

Working with the NGO sector — how contract management is used to identify the risk of fraud and corruption



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Introduction

Scale of FACS funded services

as at November 2017

\$1.13b 

funding

for the 2017–18
financial year

37 

programs

covering child and family,
homelessness, ageing
and domestic violence

735 

service providers

The evolution of FACS funded contract management

Evolution of control mechanisms: no more onerous, much more rigorous

In 2012

- **limited** oversight
- district-specific practices
- single control document

In 2017

- **substantial** oversight
- Central Office-led practices
- multiple control documents as part of a modular management framework

2012

2013

2014

2015

2016

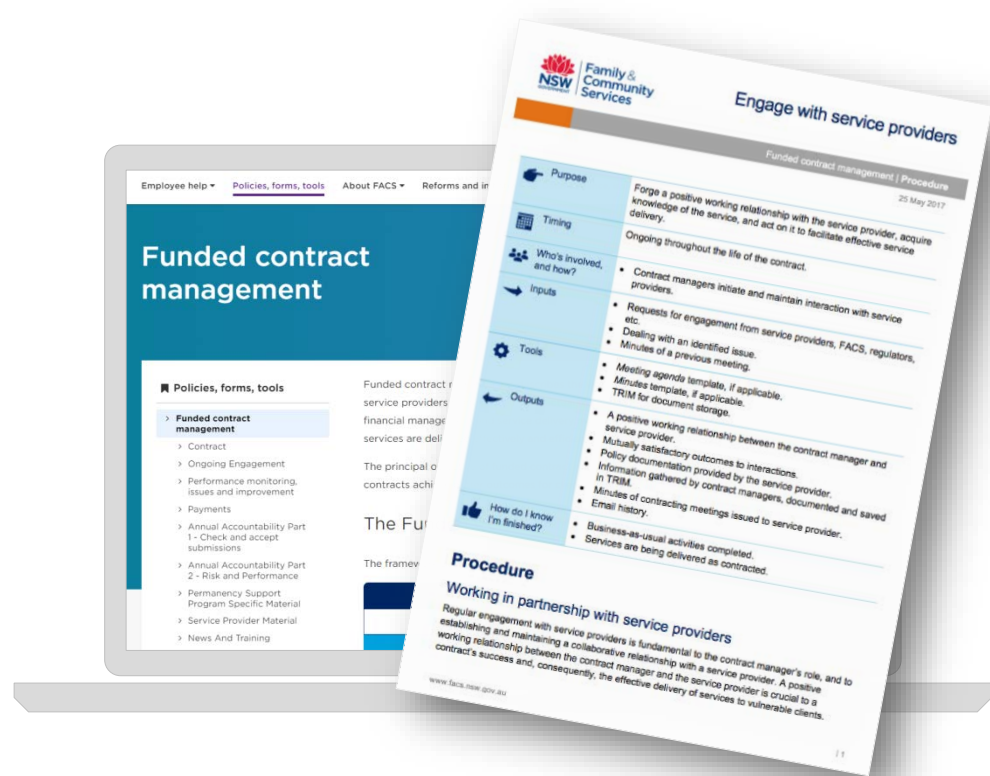
2017

The FACS Funded Contract Management Framework

Modular

Intranet-based

Easy to use and understand



Risk controls for funded contract management



Performance monitoring

Identify issues as soon as possible



Annual accountability

Assess service provider's overall performance and financial acquittal



Issue response

Assist service providers to resolve issues



Formal improvement plans

Develop action plan jointly with service provider

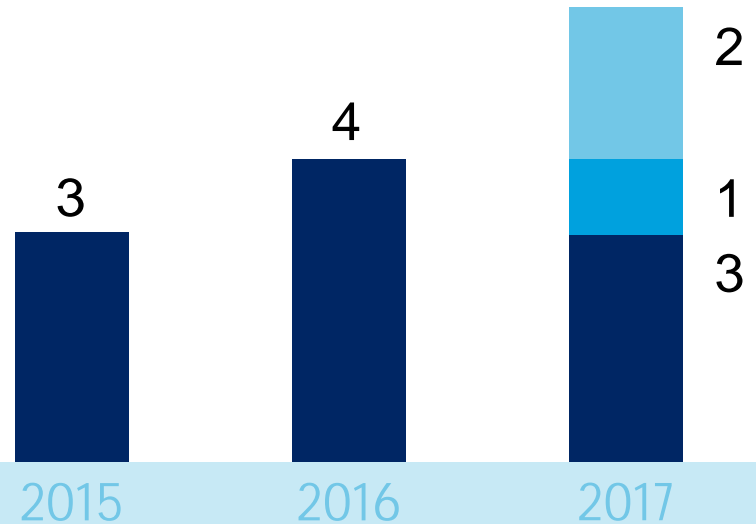


Prudential Oversight

Direct, advise and investigate

Case referrals in the last three years

- Section 11 Reports to ICAC and NSW Police
- Referrals to ICAC for Administrative Review
- Pending FACS determination



Case study: Non-English Speaking Housing Women's Scheme Inc. (NESH)

Sharobeem mistakenly bought
husband a Mercedes, ICAC told

nine.com.au 12 May 2017

**'It's part of my package':
Eman Sharobeem claimed
\$34,000 in traffic fines**

canberratimes.com.au 15 June 2017

Eman Sharobeem's handyman,
the honeymoon and the \$9000
holiday club bill: ICAC

brisbanetimes.com.au 13 May 2017

Six points of note from the NESH case

- 1 Develop the right tools and training
- 2 Provide professional guidance
- 3 Do sweat the small stuff
- 4 Give support to whistleblowers
- 5 Fiduciary duties matter
- 6 Audits count

Entrenching our practices and risk controls

Our risk controls continue to evolve

