A Fraud Mitigation Tool for Public Sector Agencies in Malaysia

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Abstract

This paper aims to develop a fraud mitigation tool for public sector agencies in Malaysia. Employing a mixed method, the study was firstly conducted on a sample of 150 respondents consisting of account personnel from 16 government agencies in one of the states in Malaysia. A survey instrument comprises of 47 measurement items was designed to identify the level of financial fraud prevention management practices in government agencies setting. Later, a qualitative stance applied by conducting a focus group among the accountants of public sector agencies to elicit depth information on how fraud management practiced in their agencies. The findings indicate that fraud mitigation tool is vital in the government agencies due to the importance of managing fund allocated by the state government. Majority of the accountants agreed that lack of integrity is the main factor contributing to the incidence of financial fraud in the government agencies. Adequate internal control system is established within the agencies but opportunities coupled with dishonesty allowed such financial fraud to occur. The respondents agree that people, good governance, technology, and legal element in preventing, responding, as well as detecting any financial fraud possibilities within the government agencies are crucial factors for successful fraud mitigation tool framework within the government agencies. This study only considers the account personnel within one state. For practical implications, the proposed fraud mitigation tool model can also be utilized by the public sector agencies. In addition, this study provides important information for decision makers involved in successful implementation of financial fraud prevention practices among the government agencies.

Introduction

Financial statement fraud within the government agencies have been the interest of public as well government all over the world, not excluding the Malaysian government. This is so as fraud cases involved a huge sum of money, wastage of resources, smeared the image of government agencies, reducing the effectiveness of operation as well as reducing the economic growth. It was reported that in Malaysia itself, a total of RM1.8 trillion loss involving corruption cases through illicit financial were reported from the year 2005 to 2014. From this statistic, 63.3% of the corruptions complaints involved the public sector (Rahim, Amin et al., 2020). Hence, recognising the necessity to fight against fraud, the Malaysian government has introduced the National anti-corruption Plan (NACP) in 2019 to form a corrupt-free nation through objectives which are Accountability and Credibility of Judiciary, Prosecution and Law Enforcement Agencies; Efficiency and Responsiveness in Public Service Delivery as well as integrity in business (Rahim, Amin et al., 2020). The plan which is scheduled to take place from 2019 to 2023, is the main blueprint which outlines the integrated course of actions in the fight against corruption. Comprising of five (5) chapters, NACP document, explores human governance as the driving force to boost integrity, transparency and accountability among the public sector agencies through highest commitment and cooperation by society at large towards a morally developed nation.

Literature Review

Fraud in Public Sector

The world has seen many shortfalls in public fund management within the government agencies due to financial fraud incidence. Scholars studied these occurrences to suggest measures to the government to combat such situation. In countering and combating fraud in the UK public sector, for instance, the UK government has continuously immersed into discussion on fraud committed against within the public sector, as well as assessing some of the measures, tools or initiatives implemented to overcome such situation. A study by Andersen and Lawrie (2002) highlighted that the public sector in the UK confronted challenges of strategic management in delivering services and outputs as there are multiple stakeholders with potentially conflicting interests, conspicuously due to pressure from politicians who accentuate "value for money" in providing the public services. It was revealed that the main government related organizations in UK such as the Department of Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC) have implemented counter fraud strategies in reducing fraud. In 2019, an international Public Sector Forum was held to address issues in managing fraud for public bodies revealed the practice of Five Eyes countries (Australia, Canada, New Zealand, UK and US). The forum acts as a platform for the members to share their knowledge and skill in mitigating corruption in the public sector thus upholding the public money and protecting the services. Below is the summary of the measures implemented by some of the countries who became the associate member of the forum.

As for local scenario, several studies performed on fraud prevention methods among the governmental agencies. Mat, Nazri et al. (2013) recommended that fraud awareness activities, training in code of conduct, training in privacy principles as well as training to employees involved directly in fraud control activities can become an effective mechanism for fraud prevention. This study is further concurred by Othman, Aris et al. (2015), stating operational audits, improved audit committees, enhanced internal controls, application of fraud reporting policy, staff rotation, fraud hotlines and forensic accountants as part of the effective fraud detection and prevention mechanism utilized by the public sector in Malaysia. Those studies were further reinforced by Joseph, Gunawan et al. (2019) who proposed all-inclusive and holistic fraud prevention framework based on the Committee of Sponsoring Organization (COSO) which highlighted the internal control as a way to ensure proper elimination of fraud opportunities. Effective fraud prevention mechanisms are fraud hotline, surprise audits, anti-fraud policy, fraud prevention program and training, operational audits, fraud vulnerability reviews, internal audit or fraud examination department, whistle-blowing policy and imposing penalty and disciplinary action are among the top-most fraud prevention mechanisms in Malaysian Government-Link Companies (GLCs) (N. Omar & Abu Bakar, 2012).Measures mentioned earlier are examples on efforts taken by the governmental agencies in preventing potential financial fraud within their organization.

Even though fraud prevention measures have been implemented within the government agencies in Malaysia, financial fraud incidences still prevail. Study has found that fraud cases were mostly reported in the state government followed by the Federal and local authorities (Ali, Aishah et al., 2019). Hence, for this study, a number of variables are considered as relevant element in considering fraud mitigation tool for the government agencies namely the best practice of corporate governance, human, technology, as well as law enforcement.

Table 1:
Countries and measures undertaken to counter fraud within the public sector agencies

Countries	Responsible parties and measures undertaken
Australia	The Australian Government Attorney's General Department delivers programs and policies to improve the Australia's law and justice framework by introducing the fraud control policy
Canada	Deputy Heads responsible for safeguarding the departmental resources and maintaining effective internal control system (ICS) by having specific, government-wide mandates by providing fraud risk management directions
New Zealand	The New Zealand Serious Fraud Office (SFO), an independent government agency responsible to investigate and prosecute serious or complex financial crime based on suspected scale, nature, complexity and any relevant public interest considerations.
UK	The Cabinet Office (CO) and Her Majesty Treasury lead the critical policy areas through central directorates such as Fraud, Error, Debt and Grants is home to the Counter Fraud Centre of Expertise. This centre provides leadership and guidance to the governmental organization in countering fraud and economic crime.
US	The Offices of Inspector General (OIG) is responsible to investigate fraud and assist the Department of Justice in prosecuting the fraud. Fraud risk management based on the Fraud Reduction and Data Analytics Act was introduced besides the Government Accountability Office Fraud Risk Framework outlining practices to guide governmental agencies' fraud prevention methods.

Source: (International Public Sector Fraud Forum, 2019)

Governance

Those charged with governance are responsible for the prevention and detection of fraud and error. It is not possible to achieve absolute assurance against fraud and error, but the implementation and continued operation of adequate accounting and internal control systems may reduce the likelihood of such occurrences. Good governance and internal management became a very important and topical market concern at the beginning of the 21st century, after several big corporate controversies and failures (Abd Aziz, Ab Rahman et al., 2015). Research have argued that best practice of good governance can reduce the incidence of financial fraud within the government agencies via efficient internal audit, sound internal control, audit committee, effective financial and asset management as well as transparent whistle blowing policy.

In detecting and preventing fraud, internal auditors have always had a role to play. This role of an internal audit is very critical for the availability and support of all knowledge in the management decision making process in particular the risk of fraud is present within the company. Cheung and Qiang (1997) and Goodwin-Stewart and Kent (2006) found that the internal audit function in the organization

improved the organization function as they are responsible to assess and evaluate all activities within the organization. Virginia, Eleni et al. (2009) found that internal audit had a role to prevent the corruptions and support the good governance practices whilst Yassin, Ghanem et al. (2012) postulated that the internal audit function had a significant role in supporting the good governance practices. This finding was also similar with findings by Carcello, Hermanson et al. (2005) and Coram, Ferguson et al. (2008).

Internal control consists of the organization planning that includes all methods used to safeguard the company assets, to ensure the reliability of information, to support the efficiency and effectiveness of operations, and to ensure the compliance with rules and regulations (Arens, Elder et al., 2016). Strong internal control is regarded as the most effective method of fraud prevention (Seetharaman, Senthilvelmurugan et al., 2004). Coram, Ferguson et al. (2008) also argued that the establishment of internal control is effective as a preventive control to prevent individual from committing fraud. Yet, this purpose shall be defeated if there any interferences or collusion from the top management. Transparency in the corporate culture and opportunity for reporting inappropriate behaviour are efficient for a good governance (Trompeter, Carpenter et al., 2013).

Since the internal management structure stresses transparency, its practise in the public sector is critical at every point in improving accountability in the public sector. The public sector in the country has been criticised for its inefficiency, red tape, lack of flexibility, ineffective accountability, and poor performance for a long time (Siddiquee, 2006). Malaysians also have the feeling that the public service is easily exploited by vicious individuals. As a result, this impression has dampened public confidence in the credibility of government agencies in cases of perceived collusion in government procurement, land excision violations and land acquisition theft, and corruption in local municipal transfers (Budik & Ezr, 2015). In Malaysia, Auditor General Report recommends the public

sector to improve the system of internal control by establishing a clear organizational structure and devolution of power, transparent workflows, and accountability (Singh, Augustine et al., 2018).

The audit committee should play an active role in the prevention and deterrence of fraud, as well as an effective program of ethics and compliance. Management and auditors should be constantly called upon by the audit committee to ensure that the entity has adequate anti-fraud programs and controls in place to identify potential fraud and to ensure that investigations are carried out if fraud is detected (Fitzgerald, Omer et al., 2016). The audit committee should ensure that an effective ethics and compliance program has been implemented by the organization and that it is regularly tested. Since the occurrence of significant fraud can often be attributed to an override of internal controls, the audit committee plays an important role in ensuring that internal controls address the appropriate risk areas and operate as intended. The Audit Committee needs to ensure that internal and external auditors perform their duties.

Human factor

One of the main factors to successful performance of organization is its people or human factor. According to M. Omar, Nawawi et al. (2016) an organization recognised their workers as a major contributor to the efficient achievement of their success. When an organization loses the workers, it loses their skills and experience as well. The workers who are subjected to fraud will adversely affect the attitudes of others and their working environment (M. Omar, Nawawi et al., 2016).

According to Wen, Ying et al. (2019), a correctly implemented code of conduct is one of the most critical tools for communicating appropriate expectations to workers in their actions and drawing attention to the effort made by management to respect the entity's integrity. They also declare that as part of the preventive mechanisms, management should educate and raise awareness among workers about honesty, as well as provide ethics training. An organization also should perform more activities that will increase positive ethical values by providing upper-level workers as a strong role model (Wen, Ying et al., 2019). Establishing a healthy work environment is the other way to reduce fraud in the organization. Workers who feel respected, noticed and acknowledged will remain loyal to their employer and take more pride in their job (Geue, 2018). Thus, it can be part of preventive mechanisms control against fraud.

Technology

Technology is a double-edged sword that both advances businesses and empowers criminals (Hashim, Salleh et al., 2020). In an age of rapid growth of technology, most fraud offences are carried out through the use of computers in one way or another. Fraudster or the penetrator will conduct fraud when they have the opportunity. This opportunity comes with different scopes based on changing technologies (Mat, Nazri et al., 2013). Investing in technologies is vital since fraudsters continue to exploit the ever-advancing means by which economic crime happens. Any organisation that does not keep pace through the uptake of the technology, have the risks of being left behind (Hashim, Salleh et al., 2020). Proactive data monitoring and analysis is one of the most effective tools for antifraud control (Association of Certified Fraud Examiners, 2014). Careful examination of data may assist organization by identifying data gaps, strengths, weaknesses, dysfunction, vulnerabilities and risk factors that may constitute threats and finally suggests guiding lines (Bănărescu, 2015). Blockchain-based accounting system makes opportunity to falsify or destroy accounting entries to conceal activity is practically impossible (Deloitte, 2016). In the blockchain-based accounting system, once information is written to the chain, it becomes practically immutable. This system leaves no room for external tampering, hacking or fraud unless the majority of participants agree to the change. Another IT mechanism to act as fraud mitigation tool is the Machine learning (ML) a type of artificial intelligence (AI).AI will perform the mentioned tasks without human intervention to reduce human error and improve accuracy of decisions made based on strategic analysis of the big data captured (Berryhill, Heang et al., 2019). In Malaysia, the adoption of AI for fraud complaint in public sector can be seen from the Complaint Management System (CMS) introduced by the Malaysian Anti-Corruption Commission (MACC).
Even though there are numerous methods and tools to prevent and detect fraud, and public sector is aware of the value of using technology in detecting and preventing fraud, but, it was revealed that advance technology is the least widely used method in the public sector in Malaysia (Othman, Aris et al., 2015). This may probably be due to the high investment required to have such anti-fraud technology despite its effectiveness. The lack of financial allocations and expertise will be the constraint in implementing fraud software in Malaysia public sectors (Othman, Aris et al., 2015). In addition, governments cannot do integration of AI into public service delivery on their own. They need collaboration between the public, private and non-profit organisation (Mikhaylov, Esteve et al., 2018).

Legal

Whistle-blowing is one of the controls for preventive measures, and their significance in the prevention, identification, deterrence, and response to fraud in the training program should be emphasized. Fraud Tip-Off Lines is known to be effective in the detection of fraud. According to the 2018 Report to the Nations of the Association of Certified Fraud Examiners (ACFE), the most common fraud detection controls are tips received from employees. The report points out that more fraud is exposed by anonymous tips than by any other channel, and that the fraud training of employees results in a 41% reduction in the median loss of fraud schemes. The promotion of an open and transparent culture of integrity in which the disclosure of potential fraudulent acts is encouraged calls not only for a top-down approach, but also for the whistle-blower to be adequately protected against possible negative pressures. Based on previous literature, this study identified four (4) sources of fraud, namely human, technology, legal and governance. These four elements are the basis for the framework on the effectiveness of financial fraud prevention within government departments from the viewpoint of accounting preparers.

Methodology

The method employed for this study is mixed method. The process started with a library research where researcher conducted a content analysis by scrutinizing the audit report issued by the Auditor General to the government agencies in Malaysia. Based on the content analysis, the smallest state in Malaysia has been selected as the sample as the state has the highest Annual Report with Qualified Opinion. Then, a questionnaire has been designed and distributed to the respective Accounting personnel of the government agencies in the identified state from the library research. It was revealed that the

organizational corporate governance, organizational internal control and asset and financial management have shown significant effect to the success of financial fraud management in the government agencies. At the last phase, Phase 3, a focus group was conducted with the accountants of the public sector agencies to elicit depth information on the measures undertaken by the respective agencies in preventing financial fraud within their organization, as well as validating the findings of the survey conducted in the second phase. Result in Phase 3 is also the highlight of this study. The flow of the phases is shown in the overleaf diagram.
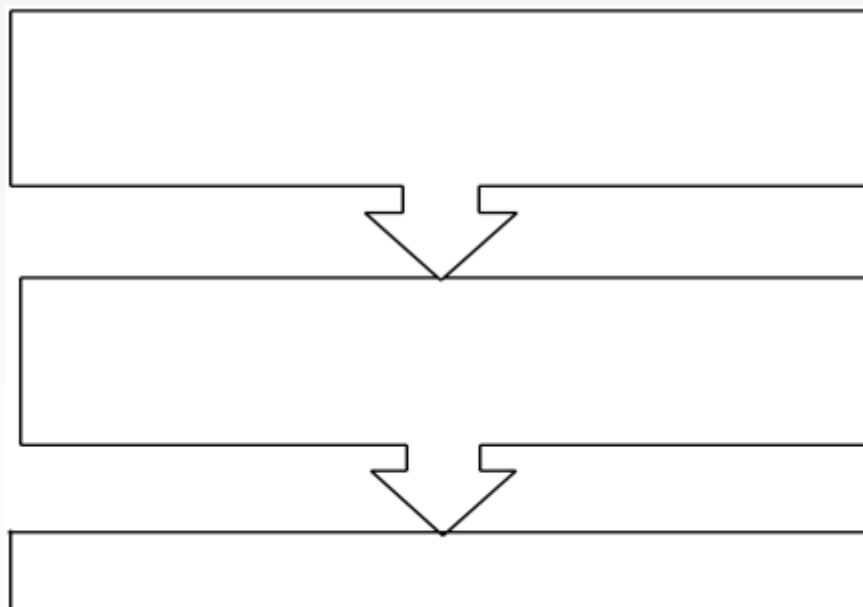
Phase 1

Library research - using content analysis on audit report issued by the Auditor General to the public sector agencies within states in Malaysia

Phase 2

Presenting the research proposal to the Secretary of State Government's (SSGO) office to obtain consent to distribute questionnaire to the Accounting personnel. Self-administered questionnaires to 16 government Agencies.

Phase 3

Conduct focus group with accountants of the state government agencies

Figure 2: The research process

Discussion

Demographic information

Following the content analysis and questionnaires distribution, in Phase 3 of the research, a focus group was arranged with the Accountant of the state government agencies. A total of six (6) Accountant and one Head of Accounting department from six (6) state government agencies have volunteered to be interviewed for the study. This is 43.75% (6/16) of the respondents approached for the study. As the research was performed during the Movement Control Order by the Malaysian government in

combating the COVID-19 pandemic, only few respondents willing to participate in the focus group. Table 2 depicts the overall demographic profile of the respondents. In terms of gender, 71.43 % of the respondents were female. The respondents have at least a degree qualification. Majority of the respondents have worked more than 5 years within their organization.

Table 2:
Demographic information of the focus group participants (*n* =7)

	Item	Frequency	(%)
Gender	Male	2	28.57
	Female	5	71.43
Marital status	Single	0	0.00
	Married	7	100.00
Education level	Diploma	1	14.29
	Degree/Master/PhD	6	85.71
Duration of working	5 – 15 years	6	83.3
	>15 years	1	16.7

Table 3 enlists the respondents' details in relation to their organization (kept anonymous for the purpose of this study), position and respondent code for the focus group purposes.

Table 3:
List of respondents

Organization	Number of participants	Position	Respondent 's code
GA1	1	Accountant	R1
GA2	1	Accountant	R2
GA3	1	Accountant	R3
GA3	1	Account Assistant	R4
GA4	1	Accountant	R5
GA5	1	Accountant	R6
GA6	1	Head of Accounting Department	R7

During the focus group session, the participants were posed with a series of questions as illustrated in the Appendix. Below are findings from the focus group.

Factors leading to financial fraud in public sector agencies (PSA)

The respondents were asked on factors contributed to the financial fraud in PSA. Below are the opinions expressed by the respondents on the four factors identified in the previous studies leading to financial fraud in PSA.

Human

Human factor seems to be the main factor which contributes to financial fraud occurrence in PSA. Some of the responses provided by the participants are:

"One of the factors is the individual himself. This thing happened because of lack of knowledge and personal problem. For example, in terms of service, it is possible that the person will falsify the document.

It's difficult to detect this situation unless we get the information from outsiders. It is not easy to get the information from the insider. It is not easy to detect because they can manipulate the data" (R1)

Another respondent commented,

"In my opinion, the person in charge of the counter on collection is exposed to fraud as he has the capacity and opportunity to do so. The fact that some of them have been working more than 20 years at the same position and have never change task have make them comfortable with their job and they are well-verse with the flow, they know the loophole in the system, so they can manipulate the data" (R2)

Another respondent commented,

"I also agree with other respondents that staffs' attitude in terms of personal lifestyle leads to them being prone to commit such wrongdoings" (R5)

Technology

Another element which may contributes to the financial fraud activities within the government agencies is the aspect of technology. As some of the respondents relate,

"The existing system is adequate but this individual manages to manipulate the data as the system is outdated and not upgraded, it gives opportunity for manipulation. (R2)

Governance

Governance also contributes significantly to the incidence of financial fraud among the public sector agencies, as expressed by some of the respondents,

Internal control can also be a factor. Government agency has its own internal audit to oversee the financial management within the agency. Most probably, they are good at covering their wrongdoing that we do not know about it. (R1)

Another respondent commented,

"Sometimes financial fraud can happen due to lack of internal control especially in relation to procurement. That's why before procurement process is conducted, we will make sure everybody involved will sign the integrity pact. When we start selling the quotation document to contractors, the contractors would have to declare if they any ties or family relationship with any staffs or committee in the organization. So, basically both parties, the staffs as well as the contractors involved need to declare through the integrity pact. (R5)

Overall, many factors expressed by the respondents contributing to financial fraud within the PSA ranging from personal attitude, outdated accounting system, lack of understanding on the accounting standard to be applied, lack of internal control and working environment which creates opportunity to commit financial fraud activity.

Feedback on proposed fraud mitigation tool

The focus group session ended with all the participants asked on the tool to mitigate the financial fraud within the government agencies. The proposed fraud mitigation tool for government agencies (FMTGA) were shown to the participants. Later, the participants were asked to provide their views on the elements necessary to be imparted in the proposal based on its successful application based on their experience and such implementation within their organisation. This process is alike to validation to the proposed fraud mitigation tool.

Human

On the first element which is the human factor, undeniably, the respondents have expressed their views as the following,

"For me, all the state agencies have taken almost similar measures to prevent fraud from occurring. We provide training to staffs, invite the Auditor General or Malaysian Anti-Corruption Agency but it still happens. It goes back to the individuals. When fraud case happens among the permanent staff, we cannot simply terminate them. Due to this status as well, I think the fraudster feel its ok for them to do the wrongdoing as they think they will be protected as a permanent staff" (R1)

"I think training and counselling are necessary. In our organisation, we have a counsellor. Any staffs with problems will be directed to the counsellor" (R1)

This view was also agreed by another respondent where she responded;

"We also received training from Auditor General Department and Badan Audit dan Siasatan Awam (BADSA) which caters public sector. This is indeed a yearly routine" (R4)

Technology

Another element which is considered important to be imparted in the fraud mitigation tool is the technology aspect as conveyed by one respondent,

"For the technology element, I think all agency have it in the form of IT audit. We have our own application for municipal tax besides Smart Parking which reduce the possibility of fraud compared to the manual collection" (R1)

"We are using an apps which allow all matters relating to financial management within the system to reduce the use of cash within the accounting department" (R2)

Legal

Legal aspect is also another element considered necessary for successful implementation of fraud mitigation tool in PSA, as explained by the respondents,

"In my organisation, the fraudster will be transferred to other department and no longer involved in finance. For instance, the person will be assigned other's task such as receptionist. Usually, each case which is settled internally, will be settled within three months but if it involves the court it depends" (R2)

"For any government agencies, permanent staff need to have warrant from the Public Department. In this agency, candidate have to go through written exam where we have one slot on integrity. If they pass this exam, then only we will call them for further interview. For the interview itself, we have to set Appointment Committee. For rotation, it has been set that for Administration staff, they will rotate their work once every 2 years, whilst for those under Finance grade, rotation will take place once every 3 years within the same unit" (R3)

"In my organization, we have appointed we may conduct forensic audit in the form of surprise check to the premise either by BADSA, Auditor general or external auditor. They will usually come for surprise visit twice a year for spot check and look for our document. Internally, Head of Department will do the checking once a year" (R3)

Governance

The last element to be part of the fraud mitigation tool is the aspect of governance. On this matter, the participants of the focus group have expressed their views as the following,

"In our organisation, we have taken effort to increase the integrity level of staffs. Action is taken on the fraudsters as a lesson to other staffs. We will usually ask them to replace the money that they have taken. By right, we need to report to the police but most of the time, we decided to settle the case internally. As for the political appointment within the organisation, it's not easy for fraud to happen as the board of directors consists of Chief Minister, State Secretary, Law officer, finance officer as well as the government officer. Any procurement decision will depend on the amount involved. Any decision involving procurement more than RM20,000 will have to table in a board of directors meeting. (R4)

When further probed on the action taken to staffs who have been involved in fraud activities, she further added,

"Besides paying back the whole amount, the person's salary increment is hold for one year and the person's performance mark cannot be more than 80. He also has no responsibility to handle

financial matter and transferred to other department. It's difficult to sack permanent staff as the person will have to first undergo certain procedure like Disciplinary Committee, If we terminate the person unproperly, he or she may sue the organisation" (R4)

"For internal audit, we follow the instruction by the Treasury. For example, for compliance audit, we will cover the area of asset, budget, procurement and investment. We also appoint external auditor for the audit" (R2)

Based on the feedback of the respondents on the proposed fraud mitigation tool as summarised in Appendix 2, the participants unanimously agreed with the elements within the proposed fraud mitigation tool for state government agencies to prevent financial fraud, which inter alia, include elements of corporate governance, human resources, technology, and legal aspect. Since fraud prevention, detection, and response are all important elements in managing the risk of fraud, thus the mitigation tool should include them. The process of prevention, detection, and response should run continuously, as shown in the centre of the circle in Figure 2. According International Auditing Assurance Standards Board (2009), management and those in charge of governance bear the primary responsibility for fraud prevention and detection. Hence, it is critical for management to focus on fraud prevention, as this can minimise the likelihood of fraud occurrence. This warrants a commitment to cultivate a culture of integrity and ethical behaviour, which can be strengthened by active governance oversight.
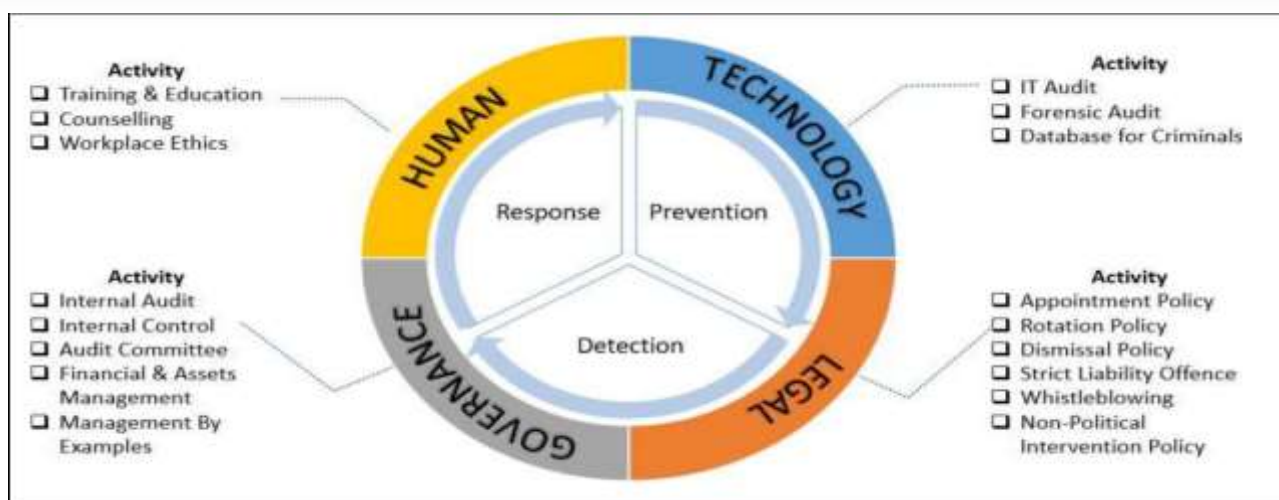

Figure 2: Proposed Fraud Mitigation Tool

Conclusions and Policy Recommendation

This study was conducted in three phases namely library research through content analysis, questionnaire survey over 150 accounts preparers as well as a focus group with the Accountants of the government agencies in an effort to develop a fraud mitigation tool within the government agencies. At the first phase, the study identified the state with most qualified audit report by the Auditor General to be the government agencies to be investigated. In the second phase, a questionnaire revealed three elements to have significant effect to the success of financial fraud management in the government agencies namely the organizational corporate governance, organizational internal control and, asset and financial management. At the last phase, a focus group performed to validate the findings in the second phase as well as to elicit information on how public sector agencies can mitigate incidence of financial fraud. The triangulation of three phases revealed that four elements which are people, good governance, technology and legal stance are crucial in constructing a fraud mitigation tool framework within the government agencies. This finding is beneficial to the policy makers in designing effective financial fraud management within the government agencies as an effort to mitigate fraud cases within the government agencies.

Acknowledgement

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Appendix 1

1. What factors that could lead to financial fraud in your organization or government agencies?

2. If we analyse the response from the questionnaire, it seems that the state has implemented certain steps to ensure that financial fraud can be controlled. However, the incidence of financial still prevail. What is your view on this matter?

3. What are the actions taken by the state government agencies if financial fraud is detected?
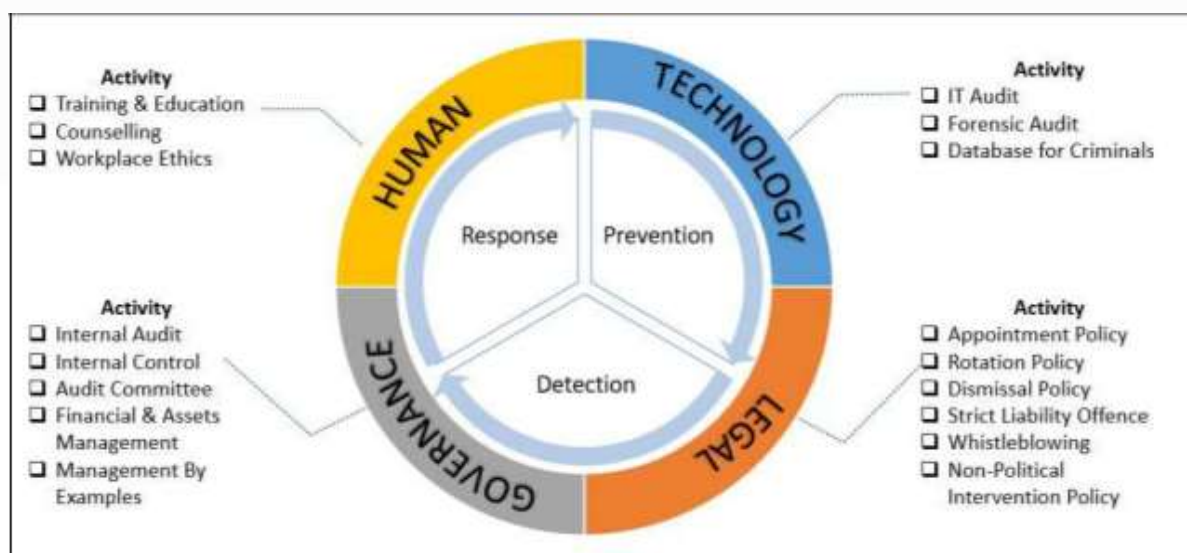
4. From the analysis, we have constructed a fraud mitigation tool as shown in the slide below. The questions are:

i. Are those items in the framework implemented in your agency?

ii.   If there is any (referring to (i) above), how was the items being implemented?

iii.   Besides the items listed in the framework, are there any other items that you would suggest as a measure to mitigate financial fraud incidences in the government agencies?

5.   Appendix 2

6. **Table 4:**

Summary of response on element to be included in Proposed fraud mitigation tool for State government agencies

		Elements*															
Organization	Respondent code	People				Governance		TO		Technology		AP	RP	DP	Legal		P**
		T&E	C	IA	IC	AC	FAM		IT	FA	DC				SLO	W	
GA1	R1	√	√	√	√	√	√		√	√		√	√	√	√	√	√
GA2	R2	√	√	√	√	√	√		√	√		√	√	√	√	√	√
GA3	R3	√	√	√	√	√	√	√	√	√		√	√	√	√	√	√
GA3	R4	√	√	√	√	√	√	√	√	√		√	√	√	√	√	√
GA4	R5	√	√	√	√	√	√		√	√	√	√	√	√	√	√	
GA5	R6	√		√	√	√	√	√	√			√	√	√	√	√	
GA6	R7	√		√	√	√	√		√			√	√	√			

7. *

8.

T&E – Training & Education   C – Counselling   IA – Internal Audit   IC – Internal Control   AC – Audit Committee
                                                                                                            FAM – Financial & Assets
TO – Tip-offs   FA – Forensic Audit   IT – IT audit   DC – Database for criminals Management
AP – Appointment Policy   RC – Rotation Policy   DP – Dismissal Policy   SLO – Strict Liability Offence W - Whistleblowing

9.

10.   **New sub-element : NPI – Non-Political Intervention Policy

11.