



Biodiversity  
Conservation  
Trust

# Fraud and Corruption Control Policy

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## 1. Introduction

The Biodiversity Conservation Trust of NSW (BCT) is a statutory not-for-profit entity established by the *Biodiversity Conservation Act 2016* (the Act). It is managed by a Board accountable to the Minister for Climate Change, Energy, the Environment, and Heritage. The BCT is a statutory entity of the NSW Department of Climate Change, Energy, the Environment and Water (the **Department**).

The BCT encourages and supports landholders in conserving biodiversity across NSW, offering conservation agreements via a range of programs. It does this by:

- encouraging private landholders with land of strategic biodiversity value to enter conservation or wildlife refuge agreements
- purchasing land and reselling it with a conservation agreement registered on the title
- providing educational resources and technical advice to landholders and supporting conservation programs initiated or overseen by BCT or other government agencies
- establishing strategic investment and philanthropic partnerships
- undertaking activities as part of its role in the Department's Biodiversity Offsets Scheme.

The BCT's activities are subject to fraud and corruption risks. Applying this BCT Fraud and Corruption Control Policy (**Policy**) is essential to mitigating potential occurrences.

## 2. Purpose

The Board of the Biodiversity Conservation Trust of NSW has a zero-tolerance policy for fraud and corruption. Integrity is key; all BCT staff adhere to the Department's Code of Ethics and Conduct, and probity measures are implemented in accordance with the BCT Probity Framework.

The BCT is vigilant in preventing, detecting and controlling related risks and is committed to referring any identified breaches, including potential ones, to the appropriate body for investigation. The BCT makes reporting fraud and corruption easily accessible to staff and the public.

This Policy outlines that the BCT incorporates integrity (behaviour and culture) and prevention, detection, and response (practices) in its operations to mitigate fraud and corruption.

Whilst DCCEEW fraud and corruption information is pertinent and may be referred to, staff are to apply this BCT Policy as it is purposefully structured to align with our business objectives and activities that connect, protect, and enhance biodiversity with private landholders.

Note: definitions and abbreviations in this Policy are defined in Appendix 8.1.

### 3. Legislation and application

This Policy supports all employees, including governing and accountable authorities, in effectively discharging their responsibilities per:

- Australian Standard Fraud and Corruption Control (**AS 8001: 2020**)
- NSW Treasury Circular NSW Fraud and Corruption Control Policy (**TC18-02**)
- Guidance from the NSW Independent Commission Against Corruption (ICAC)
- DCCEEW Fraud and Corruption Control Policy, 2024
- See also 7. Related documents.

This Policy applies to all employees, including any person, whether remunerated or not, employed on a permanent, temporary or casual basis, contractors, consultants, the BCT Board and subcommittees, and external committee members working with the BCT.

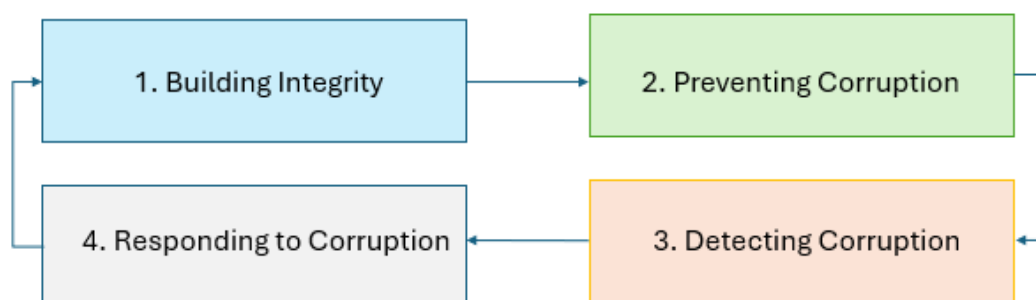
All BCT employees must be aware of and comply with the Policy. During their engagement, external consultants, contractors, volunteers, and committee members must also know the BCT's expectations regarding fraud and corruption control.

### 4. Policy: fraud and corruption activity sets

The BCT Fraud and Corruption Control System (FCCS) outlines the actions (including this Policy) through which the BCT minimises the incidence and impact of fraud and corruption. These actions operate across four 'activity sets' explored in the sections below.

1. building integrity
2. preventing corrupt conduct
3. detecting corrupt conduct
4. responding to integrity breaches.

Figure 1: Activity Sets



The following sections specify the BCT's arrangements across the four Activity Sets.  
Additional detail is provided in the separate Fraud and Corruption Control Plan document.

## 4.1 Building integrity

**Activity set 1:** BCT builds the mitigation of fraud and corruption into its strategy, operations and culture.

### 4.1.1 Strategy, operations and culture

The Department's Code of Ethics and Conduct and the BCT Probity Framework are key components of the BCT FCCS, ensuring that integrity is built into the BCT's culture and operations. This is reinforced through the BCT Risk Management Framework and tested via the BCT internal audit program. Fraud and corruption risks are identified, mitigated and managed within each branch and escalated to the enterprise level as required.

Further, employee recruitment and performance management processes incorporate fraud and corruption control requirements. This includes pre-employment screening, declaration of conflict of interest, and the mandatory requirement to abide by the Code of Ethics and Conduct.

### 4.1.2 Governance

The BCT Audit and Risk Committee (**ARC**) assists the BCT Board by overseeing and monitoring governance, risk and control frameworks, and external accountability requirements.

The Department Secretary delegates responsibility (but not accountability) for meeting legislative compliance and government requirements to the BCT Chief Executive Officer (**CEO**), who oversees BCT operations related to fraud and corruption control.

The fraud and corruption management function is in the BCT Strategy and Finance Branch, and the related Director is authorised to operationalise it.

The Executive Committee, ARC and the Board receive quarterly papers that include fraud and corruption:

- Governance paper\*: FCCS-related activity, including breaches
- Chief Risk Officer (CRO) paper: fraud and corruption risks, controls and treatments
- Chief Financial Officer (CFO) paper: fraud and corruption activity, including controls specific to the finance function
- Chief Audit Executive paper: assessment of controls that limit fraud and corruption

\*by the Director of Strategy and Finance.

The ARC receives an annual fraud and corruption control report that includes the following:

- any incidents of fraud and corruption, de-identified as required
- Fraud and Corruption Control Plan activities conducted
- changes to government guidance concerning fraud and corruption control
- changes to BCT's fraud and corruption risk profile
- advice and any changes recommended from the ARC/Board or the Department to the FCCS.

The above assures the annual attestation of compliance with NSW Treasury Policy *TPP20-08: Internal Audit and Risk Management Policy for the General Government Sector*, and *TPG24-08 CFO Certification on the Internal Control Framework over Financial Systems and Information* to the Board, Minister and Auditor-General of NSW.

## 4.2 Preventing corrupt conduct

**Activity set 2:** BCT seeks to prevent fraud and corruption by undertaking reviews and awareness activities at regular periods.

### 4.2.1 Opportunity reduction

Fraud and corruption offences are often opportunistic—an offence is committed if an opportunity presents itself. Per government direction and standards, the Department ensures that virtual business operations are resilient to fraud and corruption. BCT extends this resilience to its day-to-day activities across the business, including physical aspects (persons, premises, property, etc.).

A BCT-wide fraud and corruption ‘deep dive’ risk assessment is undertaken every two (2) years or when there is a substantial change in the structure and functions of workplace activities. The risk assessment is undertaken per the BCT FCCS and legislative context outlined in Section 3. Operational resilience to fraud and corruption is enhanced, with fraud and corruption risks being reviewed at least quarterly via the branch and enterprise risk reviews, as well as audits, spot checks, or reviews of controls, such as processes.

### 3.2.2 Awareness and deterrence

Employees are expected to seek to maintain their understanding of the behaviours that might result in fraud or corrupt conduct, especially concerning resources, decision-making, and information assets, as well as the fraud and corruption risks associated with the activities in which they are involved. Employees complete the mandatory Code of Ethics and Conduct e-module and declare a conflict of interest annually. They are also expected to know the policy on staff participation in the BCT’s Programs and branch/team-specific fraud and corruption risks.

People leaders are expected to raise awareness of fraud and corruption within their branch or team and seek to understand their responsibility in receiving reports of fraud and corruption, including under public interest disclosure. When recruiting, fraud and corruption are considered relevant to the role, including following the Department protocol for employees' participation in the Biodiversity Offsets Scheme. This extends to service providers' engagement and management, including the provision of the BCT Statement of Business Ethics.

BCT governance team ensures that employees are regularly made aware of their fraud and corruption control responsibilities as a means of deterrence. An annual governance awareness schedule includes the Code of Ethics and Conduct (fraud and corruption control, mandatory declarations including gifts-benefits-hospitality, how to report serious wrongdoing, etc.), Fraud and Corruption Awareness Week, specific recruitment guidance, and public interest disclosure. Tailored awareness occurs for high-risk areas, including recruitment and induction, grants, procurement, Biodiversity Offsets Scheme, and finance.

## 4.3 Detecting corrupt conduct

**Activity set 3:** The BCT seeks to identify all instances of fraud and corruption, including failed attempts.

### 4.3.1 The Department’s detection role and activities

The Department Secretary's delegations and the Service Partnership Agreement outline the Department's role and activities in detecting fraud and corruption on behalf of the BCT. For instance, the Department's corporate services function provides red-flag reports on purchase card use and suspicious invoices to the BCT.

#### **4.3.2 The BCT's detection role and activities**

The BCT undertakes specific fraud and corruption detection outside the Department's role and activities. For instance:

- *Financial*: ongoing financial activity assessment to identify fraud and corruption indicators.
- *Internal audits*: regular (every three years) internal audit specific to the BCT FCCS. Other scheduled audits may also be scoped to consider fraud and corruption, especially high-risk activities.
- *External audits*: reports of significant and relevant audits are reviewed for continual improvement of the BCT FCCS.
- *Spot checks/red flag reporting*: on high-risk activities, such as procurement or key decisions. These are scheduled or ad hoc and undertaken by an independent person.

The BCT considers indicators of fraud and corruption that arise, including, for example:

- *External environment*: systematic scanning and monitoring to identify fraud and corruption risks to which BCT may be exposed.
- *External complaints (level 3), Code breaches, and investigations*: reviewing the outcomes to enhance the BCT FCCS.
- *Declarations*: reviewing quarterly conflict of interest and Code of Ethics and Conduct reports.
- *Exit interviews*: employees leaving the BCT may raise fraud and corruption matters.
- *Serious wrongdoing*: outcomes of suspected or actual fraud and corruption reports.

## **4.4 Responding to corrupt conduct**

**Activity set 4:** All fraudulent and corrupt conduct is handled appropriately per relevant legislation, Department policy, and the BCT FCCS.

#### **4.4.1 Submitting a fraud and corruption report**

All staff are encouraged to speak up and report suspected or actual fraud and corruption. Suspected or actual fraud or corruption by employees is reported immediately to the BCT Director Strategy and Finance for submission to the Department's Ethics team for investigation (see 3.4.2 Investigation).

However, in some instances, persons making a report may seek protection and/or choose to make anonymous reports. This aligns with the Department's Public Interest Disclosure Policy (PID Policy) per related legislation. Per the PID Policy, there are various ways to submit a report. Current information is maintained on the BCT intranet, including links to Department information and NSW integrity authorities.

External persons, including service providers and the public, can access the BCT website for information on reporting fraud and corruption and seeking public interest disclosure protections and anonymity.

[Integrity authorities](#)

Reports of suspected or actual fraud and corruption may be submitted directly to the Independent Commission Against Corruption (ICAC). The NSW Police and other integrity authorities may become involved if required. For instance, reports of serious discrepancies affecting the BCT's annual financial audit and financial statements may be submitted to the Audit Office of NSW.

#### **4.4.2 Receiving a fraud and corruption report**

Depending on an employee's role, there are specific responsibilities for those receiving reports of fraud and corruption. For instance, the Director of Strategy and Finance receives all reports directly or via the relevant People Leader, except when a public interest disclosure is in place.

#### **4.4.3 Investigation of fraud and corruption**

The Department confidentially investigates allegations of fraud and corruption by an employee on behalf of the BCT, per the Service Partnership Agreement and the *Public Interest Disclosures Act 2022* (s81). The Department undertakes investigations per the *NSW Government Sector Employment Act 2013* and relevant guidelines.

The Department prepares a report on the investigation, including the outcome, and makes recommendations to the BCT Chief Executive Officer. The ARC and BCT Board receive updates on the status of investigations, associated recommendations and the BCT response.

An integrity authority-led investigation is confidential. Employees contacted directly by an investigating authority are to advise the Director of Strategy and Finance immediately unless the authority advises that complete confidentiality is to be maintained.

Employees are expected to cooperate with and maintain the confidentiality of fraud and corruption investigations conducted by the Department or an integrity authority(s).

## **5. Failure to comply with this Policy**

Failure to comply with this Policy breaches the Code of Ethics and Conduct, and appropriate corrective action will be taken.

## **6. Policy review**

This Policy is reviewed every two (2) years from the date the document is approved and at other times in response to changes to relevant standards, legislation, Department policy and BCT context and operating environment.

## 7. Related documents

### 7.1 BCT Fraud and Corruption Control System (FCCS)

- BCT Fraud and Corruption Control System (FCCS)
  - Risk Appetite Statement on fraud and corruption
  - Fraud and Corruption Control Plan
  - Fraud and Corruption Awareness Program
  - Fraud and Corruption Control Guide and Library
  - Fraud and corruption control risk register
- Staff participation in BCT programs policy 2021
- Probity Framework
- Risk Management Framework
- Statement of Business Ethics.

### 7.2 Department policies and resources

- Code of Ethics and Conduct
- Public Interest Disclosure Policy – reporting serious wrongdoing
- Gifts, Benefits and Hospitality Policy
- NSW Biodiversity Offsets Scheme Protocol
- External Service Related Complaints Policy 2024 - Level 3 external

### 7.3 External resources

- Australian Standard ISO 8001: 2021 Fraud and Corruption Control
- Australian Standard ISO 37001: 2019 Anti-Bribery Management System
- NSW Treasury Circular TC18-02 NSW Fraud and Corruption Control Policy
- NSW Treasury Policy TPP 20-08: Internal Audit and Risk Management Policy for the General Government Sector
- NSW Treasury TPG24-08 CFO Certification on the Internal Control Framework over Financial Systems and Information
- NSW ICAC guidance, including Assessing Corruption Control Maturity, 2023
- NSW *Independent Commission Against Corruption Act 1988*
- NSW *Public Interest Disclosure Act 2022*
- NSW *Government Sector Employment Act 2013*
- NSW *Government Sector Finance Act 2018*
- *Commonwealth Crimes Act 1900*
- Commonwealth Attorney General's Fraud Control Framework Guidance – 'Resource Management Guide No. 201 - Preventing, detecting and dealing with fraud'

## 8. Appendices

### 8.1 Definitions and abbreviations

Term	Definition
Audit and Risk Committee (ARC)	ARCs are committees established per NSW Treasury Policy TPP20-08 (Internal Audit and Risk Management Policy) to monitor, review and provide advice about the department's governance processes, risk management and internal control frameworks, and external accountability obligations.
Corruption (Corrupt Conduct)	<p>It is an intentional wrongdoing, not negligence or a mistake. It has to involve or affect a NSW public official or public sector organisation.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>a public official improperly uses, or tries to use improperly, the knowledge, power or resources of their position for personal gain or the advantage of others</li> <li>a public official dishonestly exercises their official functions, or improperly partially exercises their official functions, breaches public trust or misuses information or material acquired during their official functions</li> <li>a member of the public influences, or tries to influence, a public official to use their position in a way that affects the probity of the public official's exercise of functions</li> <li>a member of the public engages in conduct that could involve one of the matters set out in section 8(2A) of the ICAC Act where such conduct impairs, or could impair, public confidence in public administration.</li> </ul> <p>(Source: Sections 7, 8 &amp; 9 of the ICAC Act 1988)</p>
Employee	A person employed in ongoing, term, temporary, casual or other employment, or on secondment to the BCT. Employees also include contingent labour (contractors) and volunteers appointed formally for this policy.
Fraud	<p>Dishonestly obtaining a benefit, or causing a loss, by deception or other means.</p> <p>Examples include theft, accounting fraud (e.g., false invoices, misappropriation), misuse of Government credit cards, and unlawful use of property (including information), equipment, material, or services.</p> <p>(Source: NSW Treasury Circular TC18-02 and Commonwealth Attorney General Resource Management Guide No. 201)</p>
Level 3 external complaints	Level 3 complaints are external complaints that go to an integrity authority, such as the NSW Ombudsman.
Public Interest Disclosure	An allegation of corruption, serious maladministration, serious and substantial waste, or breach of the Government Information (Public Access) Act 2009 (GIPA Act) made by a public official about a public official.
Public Official	For this Policy, refer to the definition of Employee. (Refer also to Section 3 of ICAC Act 1988)
Statement of Business Ethics	It sets out what commercial partners (service providers, contractors, consultants, and regular or large suppliers) can expect from the BCT in their engagement. It also sets out the BCT's expectations of commercial partners, including that they assist the BCT in preventing unethical practices in

	business relationships by reporting any misconduct related to the BCT's work.
Service provider/supplier	A person or organisation formally engaged in providing goods, services, or construction to BCT per procurement guidance.

## 8.2 Roles & responsibilities

This table outlines the roles and responsibilities of the BCT Board, Audit and Risk Committee, and employees in managing fraud and corruption. The BCT fraud and corruption control plan provides further details.

Role	Responsibilities
BCT Board	<ul style="list-style-type: none"> <li>Determine the appetite for BCT risk, including the appetite for fraud and corruption.</li> <li>Ensure appropriate strategies are in place to prevent and detect fraud and corruption per the BCT Fraud and Corruption System.</li> <li>Ensure effective governance and conformance with legal and policy obligations, including conformance with obligations under the <i>Crimes Act 1900</i> and the ICAC Act.</li> </ul>
Audit and Risk Committee (ARC)	<ul style="list-style-type: none"> <li>Provide independent assistance to the BCT Board by overseeing and monitoring governance, risk and control frameworks, and external accountability requirements</li> <li>Consider a quarterly fraud and corruption control status report from the Director of Strategy and Finance, informed by the activities of the fraud and corruption control plan, which provides oversight and advice throughout the year.</li> </ul>
Chief Financial Officer	<ul style="list-style-type: none"> <li>Provide the Chief Executive Officer with an annual certification of the internal control system supporting the BCT's financial information.</li> <li>Ensure that BCT's financial systems, processes, and activities are assessed on an ongoing basis to identify indicators of fraud and corruption.</li> </ul>
Chief Executive Officer	<ul style="list-style-type: none"> <li>Oversee the conduct of BCT operations relating to fraud and corruption control.</li> <li>Set the standard for ethical behaviour.</li> <li>Discharge external reporting obligations.</li> </ul>
Director Strategy & Finance	<ul style="list-style-type: none"> <li>Ensure the BCT fraud and corruption control system (FCCS) is structured and operates according to relevant standards and government requirements.</li> <li>Ensure regular awareness of the FCCS (and its components) is available through various communication channels, such as the BCT's intranet and internet, and reflects contemporary requirements.</li> <li>Ensure awareness of public interest disclosure (PID) and related resources per the department PID policy.</li> <li>Ensure implementation of the BCT fraud and corruption control policy, including implementing measures to prevent, detect and respond to fraud.</li> <li>Ensure employee engagement and performance management processes incorporate fraud and corruption control requirements. This includes pre-employment screening (e.g., declarations of conflicts of interest) and compliance with the Code of Ethics and Conduct once employees are engaged.</li> <li>Provide quarterly and annual fraud and corruption status reports to the Executive, ARC, and Board.</li> </ul>
Executive Committee	<ul style="list-style-type: none"> <li>Approve the BCT fraud and corruption control policy and plan.</li> <li>Consider the quarterly and annual fraud and corruption status reports.</li> </ul>

	<ul style="list-style-type: none"> <li>• Ensure fraud and corruption risks are identified and appropriate control measures are in place for their branch.</li> </ul>
Manager Governance	<ul style="list-style-type: none"> <li>• Develop, implement and maintain BCT's FCCS, including the control policy and plan.</li> <li>• Lead the fraud risk assessment process, monitor fraud risk assessment outcomes and provide outcomes to the Director Strategy &amp; Finance for quarterly and annual reporting.</li> <li>• Lead the implementation of audit recommendations related to fraud and corruption control.</li> <li>• Lead fraud and corruption awareness, including PID to BCT employees.</li> </ul>
Managers and People Leaders	<ul style="list-style-type: none"> <li>• Support the implementation of BCT's FCCS and its components, including the control policy and plan.</li> <li>• Follow PID policy guidance for receiving and referring reports of serious wrongdoing.</li> <li>• Monitor and actively manage fraud and corruption risks posed by conflicts of interest and seek to identify concealed conflicts of interest.</li> </ul>
All employees	<p>Considering the BCT Board has zero tolerance for fraud and corruption, all employees:</p> <ul style="list-style-type: none"> <li>• Comply with the requirements of BCT's FCCS, including processes.</li> <li>• Report any suspected fraud or corruption instances, following guidance for reporting serious wrongdoing, including PID policy.</li> <li>• Refrain from reprisal action where you or any other employee is implicated in any reported suspicion of fraud.</li> <li>• Attend FCCS awareness sessions and be cognisant of guidance provided on the BCT intranet.</li> </ul>