



Australian Government
Attorney-General's Department

Fraud and Corruption: A Guide for Policy Makers

*Principles and guidance to help strengthen
integrity in government policy and initiatives*



Introduction

If not appropriately considered and managed in the design phase, fraud and corruption can directly undermine the objectives of any government policy or initiative and lead to a range of harms. If not properly managed, fraud and corruption reduce public confidence in government, lead to higher taxes to pay for services, compound disadvantage and directly increase costs for all Australians. Fraud and corruption also have a corrosive impact on society; undermining the rule of law, weakening democracy, hampering economic development, and exacerbating social division and inequality.

As a policy officer, you are in a unique position to identify the potential for fraud and corruption impacts up-front and design government policy and initiatives in a way that reduces fraud and corruption and limits these harms while still achieving core government objectives.

How to use this guide

By applying a fraud and corruption lens to the [APS Model for Delivering Great Policy](#), this guide identifies practical steps you can take to:

- achieve desired policy objectives by identifying and reducing the potential for fraud and corruption during the design process, and
- comply with obligations under the [Commonwealth Fraud and Corruption Control Framework](#), and other requirements in the APS.

This guide also points you to a range of other helpful resources including:

- other relevant guidance and tools at [Appendix A](#), and
- examples of measures to help safeguard against fraud and corruption at [Appendix B](#).

This guide should be considered alongside the [Countering Fraud and Corruption by Design Toolkit](#), which provides further practical guidance on how to design and develop fraud and corruption resistant policies or initiatives.

Our Stewardship role in the APS

[Stewardship](#) is a new APS Value under the [Public Service Act 1999](#). It is the practice of caring for something that you have been trusted to look after. Effective Stewardship requires accepting responsibility for that care, and working to ensure the long-term integrity and sustainability of what has been entrusted to us.

This practice is a shared responsibility across the APS and is reflected in the decisions we make – from the advice we provide to government, to the way we work together across entities, to how we care for the public trust placed in us.

Whether you are a policy officer or senior official, this guidance will help you be an effective Steward and ensure the long-term integrity and sustainability of the policies or initiatives entrusted to the public sector to design and deliver.

The Model for Delivering Great Policy



The [APS Model for Delivering Great Policy](#), as outlined by the Australian Public Service Commission, emphasises four key elements:



Clear on intent: We are clear on the policy intent and what our role is, so our advice is relevant and focused on the outcome we're trying to achieve.



Well informed: We are forward looking and learn from the past. We actively seek multiple and diverse perspectives including from those affected by the policy, so we have a robust evidence-base.

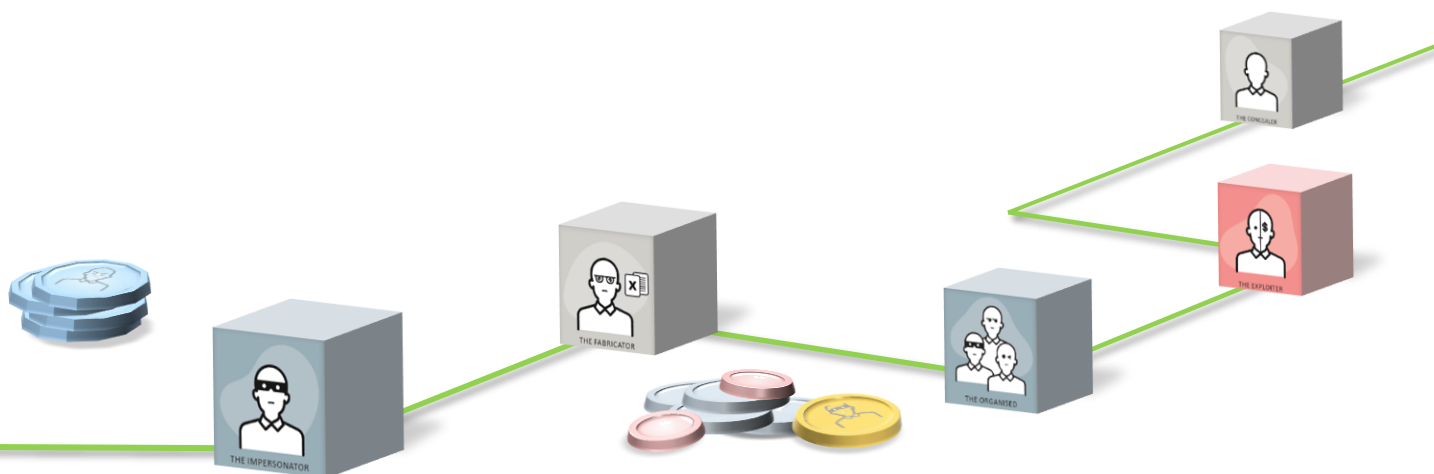


Practical to implement: We work with those involved in implementation and try out multiple options, so we have a practical solution and a plan for evaluation.

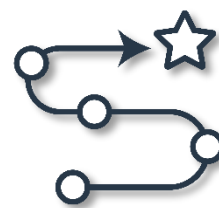


Influential: The right people have been engaged along the way, and our advice is tailored to the audience and context so it has the best chance of landing well with key stakeholders and decision-makers.

The following sections of this guide apply a fraud and corruption lens to these four elements and identify specific behaviours and practices you can apply to safeguard your policy or initiatives from the impacts of fraud and corruption across the [policy lifecycle](#).



Element 1: Clear on intent



What it means to be clear on intent: Policy officers must define the policy's purpose, objectives, and desired outcomes upfront to ensure relevance and focus.

Being clear on intent through a fraud and corruption lens: When defining the intent of a policy or initiative, carefully consider how fraud and corruption could undermine the public good you are aiming to achieve. This involves identifying the value the policy or initiative seeks to deliver (e.g. economic growth, disaster recovery, or better services for citizens) and articulating how fraudulent or corrupt activities might erode that value.

The Home Insulation Program, rolled out in 2009 during the Global Financial Crisis, was designed to stimulate the economy while supporting households to improve their energy efficiency. The Auditor-General, in his [report on the Program in October 2010](#), found that the department's focus on a speedy rollout to achieve the stimulus objective came at the expense of more thorough risk management, leading to significant quality, safety and fraud concerns, substantial remediation costs and the early closure of the program. The Auditor-General concluded:

'This experience underlines very starkly just how critical sound program design and implementation practices are to achieving policy outcomes. There are important lessons here for those agencies with policy implementation responsibilities but also those responsible for policy development.'

Fraud and corruption can hinder policy or program outcomes by increasing costs, decreasing the quality of services or outcomes and eroding public trust in, and take-up of, important programs and services. They can also cause real and irreversible harm to members of our community.

Having a clear, well defined understanding of how fraud and corruption could undermine the overall intent and objectives of the policy or initiative gives you a much better chance of finding ways to deliver the full scope of intended outcomes from your policy initiative.

You should ask yourself: 'How could fraud or corruption undermine the policy's purpose, objectives and desired outcomes?'

What this looks like in action

Instead of only thinking about what could go right when designing a policy or initiative, also think about what could go wrong. As a policy officer you could embed fraud and corruption risk as a core component of the policy's purpose, ensuring that integrity is a stated objective alongside other outcomes.

For example, if designing a grants program, the intent should include not only funding innovation or community services but also safeguarding public funds from misuse through clear eligibility criteria and oversight mechanisms.

Element 2: Well informed



What it means to be well informed: Policy advice should be grounded in evidence, consultation, and a deep understanding of the context, stakeholders, and potential impacts.

Being well informed through a fraud and corruption lens: Gather evidence and insights specifically about fraud and corruption risks relevant to the policy domain. This means going beyond general stakeholder consultation to include:

- Analysis of how the characteristics of the policy or initiative might make it more susceptible to fraud or corruption. For example, new delivery approaches, pace of delivery, complex processes, reliance on third-party providers, the profile of beneficiaries or the supply chain, the transaction values, or limitations in the delivery agency's capability to manage fraud or corruption, can all increase the magnitude and prevalence of fraud and corruption across different segments of the population.
- Learning from past fraud or corruption incidents in similar programs. This might include reviewing case studies, industry reports, ANAO reports, or reports and findings from the National Anti-Corruption Commission.
- Seeking advice from those who specialise in risk management, counter fraud or anti-corruption. These specialists may exist within your own entity, or you may need to seek them out in the entity who will ultimately deliver the policy or initiative. Collaborating with them enables you to obtain trusted advice on the possible ways fraud or corruption might impact the policy or initiative, as well as guidance on how to effectively reduce these impacts.

Unfortunately, there will always be dishonest people who are motivated by financial and other incentives. Identifying the potential for fraud or corruption should be viewed as a positive and proactive achievement during the design process. If you identify the opportunities for fraud or corruption, you can protect your policy, program or initiative against their impacts.

You should ask yourself: *'How could this policy or initiative be susceptible to fraudulent or corrupt actors, and what harm could this cause for affected stakeholders?'*

What this looks like in action

The [Commonwealth Fraud Prevention Centre](#) provides a range of resources that can help you identify how the new policy or initiative might be susceptible to fraud and corruption (see [Appendix A](#)). This includes practical toolkits including:

- [Procurement Administration Counter Fraud Toolkit](#): this identifies common risks in the procurement lifecycle, and a range of measures that can help reduce these risks.
- [Grants Administration Counter Fraud Toolkit](#): this provides practical guidance on how to manage a range of fraud and corruption risks associated with grants administration.
- [Disaster Relief and Recovery Counter Fraud Toolkit](#): this provides pragmatic and practical advice on how to manage fraud and corruption when designing and delivering disaster relief and recovery measures.

The Centre's [Initial Fraud Impact Assessment](#) (IFIA) can help you find the potential for fraud or corruption up-front. This activity informs requirements for more targeted risk assessments or the resources needed to minimise fraud and corruption throughout the lifecycle of the new policy or initiative. IFIAs should be completed in collaboration with risk and/or fraud control experts.

Element 3: Practical to implement



What it means to be practical to implement: Policies must be actionable, with clear delivery mechanisms, resource allocation, and consideration of real-world constraints.

Being practical to implement through a fraud and corruption lens:

Identify and embed practical solutions during the design process that proactively mitigate fraud and corruption impacts, while remaining feasible. This involves:

- Building in measures like identity verification, data matching, transparent reporting, compliance checks, and recovery mechanisms from the outset.
- Ensuring delivery mechanisms (e.g. digital platforms, procurement processes etc.) are resistant to manipulation or exploitation.
- Allocating resources not only for program delivery but also to prevent, detect and respond to non-compliance, misconduct, fraud and corruption.

There is no one solution to dealing with fraud and corruption. Instead, there are a range of options or solutions (technically known as ‘controls’) that can be put in place to reduce the probability of fraud or corruption occurring, or reduce their impacts when they occur.

The Fraud and Corruption Policy allows officials responsible for managing risks of fraud and corruption relating to an entity to determine what are reasonable and appropriate mechanisms for that entity. What is reasonable and appropriate will vary based on the nature and complexity of the fraud and corruption risks associated with the policy or initiative.

You should ask yourself: *‘Who can help me identify solutions that are practical to implement and have the best chance of preventing or reducing the chance of fraud and corruption?’*

What this looks like in action

Early collaboration is key. Trying to develop and implement solutions late in the design process or post-implementation can be challenging, costly and limit their effectiveness.

There is a wealth of knowledge and experience you can access, including from those who have dealt with similar situations in the past. The Commonwealth Fraud Prevention Centre can help coordinate collaborative effort by connecting officials with available resources, capability and contacts across the Australian Government.

Key resources to help you identify solutions that are practical to implement include:

- [Countering Fraud and Corruption by Design Toolkit](#): this provides further guidance on how to effectively consider the risks of fraud and corruption when designing and implementing new government initiatives.
- [Business Process Mapping and Template](#): this can help you identify weaknesses in processes or controls early, allowing you to design the policy or initiative in a way that appropriately reduces these risks to the policy outcomes.
- [Fraud Control Catalogue](#): this includes over 70 different types of controls that you can build into the design of a policy or initiative to help prevent, detect and respond effectively to fraud and corruption. Some examples are included under [Appendix B](#).

Element 4: Influential



What it means to be influential: Policy advice should be compelling, resonate with decision-makers, and drive action by aligning with government priorities and public expectations.

Being influential through a fraud and corruption lens: Frame the policy's approach to fraud and corruption as a selling point that enhances its credibility and public trust. This means:

- Demonstrating to decision-makers how reducing these impacts aligns with broader government integrity agendas (e.g. the National Anti-Corruption Commission or the APS Reform priorities).
- Highlighting the cost of inaction – financial losses, reputational damage, and eroded public confidence – to make a persuasive case for robust controls. You could highlight data (such as the hundreds of millions lost annually to detected fraud against the Commonwealth) to underscore the importance of building-in integrity measures.
- Engaging stakeholders by showing how integrity measures protect their interests, making the policy or initiative more likely to gain their support.
- You could also link fraud and corruption prevention to public narratives about fairness and accountability, ensuring the policy resonates with ministers, senior executives and the community.

You should ask yourself: *'How can I best explain what is needed to manage fraud and corruption impacts? Who can help me develop compelling and evidence-based advice about this?'*

What this looks like in action

Examples of key stakeholders you may want to engage along the way include:

- **Fraud and corruption control and/or risk practitioners:** These practitioners in your entity are your first point of call – as they possess knowledge and skills to help you apply an evidence-led approach to design a policy or initiative. Engaging with practitioners across the APS or other jurisdictions may also help gather evidence and build credibility.
- **Senior executives and decision-makers:** Engaging with these stakeholders should occur early and throughout the design process and requires openness about the potential for fraud or corruption impacts, proposed options – including positives and negatives – and recommended solutions to address fraud and corruption against the policy or initiative. The way messages are delivered should consider the motives and context of these stakeholders.
- **Commonwealth Fraud Prevention Centre:** The Centre can provide strategic support and advice to officials responsible for designing and implementing new policies and initiatives. Contact info@Counterfraud.gov.au for assistance.
- **National Anti-Corruption Commission:** The NACC is an independent Commonwealth agency who detect, investigate and report on serious or systemic corruption in the Commonwealth public sector. The NACC also have a role in educating the public service, and the public, about corruption risks and prevention. Find more information about corrupt conduct on [the NACC's website](https://www.nacc.gov.au) or contact prevention@NACC.gov.au for assistance.

Legislative and policy framework

The Australian Government's legislative and policy framework requires entities to take all reasonable measures to prevent, detect and respond to fraud and corruption.

The [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act) establishes a coherent system of governance and accountability for public resources, including protecting those resources from risk.

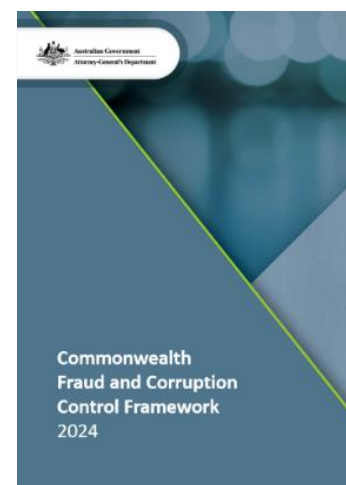
The [Commonwealth Fraud and Corruption Control Framework](#), under the PGPA Act, is designed to support Australian Government entities to effectively manage the risks of fraud and corruption (these terms are defined in the [Framework's glossary](#)).

Within the Framework, section 10 of the [Public Governance, Performance and Accountability Rule 2014](#) requires Commonwealth entities to take all reasonable measures to prevent, detect and respond to fraud and corruption relating to the entity. This includes ensuring that risks of fraud and corruption are considered when:

- planning and conducting the activities of the entity [s10(e)], and
- there is a substantial change in the structure, functions or activities of the entity [s10(a)].

The [Fraud and Corruption Policy](#) reinforces these requirements by requiring all non-corporate Commonwealth entities to consider measures to prevent and mitigate fraud and corruption risks when designing, implementing, delivering and undertaking government initiatives (Policy Paragraph 5.3). This may include conducting targeted fraud and corruption risk assessments, where appropriate (Policy Paragraph 1.3).

The [Commonwealth Risk Management Policy](#) (Policy Element 1) also establishes mandatory requirements for managing risks in undertaking government activities. This includes the requirement to embed risk management into the decision-making activities of an entity to enable risk to be managed in a repeatable and consistent way, when designing, implementing, delivering and undertaking government initiatives.



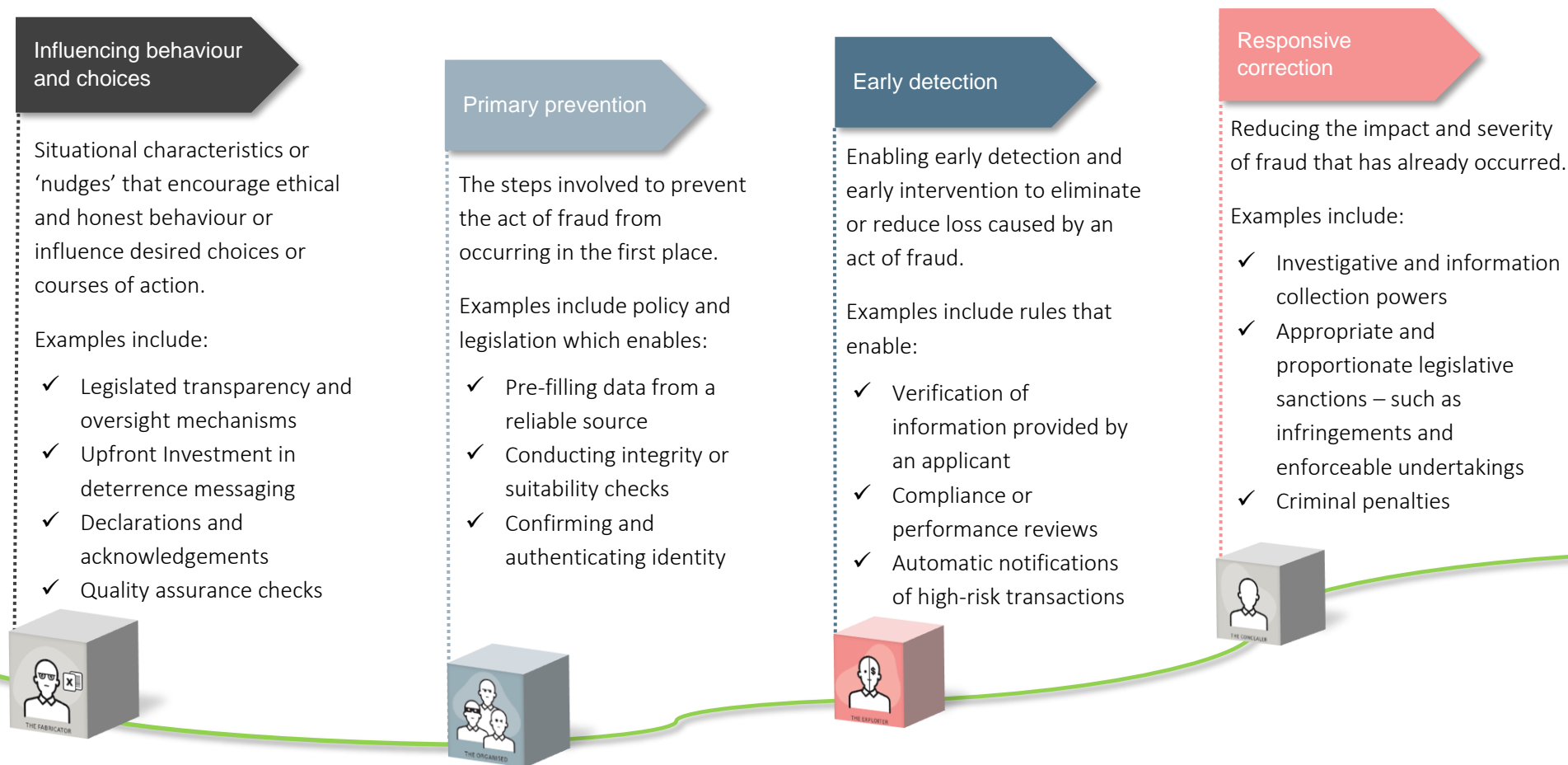
Appendix A: Useful guidance and tools

- **Countering Fraud and Corruption by Design Toolkit**: this supports fraud and corruption control and/or risk practitioners to work with policy officers to design and develop fraud and corruption resistant policies or initiatives.
- **Initial Fraud Impact Assessment**: this helps officials identify the potential for fraud or corruption upfront, and helps inform requirements for more targeted risk assessments or costings for counter fraud or anti-corruption resources.
- **Fraud Risk Assessment Leading Practice Guide**: this provides key principles and methods taken from leading practices across sectors on the fraud and corruption risk assessment process (can be used to help inform the development of targeted fraud and corruption risk assessments).
- **Guide on the Practical use of Fraudster Personas**: these Fraudster Personas can be used alongside other policy design tools, such as business process mapping and customer journeys, to help identify how different fraudsters or corrupt actors could target a new policy or initiatives.
- **Business Process Mapping Guide and Template**: this can help you identify weaknesses in processes or controls early, allowing you to design the policy or initiative in a way that appropriately reduces these risks to the policy outcomes.
- **Disaster Relief and Recovery Counter Fraud Toolkit**: this helps Australian Government entities design and deliver disaster relief and recovery measures while reducing the opportunity for fraud.
- **Grants Administration Counter Fraud Toolkit**: this provides practical guidance on how to manage fraud and corruption risks associated with grants administered by the Australian Government.
- **Procurement Administration Counter Fraud Toolkit**: this identifies common fraud and corruption risks in the pre-award phase of the procurement lifecycle, and provides examples of mitigations.
- **Fraud Messaging Toolkit**: this helps officials design messages to deter fraud and corruption in government announcements, communications, press releases, websites and application forms.
- **Control Catalogue**: this provides an extensive reference of over 70 types of fraud controls that can help Australian Government officials prevent, detect and respond to fraud and corruption.
- **Counter Fraud Investment Cases Leading Practice Guide**: this provides practical steps for developing a business case for investment, helping you communicate the problem to senior leaders, educate them on the financial and non-financial benefits of prevention, and make a strong case for investing in effective counter fraud or anti-corruption measures and resources.
- **Guide to Understanding the Total Impacts of Fraud**: this combines leading global perspectives to provide useful information that raises awareness of the impacts of fraud.
- **Info Sheet Element 1 - Fraud and Corruption Risk Assessments**: this forms part of a series of resources to help officials understand and implement the new Commonwealth Fraud and Corruption Control Framework – it provides guidance on different types of risk assessments.
- **Info Sheet Element 5 - Preventing Fraud and Corruption**: this provides information on common red flags in policy and program design and tips on designing integrity into policies, programs and transformation initiatives to prevent fraud and corruption upfront.



Appendix B: Examples of measures to help safeguard against fraud and corruption

The below diagram provides potential solutions to reduce identified fraud and corruption risks and impacts (see [Element 3](#)). Please note that this is not an exhaustive list of options, and that the type of measure (or control) you may need to put in place would depend on the specific ways fraud and corruption could impact the policy or initiative. Find more information about control types at counterfraud.gov.au.





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We aim to be your trusted advisor

The Commonwealth Fraud Prevention Centre equips, enables and empowers Australian Government entities to deal with unseen and unchecked fraud.

Email info@counterfraud.gov.au if you would like more information about creating investment cases or crafting a counter fraud narrative.



[CounterFraud.gov.au](https://counterfraud.gov.au)



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