



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **PSPFRAU601B Develop fraud control strategy**

**Revision Number: 3**

## PSPFRAU601B Develop fraud control strategy

### 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 development of a fraud/corruption control strategy as an integral part of the broader corporate management strategy for an organisation. It includes identifying organisational needs and obligations, benchmarking the fraud/corruption control strategy, assessing stakeholder and environmental considerations, developing and implementing the organisation's fraud/corruption control strategy and analysing and reviewing the effectiveness of the strategy.

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

In practice, developing a fraud/corruption control strategy 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 PSPFRAU601A Develop fraud control strategy.

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. <b>Identify organisational needs and obligations</b>	<p>1.1 <i>Obligations</i> of the organisation are researched based upon the concept of fraud and corruption as both ethical and law enforcement issues that impede effective performance of the organisation's core business.</p> <p>1.2 All formal internal and external reporting requirements are identified</p> <p>1.3 Organisational data analysis and information needs for fraud and corruption detection are identified in line with privacy, confidentiality and law enforcement policy and legislative requirements.</p> <p>1.4 A strategic management approach to the prevention of corruption/fraudulent activities is reflected in the <i>needs identification</i>.</p> <p>1.5 Organisational responsibility for the coordination, monitoring, implementation, ongoing review and promotion of the organisation's strategy is identified and agreed in consultation with senior management.</p> <p>1.6 Organisational responsibility is identified and agreed for the protection of persons who provide information under legislation related to public interest disclosures, protected disclosures or whistleblowing legislation.</p>
2. <b>Benchmark fraud/corruption control strategy</b>	<p>2.1 Performance indicators are identified to facilitate benchmarking the fraud/corruption control strategy.</p> <p>2.2 Best practice examples are utilised in the development of benchmarks.</p> <p>2.3 Standards-setting organisations are utilised where appropriate to assist in the identification of benchmarks relative to the organisation's needs and core business.</p>
3. <b>Assess stakeholder and environmental considerations</b>	<p>3.1 Client entitlements such as right to privacy, confidentiality, freedom from reprisals, and freedom of information, are incorporated.</p> <p>3.2 Issues such as profile of clients, corporate history and culture and staffing profile are considered.</p> <p>3.3 Constraints of operating environment, such as staff shortages, geographical spread of staff and budgeting constraints, are taken into consideration.</p> <p>3.4 Client and community expectations are considered.</p> <p>3.5 Management perspectives are identified through consultations with those with relevant responsibilities in terms of the organisation's business, and those with overall responsibility for oversight and implementation of fraud/corruption control in the organisation.</p>
4. <b>Develop</b>	4.1 Balance between compliance <i>requirements</i> and operational

ELEMENT	PERFORMANCE CRITERIA
<p><b>organisation's fraud/corruption control strategy</b></p>	<p>pressures is achieved.</p> <p>4.2 Strategies are identified to enable constant updating of the <i>fraud/corruption control strategy</i> to incorporate changing and newly identified risks.</p> <p>4.3 Key factors such as the organisational environment and core business are incorporated within the fraud/corruption control strategy.</p> <p>4.4 Internal and external strategies are recommended based on assessment of relevant factors.</p> <p>4.5 Internal and external <i>quality assurance</i> is incorporated into the strategy with responsibility for maintaining quality assurance allocated in accordance with organisational policy and procedures.</p> <p>4.6 Strategy is accepted by authorities within the organisation and meets the requirements of the relevant standards-setting organisations.</p>
<p><b>5. Implement fraud/corruption control strategy</b></p>	<p>5.1 Initiatives required to minimise fraud and corruption are developed in consultation with <i>stakeholders</i>.</p> <p>5.2 Timeframe for implementation of strategy is identified based upon an understanding of resource ramifications.</p> <p>5.3 Areas within the organisation responsible for actions to minimise fraud and corruption are identified.</p> <p>5.4 Procedures are developed for the reporting of information and the protection of persons who provide information under public interest disclosures, protected disclosures or whistleblowing legislation.</p> <p>5.5 Consultations with relevant personnel are undertaken to facilitate a shared understanding of responsibilities.</p>
<p><b>6. Analyse and review effectiveness of strategy</b></p>	<p>6.1 Review is structured to incorporate key features of the strategy and is underpinned by the need for the strategy to be holistic and comprehensive.</p> <p>6.2 Regular reviews are undertaken to accommodate lessons learnt during application of the strategy.</p> <p>6.3 Feedback mechanisms are established.</p> <p>6.4 Reporting mechanisms are established to provide <i>information</i> to senior management about effectiveness of the strategy measured against objectives, and to provide advice regarding changes to management practices to enhance effectiveness of the strategy.</p> <p>6.5 Results of analysis and review are incorporated to improve fraud and corruption control.</p>

## 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:

- undertaking analysis and strategic development
- incorporating essential attributes of an effective fraud/corruption control policy into the strategy
- consulting with senior management regarding the integration of the fraud/corruption control strategy with the broader corporate objectives
- using a range of liaison and communication styles to suit different audiences and purposes
- responding to diversity, including gender and disability
- applying occupational health and safety and environmental procedures in the context of developing and implementing fraud/corruption information systems

### Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- the concepts of fraud/corruption risk management
- risk management standards and techniques
- agency corporate objectives and policy planning processes
- the relationship between the fraud/corruption control strategy and the corporate goals and management practice of the agency
- external reporting requirements
- risk profile of the agency
- control framework operating in the agency
- jurisdictional fraud/corruption control requirements
- legislation and procedures relating to public interest disclosures, protected disclosures or whistleblowing
- public sector legislation, policies and procedures including anti-discrimination and diversity legislation, occupational health and safety, and environment

## 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:
  - PSPETHC601B Maintain and enhance confidence in public service
  - PSPFRAU603B Manage fraud control awareness
  - PSPFRAU605B Review fraud control activities
  - 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)
- development of a fraud/corruption control strategy 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
- legislation and procedures relating to public interest disclosures, protected disclosures or whistleblowing
- public sector values and codes of conduct
- case studies and workplace scenarios to capture the range of fraud/corruption control requirements 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 developing fraud/corruption control strategy, including coping with difficulties, irregularities and breakdowns in routine
- development of a fraud/corruption control strategy 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.

<p><b><i>Obligations</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• promotion of effective delivery of service</li> <li>• management of public resources to protect against losses through fraud, corruption, waste, mismanagement and abuse</li> <li>• management of human resources to ensure employees' rights and responsibilities are upheld</li> <li>• promotion of ethical behaviour, and accountability</li> <li>• protection of persons who provide information under public interest disclosures, protected disclosures or whistleblowing legislation</li> <li>• risk management</li> <li>• evaluation</li> </ul>
<p><b><i>Needs identification</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• consultation with:             <ul style="list-style-type: none"> <li>• staff</li> <li>• peers</li> <li>• clients</li> <li>• fraud/corruption prevention network</li> <li>• relevant standards-setting organisations</li> </ul> </li> </ul>
<p><b><i>Requirements to be incorporated</i></b> may include:</p>	<ul style="list-style-type: none"> <li>• legislative and judicial requirements relevant to the jurisdiction</li> <li>• guidelines and legislative requirements from standards-setting organisations relevant to the jurisdiction</li> </ul>
<p><b><i>Attributes of a fraud/corruption control strategy:</i></b></p>	<ul style="list-style-type: none"> <li>• may vary from agency to agency but should include:             <ul style="list-style-type: none"> <li>• integration into the broader policies and values of the agency</li> <li>• internal and external fraud and corruption reporting systems</li> <li>• external notification</li> <li>• investigation standards</li> <li>• fraud/corruption risk assessment</li> <li>• responsibility structures</li> <li>• employee and customer and community awareness</li> <li>• conduct and disciplinary standards</li> <li>• procedures for providing information under public interest disclosures, protected disclosures or whistleblowing legislation</li> <li>• protection of persons who provide information under public</li> </ul> </li> </ul>

	interest disclosures, protected disclosures or whistleblowing legislation
<i>Quality assurance processes</i> may include:	<ul style="list-style-type: none"> <li>• internal review</li> <li>• external review</li> </ul>
<i>Stakeholders</i> may include:	<ul style="list-style-type: none"> <li>• relevant government Ministers</li> <li>• agency staff and senior management</li> <li>• agency clients</li> <li>• community and lobby groups</li> <li>• contractors and consultants</li> <li>• suppliers</li> <li>• industry associations</li> <li>• other agencies with an interest in fraud/corruption control including standards-setting bodies</li> <li>• law enforcement agencies</li> <li>• prosecution agencies</li> <li>• internal/external audit</li> </ul>
<i>Effective channels for information dissemination on the strategy</i> may include:	<ul style="list-style-type: none"> <li>• public documents</li> <li>• internal documents, for example fraud/corruption control plan</li> <li>• training and awareness sessions</li> <li>• contact with press networks</li> <li>• consultation with industry organisations, clients, community groups and watchdogs</li> <li>• electronic communication such as intranet, Internet and email</li> </ul>

## Unit Sector(s)

Not applicable.

## Competency field

Fraud Control.