INTEGRITY
COMMISSION
Tasmania

## Supervision and oversight – for managers

Appropriate supervision and procedural oversight are critical to the effective management of public resources.

### Introduction

Public resources can be either tangible or intangible. Tangible assets include vehicles, credit cards, mobile phones, stationery, and landscaping materials. Intangible assets include time worked and leave taken.

As a manager, it is your responsibility to ensure that everyone who reports to you uses and manages those resources responsibly and effectively. You are also responsible for mitigating misconduct risks by implementing sound processes and procedures.

### Misconduct risks associated with the use of public resources

Frequent or widespread incidents of misuse or misreporting of public resources can often be traced back to insufficient oversight or lack of understanding of an organisation's policies and procedures.

In some cases, misconduct can result from an internal culture of entitlement or accepted exploitation of inadequate procedure. It may also be a result of poor training and communication.

Below are examples of public resource misuse caused by mismanagement:

▼ leave being taken without the correct forms being submitted or authorised

▼ work time or overtime being claimed when it hasn't been worked

▼ a credit card being used by someone other than the person it was issued to

▼ a credit card being used for personal purposes

▼ a fuel card regularly being used to pay for fuel put into a private vehicle

▼ tools or equipment being taken off-site without authority

▼ sensitive or copyrighted information being mismanaged, corrupted or passed on to external parties without authority

▼ procurement of items without authority

▼ too much being ordered leading to waste

▼ an office computer being used to access inappropriate online material

- ▼ cash being mishandled due to poor practice, or
- ▼ disposal of assets without appropriate sale or asset write-off processes being followed.

In each of the above examples, the manager or supervisor could have prevented the misconduct or lowered the risk of misconduct with better controls and oversight.

Through good supervision and oversight, you can identify serious misconduct early. You can then intervene and prevent escalation or repetition.

## CASE STUDY

A trusted public sector employee grabbed some milk and bread for home whilst he was in the supermarket purchasing approved supplies.

When he got to the checkout he realised he didn't have any money so he charged the milk and bread, along with the legitimate items, to his government purchase card.

His intention was to let his manager know and to reimburse the money, however, this did not occur to him again until after he had completed his reconciliation report and it had been approved.

This became a regular occurrence. As time went on and the employee's dishonesty remained undetected, his offending became more frequent and more brazen.

Despite approving all reconciled purchase card reports, it was not until his manager was asked to review the purchase card requirements of his team that he noticed this employee had been charging larger and larger sums of money over a three year period. He was regularly exceeding both his individual transaction limit and monthly transaction limit.

An investigation commenced and the fraud was exposed. It is estimated that this employee defrauded the agency of $54,000 over three years.

*Extracted from a report from Independent Commissioner Against Corruption (ICAC) South Australia*

## Procedures and controls to prevent misconduct

As a manager, you expect your team members to carry out their roles with honesty, diligence and integrity, and their behaviour to uphold the value and integrity of the public sector.

This expectation is prescribed in the relevant code of conduct, employment agreement and workplace policies. Therefore, a starting point for preventing misconduct is ensuring that your behaviour models good conduct, attitude, and decision-making.

While you cannot eliminate the risk of intentional fraud or theft, you can make it difficult to commit or go unnoticed. Measures you can implement include:

▼ ensuring authorisations are checked and validated

▼ cross-checking timesheets and leave forms

▼ checking invoices and statements against credit cards to validate that the user purchased the correct items from an approved supplier at a reasonable price

▼ requiring that users of fuel cards record registration numbers and odometer readings at the time of fuel purchase

▼ having an asset register and carrying out periodic audits of equipment, tools and other tangible assets, and

▼ ensuring users of databases, internal research, and other forms of intellectual property understand their responsibilities and have the skills to use these assets appropriately.


## If you know or suspect misconduct has occurred

When an employee raises an allegation or suspicion, you may need to take immediate action as their manager. Depending on the circumstances and the seriousness of the allegations, actions may include:

▼ imposing a suspension or a stand down

▼ moving or altering the duties or physical location of involved parties

▼ blocking or restricting access to data

▼ reporting the allegations to the police or other external bodies

▼ securing evidence, and

▼ carrying out or participating in any investigations as required.