Australian Government

Department of Education, Employment and Workplace Relations

PSPFRAU602B Manage fraud risk assessment and action plan

Release 3

INDUSTRY SKILLS COUNCILS
Creating Australia's Future

PSPFRAU602B Manage fraud risk assessment and action plan

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 management of risk assessment for fraud/corruption, where personnel conducting the risk assessment may be internal staff or consultants. It includes applying organisational philosophy regarding risk, selecting a risk assessment methodology, and establishing reporting and review mechanisms.

Fraud in the unit title incorporates both *fraud and corruption*.

In practice, managing fraud/corruption risk assessment and action plan may overlap with other generalist or specialist public sector workplace activities such as managing compliance with legislation and ethics requirements, managing risk, networking, implementing policy, managing change, etc.

This unit replaces and is equivalent to PSPFRAU602A Manage fraud risk assessment and action plan.

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. **Apply organisational philosophy regarding risk**	1.1 ***Stakeholders*** are consulted in the management of the fraud/corruption ***risk assessment*** process. 1.2 Cultural, ethical and economic perspectives of the organisation are acknowledged and applied when making decisions regarding the development and implementation of the risk assessment process in the organisation.
2. **Select risk assessment methodology**	2.1 Selection of risk assessment methodology is based on an evaluation of a range of fraud/corruption risk management techniques, and *factors* such as the environment, culture and functions of the organisation. 2.2 Methodology is selected to meet the ***Australian standard for risk management***, is compatible with the organisation's environment, culture, structure and core business and is able to be applied across all the organisation's programs and services. 2.3 Activities of personnel implementing the fraud/corruption risk assessment methodology are monitored in accordance with organisational policy and procedures.
3. **Establish reporting and review mechanisms**	3.1 The identification of appropriate actions to be implemented is included in reporting mechanisms. 3.2 Review mechanisms are established that acknowledge the need for flexibility and the ongoing nature of the fraud/corruption risk assessment process. 3.3 Reporting mechanisms are established to allow for advice to be provided at opportune times to facilitate a flexible response by management to any deficiencies identified. 3.4 Reporting mechanisms are established to meet the requirements of standards-setting organisations.

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:

- using a range of communication, consultation and negotiation styles to suit different audiences and purposes
- responding to diversity, including gender and disability
- effectively managing any consultants used to conduct the fraud/corruption risk assessment
- applying occupational health and safety and environmental procedures in the context of managing fraud/corruption risk assessments and action plans

Knowledge requirements

- Look for evidence that confirms knowledge and understanding of:
- agency corporate plan and nature of service provided by the agency
- external reporting requirements
- risk profile of the agency
- risk management standards and techniques
- control framework operating in the agency
- how the fraud/corruption risk assessment methodology addresses the agency-relevant criteria for measuring risk
- public sector legislation, policies and procedures including anti-discrimination and diversity legislation, occupational health and safety, and environment in the context of fraud/corruption control

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: 　• PSPETHC601B Maintain and enhance confidence in public service 　• PSPGOV601B Apply government systems 　• PSPGOV602B Establish and maintain strategic networks 　• PSPLEGN601B Manage compliance with legislation in the public sector 　• PSPMNGT604B Manage change 　• PSPMNGT608B Manage risk 　• PSPMNGT611A Manage evaluations 　• PSPPOL603A Manage policy implementation
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) • management of fraud/corruption risk assessment and action plans in a range of (2 or more) contexts (or occasions, over time)
Resources required to carry out assessment	These resources include: • legislation, policy and procedures relating to fraud/corruption control • fraud/corruption control guidelines and standards • public sector values and codes of conduct • case studies and workplace scenarios to capture the range of fraud/corruption risk assessment situations likely to be encountered
Where and how to assess evidence	Valid assessment of this unit requires: • a workplace environment or one that closely resembles normal work practice and replicates the range of conditions likely to be encountered when managing fraud/corruption risk assessment

and action plans, including coping with difficulties, irregularities and breakdowns in routine

- management of fraud/corruption risk assessment and action plan in a range of (2 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
- 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.	

Stakeholders may include:	• agency staff and senior management • agency clients • contractors and consultants • industry associations • internal/external audit personnel • standards-setting organisations
Risk assessment may include:	• fraud/corruption risks identified in isolation or as part of a broader risk management strategy • assessments conducted across the agency as a whole and may include recent changes to the structure and nature of the service delivered by the agency • a single process assessing all functions and areas of an agency at the same time, a process that samples a number of agency functions or areas (rather than assessing them all), or a rolling program where all areas or functions are assessed sequentially rather than at the same time
Factors affecting fraud/corruption risk management may include:	• agency size • program type and size • outsourcing • program and service changes • statutory and policy changes • data exchange
Australian standard for risk management is:	• AS/NZS 4360:1999 or as revised

Unit Sector(s)

Not applicable.

Competency field

Fraud Control.