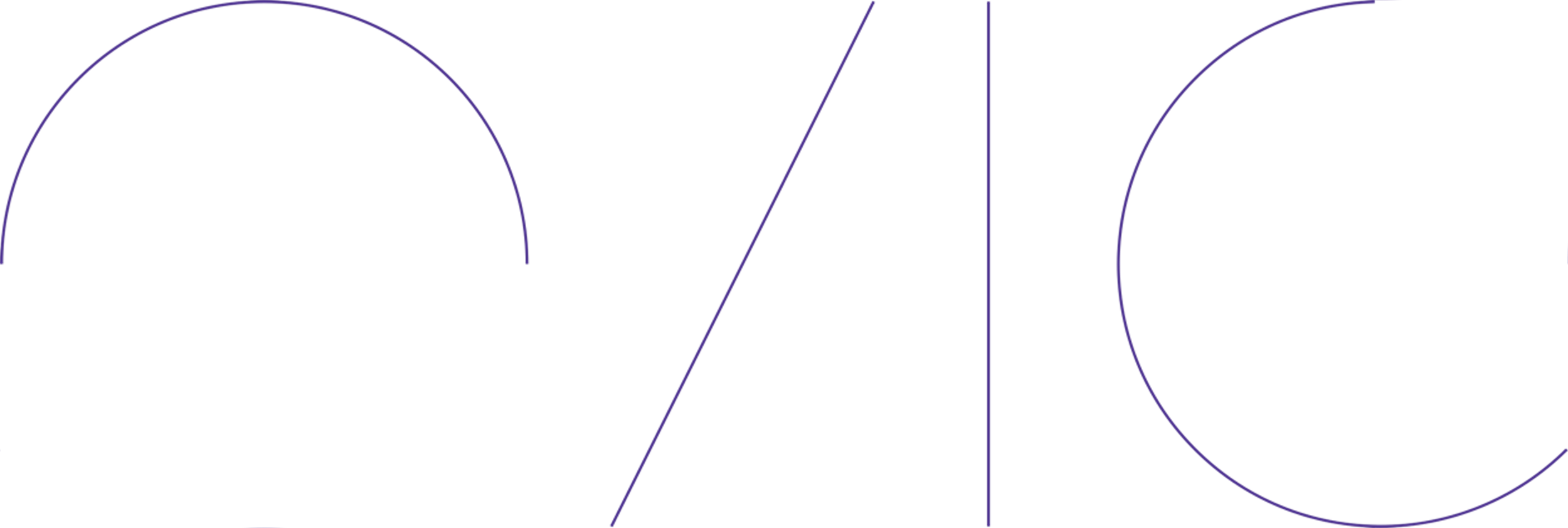
Fraud Policy and Procedures

Version 4.0



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| 2.0 | April 2023 | Minor editorial changes.  6. Reporting Fraudulent Conduct   * Updated definition of fraudulent conduct under PID. |
| 3.0 |  | Rebranding |
| 4.0 | 10 April 2024 | * Minor editorial changes * Replaced Applicability with Scope for consistency across policy. * Add policy statements * Elaborated on Code of Conduct and conflicts being included at Induction stage. * Personnel Security section updated to match Personnel Security Policy. * Reporting fraudulent conduct – addition of employee reporting to whomever they feel most comfortable |

Table of Contents

[1. Purpose 5](#_Toc191907856)

[2. Scope 5](#_Toc191907857)

[3. Definitions 5](#_Toc191907858)

[4. Related documents 5](#_Toc191907859)

[5. Statement of policy 6](#_Toc191907860)

[6. Internal Measures for Fraud Prevention 6](#_Toc191907861)

[6.1. VPS Code of Conduct 6](#_Toc191907862)

[6.2. Being Alert to Possible Fraudulent Activity 7](#_Toc191907863)

[6.3. Communication 9](#_Toc191907864)

[6.4. Personnel Security Clearances 9](#_Toc191907865)

[7. External Fraud Prevention Measures 9](#_Toc191907866)

[8. Reporting Fraudulent Conduct 10](#_Toc191907867)

[8.1. Formal Incident Reporting 10](#_Toc191907868)

# Purpose

The purpose of this policy, to:

* provide guidance on OVIC’s fraud and corruption prevention, detection and reporting processes
* advise employees, contractors and consultants who work for the Office of the Victorian Information Commissioner (**OVIC**) that OVIC has zero tolerance for any fraudulent conduct.

# Scope

This policy applies to all statutory office holders and employees, and relevant contractors and consultants of the OVIC.

# Definitions

|  |  |
| --- | --- |
| **Term** | **Definition** |
| **Fraud** | The Guidance supporting the Standing Directions 2018 under the *Financial Management Act 1994* of the Minister for Finance 2016 states that this policy should be consistent with the Australian Standard for Fraud and Corruption Control (AS 8001‐2008). That Standard defines ‘fraud’ as dishonest activity causing actual or potential financial loss, including theft of monies or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This includes:   * the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose * the improper use of information or position for personal financial benefit. |
| **Employees** | Means the Information Commissioner, Privacy and Data Protection Deputy Commissioner, the Public Access Deputy Commissioner, and any person appointed to act as a Statutory Office Holder as well as OVIC direct employees, secondees, interns, volunteers, contractors, sub-contractors and consultants (whether directly and indirectly engaged). |

# Related documents

This policy should be read in conjunction with other relevant OVIC policies, procedures and practices that apply to OVIC, including:

* Fraud Procedure
* Public Interest Disclosure Policy
* Conflict of Interest Policy
* Purchase Card Policy
* Gifts Benefits and Hospitality Policy and Procedures
* VPS Code of conduct for Victorian public sector employees of special bodies.
* Personnel Security Policy and Procedures

# Statement of policy

OVIC will act consistently with the Code of Conduct for Victorian Public Sector Employees of Special Bodies.

To assist in the prevention of fraud OVIC promotes an office culture that is based on the public sector values set out in the Code of Conduct. OVIC employees will:

* Be alert to possible fraudulent activity or behaviour.
* Abide by OVIC’s Personnel Security policy and procedures.
* Adhere to external fraud prevention measures.
* Follow OVIC’s formal incident reporting process.

# Internal Measures for Fraud Prevention

## VPS Code of Conduct

The Code of Conduct for Victorian Public Sector Employees of Special Bodies 2015 (**Code of Conduct**) promotes the public sector values set out in section 7 of the *Public Administration Act 2004*. In accordance with section 61(3) of the *Public Administration Act 2004*, this Code of Conduct is binding on all employees of the Information Commissioner.

To assist in the prevention of fraud OVIC promotes an office culture that is based on the public sector values set out in the Code of Conduct. As part of the induction process, a copy of the Code of Conduct is provided to all employees, contractors, consultants so that they are aware of the expected values and behaviours of public officials, including the value of integrity, as set out in section 7 of the *Public Administration Act 2004*. All employees of OVIC are required to sign a form acknowledging that they have read and understood its contents.

OVIC requires contractors and consultants to comply with the Code of Conduct in appropriate circumstances, for example when the contractor or consultant will use or have access to OVIC resources or information that is not normally accessible or available to the public.

## Being Alert to Possible Fraudulent Activity

All OVIC employees are expected to be alert for fraudulent activity. This is especially true of managers and those with financial delegations. In the event of any investigation, all employees must cooperate fully and promptly.

It is the responsibility of every OVIC employee to be aware and on the lookout for the warning signs of fraud and report any knowledge or suspicion of fraud to your manager or where there is corrupt conduct, to IBAC. This responsibility and the established systems and processes, form OVIC’s fraud prevention strategy.

To help carry out this responsibility, possible warning signs in behaviours, in systems and processes, and in specific circumstances are listed below. Note that these factors are not necessarily determinative of fraud - they may indicate fraudulent activity, however they may also indicate other issues that may need to be addressed or may be exhibited in a situation involving no wrongdoing at all.

In individual employees, warning signs for the possibility of fraud can include:

* Evasive behaviour
* evasive behaviour, such as bypassing managers or subordinates
* refusal to produce files, minutes or other records
* covering up inefficiencies
* secretiveness
* Irregular work practices
* increased absences or alternatively, never taking leave.
* refusal to comply with normal rules and practices
* attempts to inappropriately influence conduct or result of tender or other selection processes
* frequent complaints from stakeholders
* unusual working hours on a regular basis
* employees with outside business interests or other jobs
* undeclared or understated conflicts of interest
* Signs of personal problems
* heavy gambling habits
* signs of drinking or drug abuse problems
* suffering financial hardships
* apparently living beyond their means
* borrowing from fellow employees

In systems and processes, warning signs for the possibility of fraud can include:

* absence of controls and audit trails
* excessive control of all records by one person
* poor pre-employment screening processes
* poor internal controls
* internal controls being ignored or bypassed
* unauthorised changes to systems or work practices
* lack of management oversight or supervision
* lack of clear financial delegations
* failure to take action on results of internal or external audits or reviews

In particular matters, warning signs for the possibility of fraud can include:

* excessive variations to budgets or contracts
* lowest tenders or quotes passed over with no or inadequate explanations recorded
* large sums held in petty cash
* missing expenditure vouchers and unavailable official records
* unauthorised changes to systems or work practices
* required documentation not maintained
* required processes not adhered to
* real or potential conflicts of interest
* failure to take action on results of internal or external audits or reviews.

While the presence of one or more of these warning signs does not necessarily mean that a person has engaged in, is engaging in or proposes to engage in fraudulent activity, they may indicate that a person, system or process is at risk of engaging in, or being susceptible to, such activity.

## Communication

Communicating this policy at staff meetings and on the OVIC website disseminates awareness of its requirements and encourage employees to be alert to fraudulent behaviour. Ensuring that employees, contractors and consultants are aware assists in preventing fraud by promoting a workplace that has no tolerance for fraudulent behaviour.

## Personnel Security Clearances

To assist in the prevention of fraud all OVIC employees are required to gain and maintain a security clearance. This includes the disclosure of any criminal offences by undertaking the requisite pre-employment checks/screening prior to employment and regularly advise their manager and the Australian Government Security Vetting Agency (AGSVA) of any changes in personal circumstances and personnel security declarations as part of the performance management and progression plans process.

For further information refer to the Personnel Security policy and procedures.

# External Fraud Prevention Measures

OVIC’s finances are managed though DJCS/DPC/DTF financial management systems and are therefore subject to /DJCS/DPC /DTF financial management frameworks, financial conduct procedures and process controls, including DJCS/DPC/DTF rules regarding line management accountabilities and the separation of roles and responsibilities.

# Reporting Fraudulent Conduct

OVIC’s Internal Complaints Procedures require complaints in relation to misconduct to be reported via the Complaints Coordinator, which is the Chief Operating Officer (COO), or alternatively the Information Commissioner or the Office Manager. Employees can however, make a complaint to whomever they feel most comfortable but that the COO will ultimately be responsible for dealing with it unless they are the subject of the complaint or is otherwise connected with the action complained about, in which case the General Counsel or another senior employee will be appointed to conduct the review.

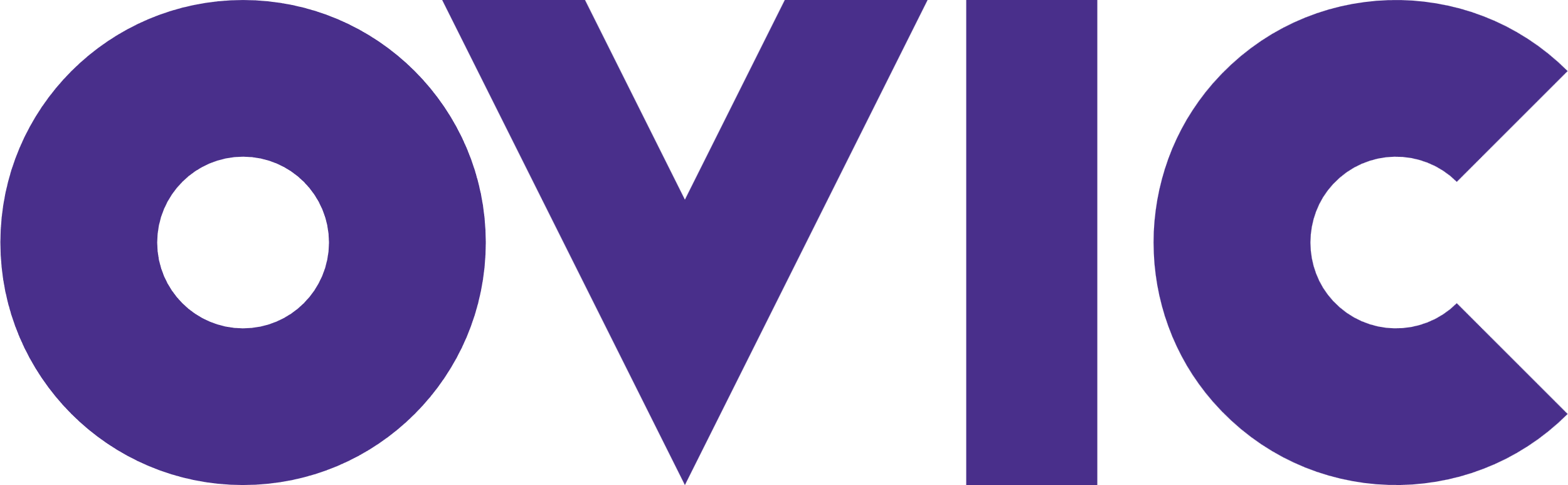
Fraudulent conduct may amount to improper conduct or corruption and therefore be a public interest disclosure under the *Public Interest Disclosures Act 2012* (**the PID Act**). People who make a public interest disclosure about OVIC or its staff have protections under the PID Act, but only if they make the disclosure to the Independent Broad-based-Anti-corruption Commission (**IBAC**) or other agency authorised to receive a disclosure.

Further information with respect to complaints procedures is contained in OVIC’s Internal Complaints Procedures. Further information with respect to public interest disclosures is contained in OVIC’s Public Interest Disclosure Policy

## Formal Incident Reporting

Standing Direction 3.5.3 (2018) under the *Financial Management Act 1994*, requires the Information Commissioner to report cases of actual or suspected significant or systemic fraud, corruption or other losses are notified to the Responsible Minister, Audit Committee, Portfolio Department and Auditor-General. OVIC has adopted DPCs thresholds for significant fraud, corruption or other losses. They are $1000 for money and $5000 for property.

Compliance with Standing Direction 3.5.3 (2018) may not be required where to do so would contravene Part 7 of the *Public Interest Disclosure Act 2012*, which provides that it is an offence to disclose the content of a public interest disclosure and the identity of the person making an assessable disclosure (unless certain limited exceptions apply). The Information Commissioner is also required under the *Independent Broad-based Anti-corruption Commission Act 2014* to notify IBAC when they have reasonable grounds to suspect corruption is occurring or has occurred.



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