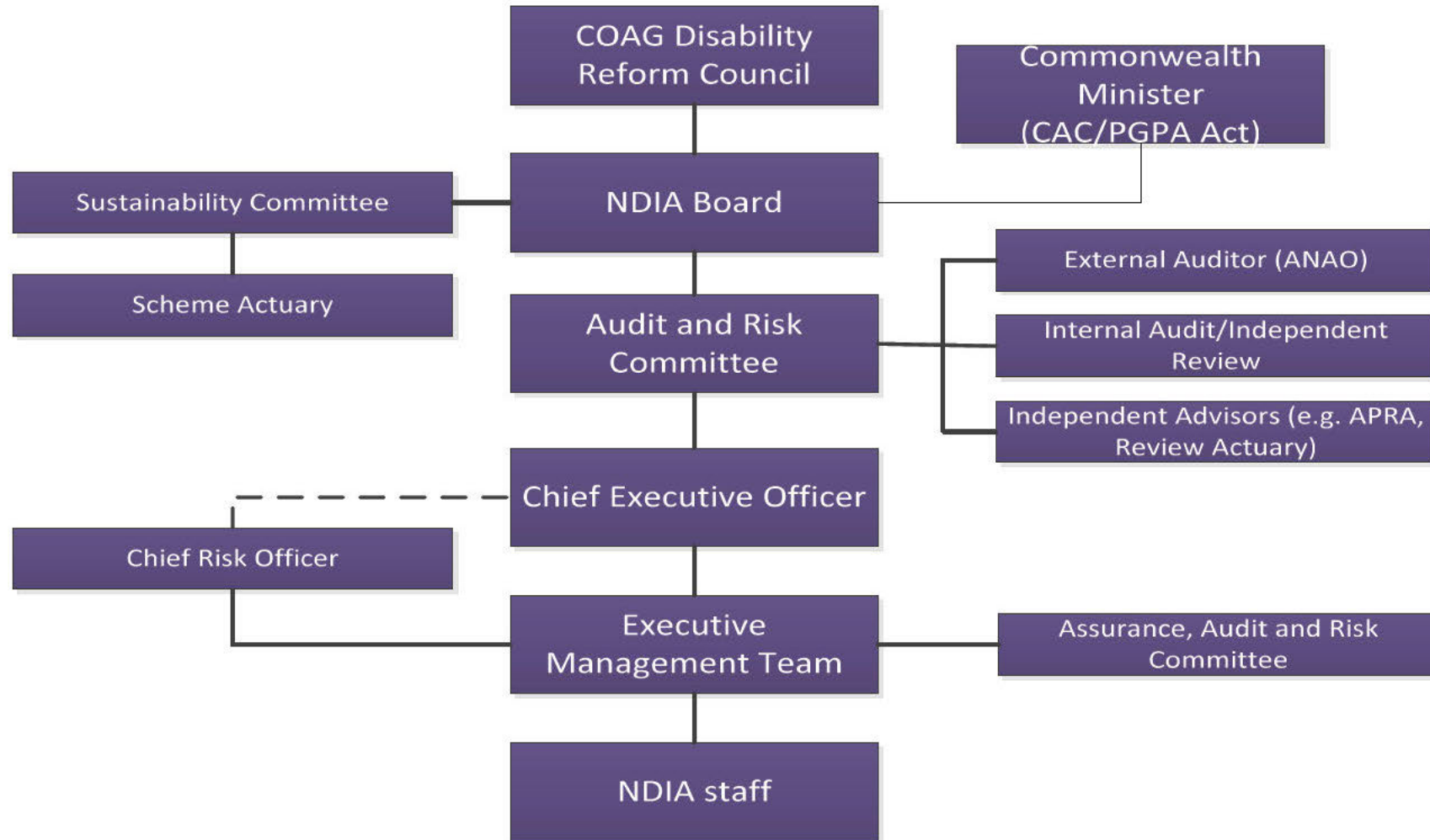
Risk Management Framework

- Systematic approach to risk identification & management
- Consistent risk assessment criteria
- Accurate and concise risk information, for decisions
- Cost effective and efficient risk treatment strategies
- Ensure risk exposure remains within acceptable level
- Includes the culture, processes and structures that are directed towards realising potential opportunities while managing adverse effects

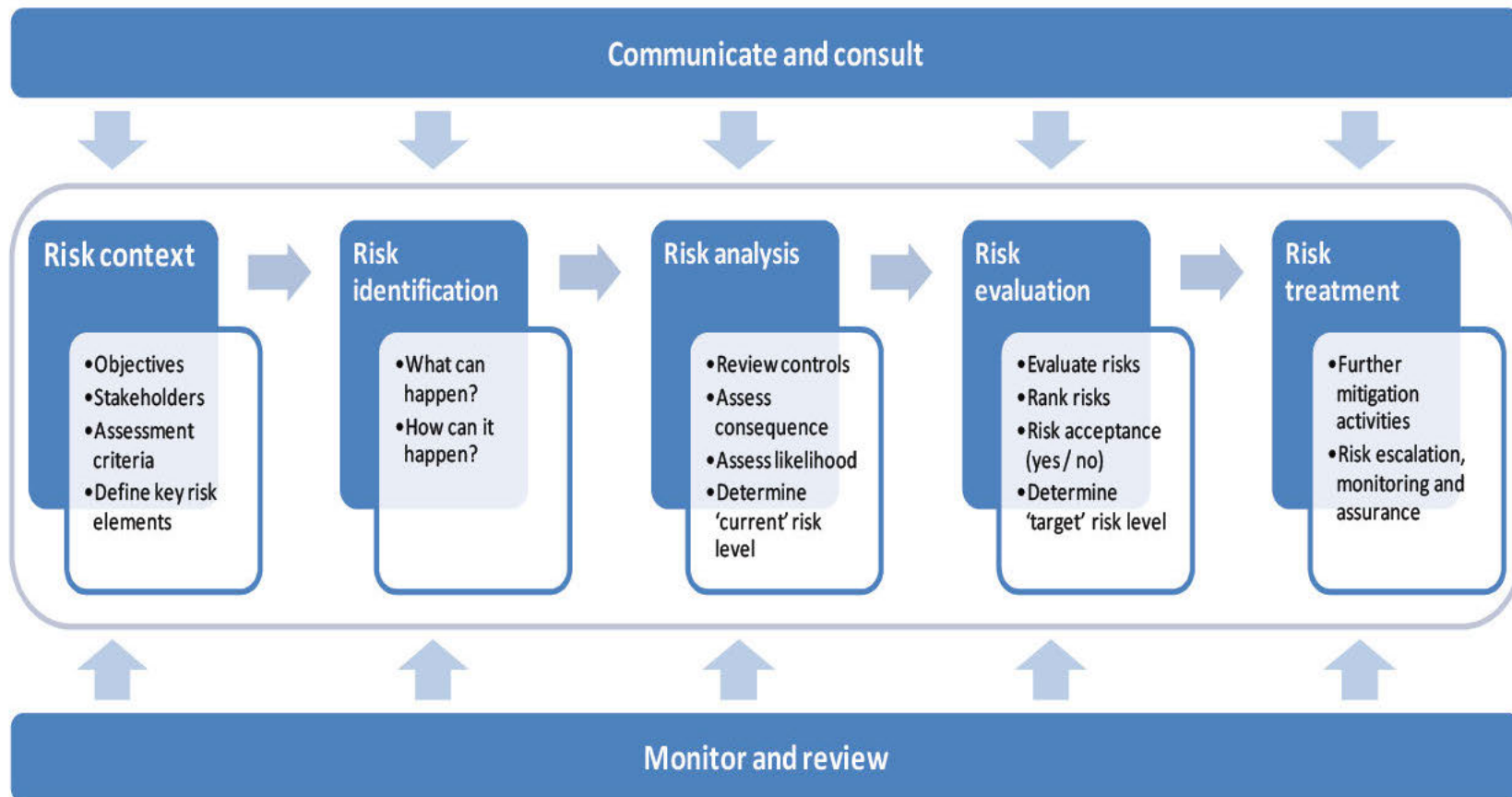


Risk Management Strategy

- Covers:
 - Risk Governance
 - Processes to identify, mitigate and control risks
 - Monitoring and reporting risks
 - Risk communication and risk culture
 - Roles and Responsibilities
 - Review process



Risk Management Processes

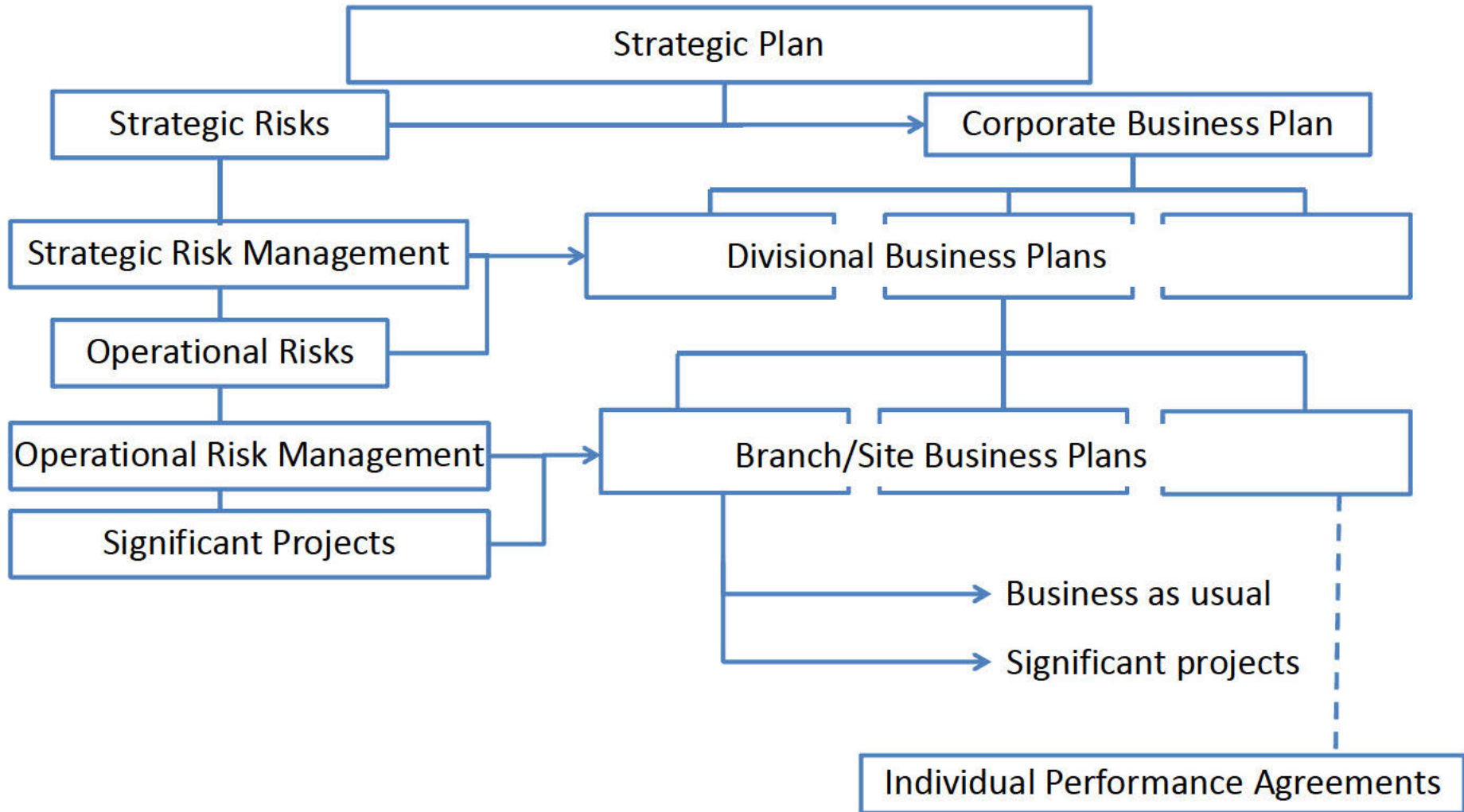


Monitoring & Reporting

- Three levels of monitoring
 - Strategic risks
 - Operational risks
 - Project risks



Integrated Risk Management



Reporting & Monitoring





Strategic Risks

- *People with disability are in control and have choices, based on the UN Convention on the Rights of Persons with Disabilities*
 1. The Agency fails to build the capacity of people with disability to exercise choice and control
 2. The Agency fails to promote the independence and social and economic participation of people with disability
 3. The Agency fails to establish mechanisms which effectively measure social and economic outcomes and exercise of choice and control



Strategic Risks (2)

- *The National Disability Insurance Scheme (NDIS) is financially sustainable and governed using insurance principles*
 4. The Agency fails to meet support package needs within available funding envelopes
 5. The Agency fails to deliver operational capability within available funding envelopes
 6. The Agency fails to identify and mobilise IT resources to meet the needs of actuarial and management reporting
 7. The scope and scale of participation exceeds Scheme design – more people with permanent and significant disabilities
 8. The scope and scale of supports exceed Scheme design – cost of reasonable and necessary supports
 9. A reduction occurs in the level of family and community supports and in personal responsibility
 10. The Agency fails to invest in a lifetime approach, including early intervention



Strategic Risks (3)

- *The community has ownership, confidence and pride in the National Disability Insurance Scheme and the National Disability Insurance Agency*
 11. Stakeholders perceive that the Scheme has failed to meet the needs of people with disability and/or is too costly
 12. Sufficient competent providers fail to emerge to meet the new and expanded demand for services
 13. Sufficient qualified provider staff fail to emerge to meet the new and expanded demand for services
 14. The Agency fails to meet its reporting obligations to Governments and the Commonwealth Parliament
 15. The Agency fails to establish an organisational culture and management systems that foster accountability and continuous learning
 16. The Agency fails to attract and retain sufficient talented leaders and staff to meet the challenges of start-up and/or full scheme rollout



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