



Environment Protection Authority

Fraud and Corruption Control Policy



© 2023 State of NSW and the NSW Environment Protection Authority

All content in this publication is owned by the EPA and is protected by Crown Copyright, unless credited otherwise. It is licensed under the Creative Commons Attribution 4.0 [International](#) (CC BY 4.0), subject to the exemptions contained in the licence. The legal code for the licence is available at [Creative Commons](#).

The EPA asserts the right to be attributed as author of the original material in the following manner: © State of New South Wales and the NSW Environment Protection Authority 2023.

Published by:

NSW Environment Protection Authority

6 Parramatta Square

10 Darcy Street, Parramatta NSW 2150

Locked Bag 5022, Parramatta NSW 2124

Phone: +61 2 9995 5000 (switchboard)

Phone: 131 555 (NSW only – environment information and publications requests)

Fax: +61 2 9995 5999

TTY users: phone 133 677, then ask for 131 555

Speak and listen users: phone 1300 555 727, then ask for 131 555

Email: info@epa.nsw.gov.au

Website: www.epa.nsw.gov.au

Report pollution and environmental incidents

Environment Line: 131 555 (NSW only) or info@epa.nsw.gov.au

See also www.epa.nsw.gov.au

ISBN 978 1 922963 21 5

EPA 2023P4433

May 2023

Contents

1. CEO's message	1
2. Policy	2
2.1. Purpose of policy	2
2.2. Scope	2
2.3. Breaches	2
2.4. Principles	2
2.4.1. Zero tolerance	2
2.4.2. Effective control systems	2
2.4.3. Reporting actual or suspected fraud, corrupt behaviour or maladministration	3
2.4.4. Fraud and corruption risks	3
2.4.5. Ethical conduct	4
3. Support and advice	5
4. Review	6
Appendix A: Definitions and related documents and legislation	A-i
A.1 Defined terms	A-i
A.2 Related documents and legislation	A-i
Appendix B: Roles and responsibilities	A-iii

1. CEO's message

The NSW Environment Protection Authority (EPA) acknowledges the traditional custodians of the land, waters and sky where we work. As part of the world's oldest surviving culture, we pay our respect to Aboriginal Elders past, present and emerging.

The EPA is the state's primary environmental regulator. We lead in protecting the health of the community now and in the future by protecting our air, waterways and land. We work with communities, governments and businesses to reduce our impact on the environment. The EPA works in partnership with communities, businesses and government to protect human health, reduce pollution and waste, and prevent degradation of the environment.

The EPA's balanced regulatory approach is underpinned by eight elements: that is, we listen, educate, enable, act, influence, require, monitor and enforce. We hold people to account using regulatory tools and actions such as licensing, prosecutions, notices, directions and orders, audits and so on.

As a statutory authority with an independent, skills-based governing board, the EPA is able to operate effectively to achieve the environmental and human health outcomes we are responsible for.

The public, our fellow employees, stakeholders and other people we deal with expect us to act with integrity and to protect resources, information, revenues, reputation and the public interest. As a government sector agency and regulator, it is essential that the EPA is exemplary in its ethical practices that underpin our management of fraud and corruption risks.

Fraud and corruption are incompatible with our values and present a risk to our achievement of our objectives and the provision of our services to the public. The EPA has a zero tolerance approach to fraud, corrupt behaviour or maladministration.

Tony Chappel

Chief Executive Officer

2. Policy

2.1. Purpose of policy

The purpose of the Fraud and Corruption Control policy is to:

- Promote ethical, professional conduct and risk-aware decision-making by EPA employees
- Protect the reputation of the EPA as an honest and credible regulator
- Prevent, detect and respond appropriately to allegations and incidents of fraud or corruption
- Assign accountability and responsibility for implementation of fraud and corruption control arrangements
- Ensure public finances and public assets, including government information, are protected.

This policy is part of the EPA's Fraud and Corruption Control Framework.

2.2. Scope

This policy applies to all EPA employees, including ongoing, term, temporary, casual employees or seconded employees, contingent workers, volunteers and consultants.

2.3. Breaches

Breaches of this policy by employees will be managed in accordance with the Managing Misconduct policy (2022) and section 69 of the *Government Sector Employment Act 2013*. Guidance can be found in the EPA Code of Ethics and Conduct (2022) and the Managing Misconduct policy (2022).

Failure to comply with this policy may lead to action in accordance with the Code of Ethics and Conduct, including disciplinary action and referral to NSW Police and/or the NSW Independent Commission Against Corruption.

2.4. Principles

The key principles of the policy are as follows.

2.4.1. Zero tolerance

The EPA has zero tolerance for any form of fraud, corrupt behaviour or maladministration. Acts of fraud and corruption by EPA employees, contractors, suppliers or any other stakeholders present a significant threat to the EPA's reputation.

Fraudulent and corrupt conduct is illegal and may have serious consequences such as dismissal, suspension pending investigation, fines and/or imprisonment, as applicable under the *Crimes Act 1900*. Employees should be aware of the provision in section 316(1) of the *Crimes Act 1900* sets out an offence for failure to report a serious offence.

2.4.2. Effective control systems

The EPA is committed to ensuring that management maintain effective control systems and procedures to protect against fraudulent or corrupt conduct. The Compliance Management Framework (20) provides the principles for compliance management in the EPA.

The Department of Planning and Environment (DPE) provide multiple services to the EPA and DPE maintain the control environment for their operations. The EPA operate within the authority and delegation levels in processing transactions within the DPE provided systems.

The EPA is committed to minimising the incidence of fraud and corruption by implementing and regularly reviewing a range of strategies that aim to prevent, detect and respond to fraud and corruption.

2.4.3. Reporting actual or suspected fraud, corrupt behaviour or maladministration

Reporting actual or suspected fraud or corruption is in the public interest. All employees have an obligation to report suspected or detected instances of fraud or corruption. It is better to report suspicions than not report a matter that may amount to fraud or corruption. Reports can be made in writing or orally. Employees can make anonymous reports by contacting the Environment Line.

Employees may make a report to:

- their People Leader or manager
- Lead
- Unit Head
- Director
- Executive Director
- the CEO
- Director, Governance, Risk and Planning
- Lead, Audit and Assurance
- ICAC (for corrupt conduct)
- the Audit Office of NSW (for serious and substantial waste)
- the NSW Ombudsman (for maladministration)
- the NSW Police Force (for fraud).

Employees may also make a public interest declaration to nominated Disclosure Officers. EPA employees receiving a report or complaint of suspected fraud or corruption should promptly refer the matter on a confidential basis to the Director, Governance, Risk and Planning, for appropriate review and referral. Further information is contained in the EPA Public Interest Disclosure Policy 2022.

The CEO, or delegate, will determine responses to reports of suspected fraud or corruption, including external reporting, preliminary inquiry, investigation, disciplinary action and recovery action as appropriate in each instance. Responses to reports of any actual or suspected incidents of fraud or corruption need to be objective, timely and comprehensive. A complaint concerning the CEO can be made to the Chairperson of the EPA Board, unless it is being made as a public interest disclosure, or directly to the ICAC.

The Chief Risk Officer reports regularly on probity issues to the Audit and Risk Committee.

2.4.4. Fraud and corruption risks

The divisions take responsibility for fraud and corruption risks and are required to understand and mitigate their risks. The divisions operate many different processes and systems to deliver their objectives and provide their designated services.

Risks are managed according to perceived consequence and likelihood and may be considered in the light of determining responses to operational activities.

2.4.5. Ethical conduct

EPA employees are required to contribute to the minimisation of fraud occurrence. EPA employees must also comply with the *EPA Code of Ethics and Conduct* and the Public Service Commission's *Code of Ethics and Conduct for NSW government sector employees*.

EPA also has expectations on the business sector, industry, other government agencies and non-government agencies when doing business or dealing with the EPA. These are detailed in our *Statement of Business Ethics*.

3. Support and advice

For further advice and information on fraud and corruption issues, including how to report, you should contact one of the following:

- Coordinator, Risk and Governance – 9995 5404
- Senior Risk Officer – 8289 6735
- Manager, Governance and Risk – 9995 6805
- Director, Governance, Risk and Planning.

For external advice and information on fraud and corruption issues you may wish to contact one of the following:

ICAC – Reporting corrupt conduct

icac.nsw.gov.au

02 8281 5999

NSW Audit Office – Reporting serious and substantial waste

audit.nsw.gov.au

02 9275 7100

NSW Ombudsman – Reporting maladministration

ombo.nsw.gov.au

1800 451 524

NSW Police – Reporting fraud

police.nsw.gov.au

02 9272 6000

NSW Police Force – Crime Stoppers – 1800 333 000.

4. Review

Governance, Risk and Planning will review this framework no later than two years from the date of approval. It may be reviewed earlier in response to post-implementation feedback, changes to legislation or regulation, or other significant circumstances as necessary.

Appendix A: Definitions and related documents and legislation

A.1 Defined terms

Corruption

“Corrupt Conduct” is –

- any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority, or
- any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of his or her official functions, or
- any conduct of a public official or former public official that constitutes or involves a breach of public trust, or
- any conduct of a public official or former public official that involves the misuse of information or material that he or she has acquired in the course of his or her official functions, whether or not for his or her benefit or for the benefit of any other person.

Please also refer to sections 7–9 of the *Independent Commission Against Corruption Act 1988* (ICAC Act) for additional detail.

Fraud

Fraud is defined in the NSW Fraud and Corruption Control Policy as “dishonestly obtaining a benefit, or causing a loss, by deception or other means.” Forms of deception might include making false statements, acts of omission, theft, evasion, collusion and manipulation of information.

Fraud and corruption control framework

Framework for controlling risks of fraud and corruption against or by the EPA.

Maladministration

Maladministration has the same definition as set out under section 11 (2) of the *Public Interest Disclosures Act 1994*.

Public official

Public official has the same definition as set out under section 3 of the ICAC Act.

A.2 Related documents and legislation

Related EPA documents

This policy contributes to meeting the requirements of Treasury’s Circular TC18-02 for all NSW public sector agencies to develop, implement and maintain a fraud and corruption control framework to prevent, detect and manage fraud and corruption.

In addition to this policy, the following policies and procedures apply to the EPA and contain provisions designed to promote ethical conduct:

- DPE Records Management Policy

- Code of Ethics and Conduct
- Complaint Handling Policy
- Compliance Management Framework
- Delegations
- Gifts, Benefits and Hospitality Policy
- Grants Management Policy
- Sponsorship Policy
- Sponsorship Procedures
- Statement of Business Ethics
- Integrity Clearance Policy and Procedure Guide
- Managing Misconduct and Serious Misconduct Policy
- Public Interest Disclosure Internal Reporting Policy and Procedure
- Privacy Management Plan
- Private and Secondary Employment Policy.

Relevant legislation, including subordinate legislation and government policies

These include:

- *Crimes Act 1900*
- *Government Sector Employment Act 2013*
- *Government Sector Employment Regulation 2014*
- *Government Sector Employment (General) Rules 2014*
- *Government Sector Finance Act 2018*
- *Independent Commission Against Corruption Act 1988*
- *Lobbying of Government Officials Act 2011*
- *Ombudsman Act 1974*
- *Privacy and Personal Information Protection Act 1998*
- *Protection of the Environment Administration Act 1991*
- *Protection of the Environment Operations Act 1997*
- *Public Interest Disclosures Act 1994*
- *State Records Act 1998*
- Treasurer's Directions
- Premier's Memorandum M2019 – 02 NSW Lobbyists Code of Conduct
- Treasury Circular TC 18-02 NSW Fraud and Corruption Control Policy.

Appendix B: Roles and responsibilities

Who	Responsibility
EPA Board & Audit and Risk Committee	<ul style="list-style-type: none"> • The EPA Board has functions identified Section 16 of the <i>Protection of the Environment Administration Act 1991</i> including • To determine the policies and long-term strategic plans of the EPA including policies and plans relating to organisational governance and risk management • Monitors the EPA's strategic risk register including governance related risks including fraud and corruption. • The Audit and Risk Committee responsibilities, set out in its Charter, include reviewing: <ul style="list-style-type: none"> • the EPA's fraud and corruption control framework including the fraud control plan and be satisfied that the EPA has appropriate processes and systems in place to capture and effectively investigate fraud related information • Whether management has taken steps to embed a culture that is committed to ethical and lawful behaviour • Whether management has in place a current and appropriate risk management framework that is consistent with AS/NZS ISO 31000:2018 • The effectiveness of the system for monitoring the EPA's compliance with applicable laws and regulations and associated government policies
EPA Chief Executive Officer (CEO)	<ul style="list-style-type: none"> • Setting the tone at the top, by demonstrating commitment to the fraud and corruption control framework and policy • Promoting an ethical culture • Developing, maintaining and making available financial management policies • Ensuring effective systems of risk management, internal control and assurance are in place • Being guided by the values of accountability, integrity and transparency • Understanding the fraud and corruption risks facing the EPA • Complying with mandatory reporting requirements about any matter suspected or alleged to concern corrupt conduct to ICAC
Senior Leadership Team	<ul style="list-style-type: none"> • Setting the tone at divisional level, by demonstrating commitment to and implementing the fraud and corruption control framework and policy • Promoting an ethical culture • Ensuring all declared relationships, associations and conflicts of interests are severed if not manageable and otherwise are appropriately managed • Ensuring all division employees are aware of the fraud and corruption control framework, policy and related policies (see the Related Documents section of this policy) • Understanding and mitigating the fraud and corruption risks facing the EPA

Who	Responsibility
Director Governance, Risk and Planning / Chief Risk Officer	<ul style="list-style-type: none"> • Developing and maintaining a suite of governance policies and procedures • Providing practical advice to assist employees to identify and respond to suspected fraud or corrupt conduct • Implementing the fraud and corruption control framework and policy • Advising and assisting Senior Executives in developing and implementing a fraud and corruption control plan • Designs the EPA's risk management framework and oversees the activities associated with coordinating, maintaining and embedding the framework in EPA
People Leaders	<ul style="list-style-type: none"> • People leaders as managers of EPA employees are responsible for: • Ensuring employees are aware of the fraud and corruption control framework and policy and their responsibilities • Implement and maintain any controls in their area that prevent, detect or respond to fraud and corruption • Managing any declared conflicts of interests • Escalate any emerging risks or issues
All EPA employees	<ul style="list-style-type: none"> • Understanding and complying with the requirements of the fraud and corruption control framework and policy • Having a role in preventing, detecting and contributing to the elimination of fraud and corruption including assisting managers in identifying and mitigating fraud and corruption risks • Acting with integrity in the discharge of their official duties and complying with relevant legislation and EPA policies • Obtaining a basic understanding of fraud and corruption and participating in training and awareness • Reporting any cases of alleged fraud or corruption which they reasonably suspect have been committed by other employees or external parties • Declaring any conflicts of interest • Assisting with investigations into potential fraud or corruption incidents or event • Assisting management in the process of designing and implementing adequate fraud and corruption prevention, detection and monitoring systems that contribute towards a strong control environment