Australian Government

Department of Education, Employment and Workplace Relations

PSPFRAU504B Conduct fraud risk assessments

Revision Number: 3

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Modification History

Release	TP Version	Comments
3	PSP12V1	Unit descriptor edited.
2	PSP04V4.2	Layout adjusted. No changes to content.
1	PSP04V4.1	Primary release.

Unit Descriptor

This unit covers the implementation of a fraud and corruption risk management process that may be the responsibility of organisational staff or contractors. It includes conducting fraud and corruption risk assessment and reviewing the processes involved in the risk assessment in line with standard risk management processes (AS/NZS 4360:1999 or as revised).
Fraud in the unit title incorporates both *fraud and corruption*.
In practice, conducting fraud and corruption risk assessments may overlap with other generalist or specialist public sector workplace activities such as acting ethically, promoting compliance with legislation, delivering client services, anticipating fraud and corruption activity, developing fraud and corruption control plans, etc.
This unit replaces and is equivalent to *PSPFRAU504A Conduct fraud risk assessment*.
No licensing, legislative, regulatory or certification requirements apply to this unit at the time of publication

Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements are the essential outcomes of the unit of competency.	Together, performance criteria specify the requirements for competent performance. Text in ***bold italics*** is explained in the Range Statement following.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. **Conduct fraud and corruption risk assessment**	1.1 Fraud and corruption ***risk assessment*** is based upon an understanding of the environment and core business of the organisation and is conducted in accordance with predetermined risk assessment methodology.
	1.2 Any gaps in the predetermined methodology are identified and reported in accordance with organisational policy and procedures, and options to meets these gaps are proposed as required.
	1.3 Impacts of possible ***change*** in organisational business are allowed for in the conduct of risk assessment.
	1.4 Data is assessed for validity and reliability.
	1.5 Consultation and data matching are used to identify patterns.
	1.6 Risk assessment is conducted using both qualitative assessment and quantitative representation of risks.
2. **Review processes involved in the risk assessment**	2.1 Processes are regularly reviewed in accordance with the objectives of fraud and corruption risk assessment strategy, government policy and ***risk management standards.***
	2.2 ***Advice*** is provided to business sections such as internal audit and other ***stakeholders*** regarding issues arising out of fraud and corruption risk assessment.
	2.3 Options to overcome identified obstacles are discussed with management, affected or relevant staff, and agreed options are implemented.
	2.4 Assessments are regularly made regarding the ***effectiveness*** of fraud and corruption control strategies, and reports are prepared for various audiences.

Required Skills and Knowledge

This section describes the essential skills and knowledge and their level, required for this unit.

Skill requirements

Look for evidence that confirms skills in:

- planning, analysis and evaluation relating to fraud and corruption risk assessment
- using a range of communication, consultation and negotiation styles to suit different audiences and purposes
- providing advice on complex documents such as legislation, policy and recommendations relating to fraud and corruption risk control
- differentiating between the inherent risks and the effectiveness of controls in place
- managing contractors if the fraud and corruption risk assessment is outsourced
- responding to diversity, including gender and disability
- applying occupational health and safety and environmental procedures in the context of fraud and corruption risk assessment

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- fraud and corruption and how they relate to the specific functions and activities of the organisation together with an understanding of ethical standards required by the organisation of its staff, contractors and suppliers
- jurisdictional fraud and corruption control requirements
- agency fraud and corruption control policy
- fraud and corruption risk management methodology
- agency structure and core business activities
- current fraud and corruption control plan
- relationship of the risk methodology to the fraud and corruption control strategy
- fraud and corruption risk factors in the organisation
- anti-discrimination and diversity legislation
- legislation, policies and procedures relating to fraud and corruption risk assessment
- Australian and New Zealand standards - AS/NZS 4360:1999 or as revised

Evidence Guide

The Evidence Guide specifies the evidence required to demonstrate achievement in the unit of competency as a whole. It must be read in conjunction with the Unit descriptor, Performance Criteria, the Range Statement and the Assessment Guidelines for the Public Sector Training Package.

Units to be assessed together	• *Pre-requisite* units that <u>must</u> be achieved <u>prior</u> to this unit:*Nil*
	• *Co-requisite* units that <u>must</u> be assessed <u>with</u> this unit:*Nil*
	• *Co-assessed units* that <u>may</u> be assessed with this unit to increase the efficiency and realism of the assessment process include, but are not limited to:
	    • PSPETHC501B Promote the values and ethos of public service
	    • PSPFRAU502B Anticipate and detect possible fraud activity
	    • PSPFRAU505B Develop fraud control plans
	    • PSPGOV502B Develop client services
	    • PSPGOV504B Undertake research and analysis
	    • PSPGOV517A Coordinate risk management
	    • PSPLEGN501B Promote compliance with legislation in the public sector

Overview of evidence requirements	In addition to integrated demonstration of the elements and their related performance criteria, look for evidence that confirms: • the knowledge requirements of this unit • the skill requirements of this unit • application of the Employability Skills as they relate to this unit (see Employability Summaries in Qualifications Framework) • fraud and corruption risk assessment conducted in a range of (3 or more) contexts (or occasions, over time)
Resources required to carry out assessment	These resources include: • legislation, policy and procedures relating to fraud and corruption control • fraud and corruption risk assessment methodology and review processes • Australian and New Zealand standards - AS/NZS 4360:1999 or as revised • fraud and corruption control guidelines and standards • public sector values and codes of conduct • case studies and workplace scenarios to capture the range of fraud and corruption risk assessment situations likely to be encountered
Where and how to	Valid assessment of this unit requires:

assess evidence	• a workplace environment or one that closely resembles normal work practice and replicates the range of conditions likely to be encountered when conducting fraud and corruption risk assessment, including coping with difficulties, irregularities and breakdowns in routine

• fraud and corruption risk assessment conducted in a range of (3 or more) contexts (or occasions, over time)

Assessment methods should reflect workplace demands, such as literacy, and the needs of particular groups, such as:

• people with disabilities
• people from culturally and linguistically diverse backgrounds
• Aboriginal and Torres Strait Islander people
• women
• young people
• older people
• people in rural and remote locations

Assessment methods suitable for valid and reliable assessment of this competency may include, but are not limited to, a combination of 2 or more of:

• case studies
• portfolios
• projects
• questioning
• scenarios
• simulation or role plays
• authenticated evidence from the workplace and/or training courses

For consistency of assessment   Evidence must be gathered over time in a range of contexts to ensure the person can achieve the unit outcome and apply the competency in different situations or environments

Range Statement

The Range Statement provides information about the context in which the unit of competency is carried out. The variables cater for differences between States and Territories and the Commonwealth, and between organisations and workplaces. They allow for different work requirements, work practices and knowledge. The Range Statement also provides a focus for assessment. It relates to the unit as a whole. Text in **bold italics** in the Performance Criteria is explained here.

Risk assessment **may include:**	• fraud and corruption risks identified in isolation or as part of a broader risk management strategy
	• a risk assessment methodology developed in-house, its development outsourced or adopted from a standards-setting organisation's guidelines (such as Australian and New Zealand standards - AS/NZS 4360:1999 or as revised)
	• a risk assessment undertaken in-house or outsourced
	• a risk assessment conducted across the agency as a whole, and may include recent changes to the structure or nature of service delivered by the agency
	• a fraud and corruption risk assessment undertaken in a number of ways including a single process covering all functions and areas of an agency, using a sample of areas, or in a rolling program
Change **may include:**	• the introduction of outsourcing
	• policy changes
	• community concerns
	• statutory changes affecting the area of operation
	• introduction of quality management systems
	• change in structure or nature of service delivery
	• other changes that impact on internal controls
Risk management standards **refers to:**	• Australian and New Zealand standards - AS/NZS 4360:1999 or as revised
Advice **may relate to:**	• need to alert key people when problems arise
	• fraud and corruption risk controls and compliance measures
	• areas in which controls may be excessive
Stakeholders **may include:**	• agency staff and senior management
	• contractors and consultants
	• standards-setting organisations
Effectiveness of fraud and corruption control strategy **may be affected by:**	• management support
	• building positive relationships with other staff

Unit Sector(s)

Not applicable.

Competency field

Fraud Control.