



Australian Government

Department of Education, Employment and Workplace Relations

PSPFRAU502B Anticipate and detect possible fraud activity

Revision Number: 2

PSPFRAU502B Anticipate and detect possible fraud activity

Modification History

PSPFRAU502B Release 2: Layout adjusted. No changes to content.

PSPFRAU502B Release 1: Primary release.

Unit Descriptor

This unit covers the activities required to undertake strategic analysis and detection of corruption or fraudulent activities. It includes hypothesising fraud and corruption situations, initiating projects to test newly identified risk areas, analysing trends in fraud and corruption activities and investigations, recommending courses of action and providing information on recommended actions.

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

In practice, anticipating and detecting possible fraud and corruption activity may overlap with other generalist or specialist public sector workplace activities such as acting ethically, promoting compliance with legislation, delivering client services, conducting fraud and corruption risk assessment, etc.

This unit replaces and is equivalent to PSPFRAU502A Anticipate and detect possible fraud activity.

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. Hypothesise fraud and corruption situations	1.1 Hypotheses are formulated and guidelines specified for input into information system design.
	1.2 Data and information is collected from a variety of sources and <i>methods</i> including fraud/corruption records, audit records, fraud/corruption <i>risk</i> assessment, past investigations and other organisations.
	1.3 Hypothetical fraud and corruption situations are used to identify new potential risk areas.
2. Initiate projects to test newly identified risk areas	2.1 New <i>projects</i> are initiated and parameters defined in accordance with fraud/corruption control plan.
	2.2 Significance and value of the project are justified and are consistent with the fraud/corruption control strategy and plan and strategy.
	2.3 Previous and ongoing activities in the relevant areas are reviewed for their contributions to the outcomes of the project.
	2.4 Project activities are designed utilising current knowledge, methods and techniques for the identification of risks.
3. Analyse trends in fraud and corruption activities and investigations	3.1 All project and investigation outcomes are reviewed to identify emerging patterns of behaviour reflected in data.
	3.2 Conclusions are drawn from data and statistical information as well as qualitative sources including information gathered and reports from previous investigations.
	3.3 Risks and strengths are identified as a result of a project's analysis of trends inside and outside the organisation.
	3.4 Discussion with colleagues and other experienced organisational staff is used as additional source of information on trends.
	3.5 Networks are used to provide useful contacts and information for investigation in accordance with <i>legislative requirements</i> .
	3.6 Performance reports are produced which identify trends in fraud and corruption activities and investigations.
4. Recommend course/s of action	4.1 All relevant elements are considered during <i>evaluation</i> , prior to recommending course of <i>action</i> .
	4.2 Investigation targets are identified, and suggestions for future areas of investigation are referred to management.
	4.3 <i>Recommendations</i> are made for changes to organisational controls and initiatives to target potential trouble spots.
	4.4 Data is checked for reliability, and practical recommendations are made providing management with feasible options.
	4.5 Management issues and concerns are balanced against public

ELEMENT**PERFORMANCE CRITERIA**

- interest and political concerns when framing recommendations.
- 4.6 Recommendations are made that balance operational demands against contributions to strategic plan.
- 5. Provide information on recommended actions**
- 5.1 Reports are provided containing suggestions for actions and sufficient supporting information for management to adequately resource future projects.
- 5.2 Advice is provided regarding appropriate controls and initiatives required to address fraud and corruption.
- 5.3 Operational briefings and other presentations are prepared and given as required.
- 5.4 Ad hoc opportunities to explain operational risks are taken advantage of, as they arise.
- 5.5 Information is given in terms that clearly explain the nature of possible risk, with possible solutions outlined.

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:

- analysing trends in fraud and corruption activities and investigations
- hypothesising fraud and corruption situations
- using a range of communication and negotiation styles to suit different audiences and purposes
- undertaking the timely detection of fraud and corruption and the identification of fraud and corruption trends
- effectively utilising staff and other personnel in the investigation of trends
- explaining complex concepts and recommendations relating to risk control
- responding to diversity, including gender and disability
- applying occupational health and safety and environmental procedures in the context of fraud and corruption anticipation and detection

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- agency structure and core business activities
- legislation, policies and procedures relating to anticipation and detection of fraud and corruption activities, including privacy and confidentiality requirements
- agency procedures relating to public interest disclosures, protected disclosures or whistleblowing legislation
- 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/corruption control plan
- internal and external reporting guidelines
- best practice initiatives in fraud and corruption control
- anti-discrimination and diversity legislation

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 must be achieved prior to this unit: *Nil*
- *Co-requisite* units that must be assessed with this unit: *Nil*
- *Co-assessed units* that may 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

PSPFRAU504B Conduct fraud risk assessments

PSPFRAU505B Develop fraud control plans

PSPGOV502B Develop client services

PSPGOV504B Undertake research and analysis

PSPLEGN501B Promote compliance with legislation in the public sector

PSPREG502A Coordinate investigation processes

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)
- detection of possible fraud and corruption activity 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, including privacy and confidentiality requirements
- methods for anticipating and detecting possible fraud and corruption activity
- fraud and corruption control guidelines
- fraud investigation standards
- agency procedures relating to public interest disclosures, protected disclosures or whistleblowing legislation
- public sector values and codes of conduct
- case studies and workplace scenarios to capture the range of fraud and corruption 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 anticipating and detecting possible fraud and corruption activity, including coping with difficulties, irregularities and breakdowns in routine
- detection of possible fraud and corruption activity 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
- 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 *italics* in the Performance Criteria is explained here.

Methods used to anticipate or detect possible fraud and corruption may include:

- the analysis of information about fraud and corruption received in the agency
- the analysis of information about fraud and corruption compiled by an external agency
- analysis of fraud and corruption cases reported and/or investigated
- analysis of data matching across program areas
- incidence of and reasons for any discrepancy
- analysis of other/similar agency risks and trends, both national and international

Identification of risks may come from:

- analysis of trends in data
- analysis of information coming from inside or outside the agency

Projects may include:

- large data matching/analysis exercises
- information gathering operations
- targeting particular types of fraud and corruption
- targeting new or changed operations within the agency
- targeting specific areas identified from larger scale trend analysis
- testing program methodology
- targeting specific groups in agency programs
- researching
- surveying

Legislative requirements may include:

- privacy
- confidentiality

Evaluation criteria may include:

- political implications of fraud and corruption control and their impact on government policy
- public interest factors
- revenue limitations
- strategic direction and organisational values of the agency
- the variety of agency functions in which fraud and corruption may occur
- changes to agency operations
- information gathering or accessing powers and limitations
- various sources of information or data

- Actions*** may include:
- likely outcome
 - workloads
 - application of privacy and confidentiality provisions
 - the preparation of operational briefing material
 - initiation of a particular investigation
 - recommendation for legislative change
 - administrative change
 - changes to agency policy and procedures
 - review of position descriptions or organisational structure
 - improved awareness through education
 - referral to another agency
 - seeking opinion from prosecution agencies
- Recommendations*** may include:
- staffing issues
 - cultural change
 - fraud and corruption controls

Unit Sector(s)

Not applicable.

Competency field

Fraud Control.