

## Australian Film, Television and Radio School

### Fraud Control Plan

### Financial Years: 19/20 & 20/21

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# 1 Introduction

As an Australian Government statutory authority, the Australian Film, Television and Radio School (**AFTRS**) is bound by the *Public Governance, Performance and Accountability Act 2013* (**PGPA Act**), and the rules made under the PGPA Act.

The PGPA Act requires AFTRS, among other things, to meet high standards of governance, performance and accountability and to use and manage public resources properly. Section 10 of the *Public Governance, Performance and Accountability Rule 2014* (**PGPA Rule**) establishes a minimum standard applying to AFTRS' Council for managing the risk and incidents of fraud.

This *Fraud Control Plan* (**FCP**) meets AFTRS' obligations under the PGPA Act and the PGPA Rule. It is also consistent with the *Commonwealth Fraud Control Framework*, including the *Commonwealth Fraud Control Policy* and the *Resource Management Guide No. 201* issued by the Minister for Justice. Both contain key principles and best practice advice for effective fraud control.

AFTRS has a zero-tolerance policy towards fraudulent and corrupt activity or behaviour. A zero tolerance approach to fraud and corruption does not mean that all fraud and corruption can be avoided or prevented, but it does mean that all instances of alleged or suspected fraud will be dealt with according to this Plan.

## 1.1 AFTRS' commitment to fraud control

AFTRS does not tolerate dishonest or fraudulent behaviour.

AFTRS is committed to minimising, detecting, investigating and reporting on fraud, with the ultimate goal of preventing it and encouraging an ethical culture.

*Everyone* working at AFTRS is responsible for the proper management of public resources and therefore for preventing fraud against AFTRS

AFTRS is committed to fraud control because fraud against AFTRS adversely affects:

- AFTRS' resources, and therefore public resources, including information and property; and
- the integrity, public confidence and the good reputation of AFTRS and the Commonwealth.

According to the Australian Government's fraud control framework, fraud control strategies should be an integral part of an entity's culture, processes and practices.

## 1.2 The purpose of this Fraud Control Plan (FCP)

This Fraud Control Plan has been prepared to:

- implement AFTRS' clear policy position on fraud, delineated in its *Administrative Orders, Codes of Conduct* and *Fraud Control Policy*;
- reflect a risk-based approach, and form part of AFTRS' general risk management framework;
- reflect the key requirements of the *Resource Management Guide No. 201*;
- establish a coordinated approach to investigations of suspected fraud;
- safeguard disclosers of potential wrongdoing and the reputation of individuals;
- ensure external reporting obligations are met; and
- describe AFTRS' ongoing monitoring and improvement of fraud detection to minimise, and ultimately prevent, the potential for fraud against AFTRS.

### 1.3 The scope of this Fraud Control Plan

The FCP primarily applies to all AFTRS' employees, including casual employees, contractors and volunteers. The FCP also applies to students and the public to the extent they are implicated in fraudulent conduct. General and academic student misconduct is dealt with separately under the AFTRS Code of Conduct. In addition, the FCP allows members of the public to report suspected fraud incidents.

## 2 Definition of fraud and identification of key fraud risks to AFTRS

AFTRS adopts the definition of fraud set out in the *Commonwealth Fraud Control Framework*, which is:

***Dishonestly obtaining a benefit, or causing a loss, by deception or other means.***

The benefits obtained may be tangible or intangible (such as information) and may be obtained by a third party and not the perpetrator of the fraud.

For fraud to exist there must be deception that is intended and not accidental or careless or the result of an error.

Examples of fraud include:

- theft or improper disposal of assets or revenue
- accounting fraud (for example, false invoicing)
- misuse of credit cards
- taking bribes or secret commissions or improperly accepting gifts
- using resources (such as computers) for personal benefit, including by gaining unauthorised access to other systems
- using information for personal gain
- other misuse or unlawful obtaining of assets, equipment, facilities or services
- wrongfully using intellectual property
- not disclosing conflicts of interest in key decision-making or biased decision-making
- improper conduct in procurement and contract management processes, including charging an organisation for goods or services that are incomplete or not delivered
- other bribery, corruption or abuse of office
- providing false or misleading information, or failing to provide information where there is an obligation to do so
- making or using forged or falsified documents
- corrupt practices that benefit causes or interest groups, rather than an individual
- dishonestly using research funds or sponsorships
- fabrication, falsification or plagiarism of research or scholarly work
- causing a loss or creating a liability

The key fraud risk areas for AFTRS are:

- theft of AFTRS' intellectual property
- theft of other AFTRS' resources (including physical assets, information held on IT systems, and use of AFTRS equipment) or services
- misuse of other AFTRS resources (including physical assets, information held on IT systems, and use of AFTRS equipment) or services
- undisclosed conflicts of interest in key decision-making and biased decision making
- improper conduct in procurement and contract management processes
- fraud with purchasing, credit card and accounts payable processes (e.g. false invoicing)
- falsifying student records
- students / applicants submitting material or work that is not their own
- non-paying students in AFTRS Open courses

Fraud can be any or all of a criminal offence, a breach of the duties of officials under the PGPA Act, a breach of contract, or other wrong.

## 3 Responsibilities

### 3.1 Overview

To manage the risk of fraud against AFTRS, AFTRS needs to ensure that fraud control responsibilities are documented and that all office holders, employees, contractors, volunteers and students understand their specific responsibilities.

Primary responsibility lies with the AFTRS' Council, which is responsible for:

- governing the entity in a way that promotes the proper use and management of public resources for which AFTRS is responsible, the achievement of AFTRS' purposes and AFTRS' financial sustainability; and
- establishing and maintaining an appropriate system of risk oversight and management for AFTRS and an appropriate system of internal controls for AFTRS.

In particular, AFTRS' Council - as the "Accountable Authority" under the PGPA Act is responsible for taking all reasonable measures to prevent, detect and deal with fraud relating to the entity, including by:

- conducting fraud risk assessments regularly and when there is a substantial change in the structure, functions or activities of the entity; and
- developing and implementing a fraud control plan that deals with identified risks as soon as practicable after conducting a risk assessment; and
- having an appropriate mechanism for preventing fraud, including by ensuring that:
  - officials of the entity are made aware of what constitutes fraud; and
  - the risk of fraud is taken into account in planning and conducting the activities of the entity; and
- having an appropriate mechanism for detecting incidents of fraud or suspected fraud, including a process for officials of the entity and other persons to report suspected fraud confidentially; and
- having an appropriate mechanism for investigating or otherwise dealing with incidents of fraud or suspected fraud; and
- having an appropriate mechanism for recording and reporting incidents of fraud or suspected fraud; and
- setting the ethical tone within AFTRS.

Under the PGPA Act, AFTRS' Council members and AFTRS' employees are required to:

- exercise the degree of care and diligence that a reasonable person would exercise in their position;
- act in good faith and for a proper purpose;
- not improperly use their position to gain a benefit or an advantage for themselves or any other person or cause or seek to cause detriment to the entity, the Commonwealth or any other person;
- not improperly use information obtained because of their position to gain or seek to gain a benefit or an advantage for themselves or any other person or cause or seek to cause detriment to AFTRS, the Commonwealth or any other person; and
- disclose any material personal interests they have relating to AFTRS' affairs.

The sections that follow give further details of the fraud prevention and management responsibilities that apply.

### 3.2 Finance, Audit and Risk Management Committee

The Finance, Audit and Risk Management (**FARM**) Committee, a sub-committee of Council, oversees fraud risks, as part of AFTRS' risk management activities, and the controls relating to those risks. In doing so, the FARM Committee receives, reviews and endorses the FCP and receives reports from the Director, Finance & Technology on the implementation of fraud control strategies, on any non-trivial incidents of suspected fraud, and on any suspected fraud incidents referred, or not referred, to State, Territory or the Australian Federal Police (**AFP**). The FARM Committee reviews these reports to ensure that appropriate and timely action is taken.

### 3.3 The Chief Executive Officer

AFTRS' Chief Executive Officer (CEO) is responsible for promoting an ethical and fraud awareness culture and implementing AFTRS' fraud control measures, including AFTRS' *Fraud Control Policy* and FCP.

Reports of alleged fraudulent conduct may be made directly to the CEO, and the CEO may investigate fraud allegations. The CEO is responsible for determining the course of action following identified or reported incidents of fraud, including whether or not allegations are investigated internally or externally or referred to State, Territory or the Australian Federal Police (**AFP**). The CEO ensures that appropriate reports about fraud and fraud control are made to the responsible Minister, Council and the FARM Committee.

### 3.4 The Director, Finance & Technology

The Director, Finance & Technology is responsible for coordinating the implementation of fraud control measures in AFTRS.

The responsibilities include to:

- *conduct a Fraud Risk Assessment* and revise the FCP every 2 years or sooner as required, for example when aware of any structural or system changes that may affect the level of risk
- *provide reports* to the FARM Committee on the implementation of fraud control strategies contained in the FCP, and on the outcomes of investigations and the recovery of any losses
- *report* fraud data annually to the Australian Institute of Criminology (**AIC**)
- *provide* input into policies, procedures and guidelines that relate to areas of fraud risk
- *promote* awareness of fraud and fraud prevention
- *be* the principal contact on fraud and fraud related matters for employees, external investigators, the AFP, the AIC and the Attorney General's Department, including by receiving reports on alleged fraud.

The Director, Finance & Technology and the Head of Facilities are together responsible for:

- *ensuring* that AFTRS' premises are secure to prevent:
  - unauthorised access
  - unauthorised removal of information or assets
  - theft of assets

- damage to assets
- physical threat to employees, contractors, students and volunteers (e.g. by members of the public); and

The Director, Finance & Technology, Head of Business Applications & Infrastructure and the Technology Servicedesk Manager are responsible for information security within AFTRS including:

- *implementing* approved IT security policies
- *developing* IT security procedures and guidelines
- *monitoring* of IT security
- *providing* reports and advice on IT security matters to the CEO and other Divisional Directors
- *arranging ongoing* training and awareness in IT security matters for authorised users

### 3.5 Other Divisional directors

Other Divisional directors are responsible for:

- *taking* a leadership role in promoting ethical behaviour within AFTRS
- *identifying* and *mitigating* potential fraud risks to their Division
- *developing*, *implementing* and *monitoring* fraud control strategies in conjunction with the Director, Finance & Technology to address fraud risks to AFTRS generally
- *reporting* incidents and reports of suspected fraud to the Director, Finance & Technology
- *ensuring* that employees receive appropriate fraud awareness training.

### 3.6 Employees, contractors, volunteers and students

Employees, contractors and volunteers must:

- act in a professional manner
- comply with the applicable AFTRS' *Code of Conduct* and with legal requirements, policies and directives
- avoid waste or misuse of AFTRS resources, including information
- be aware of the signs of misconduct and fraud
- report any suspected fraudulent activity coming to their attention
- assist with any enquiries and investigations relating to misconduct and fraud
- attend fraud awareness training

Students must:

- comply with the applicable *Code of Conduct* and applicable AFTRS' policies and procedures
- be scrupulous in their use of Commonwealth information, money, property, goods and services
- report any corrupt or fraudulent activity coming to their attention

Information for students about their responsibilities in relation to appropriate conduct and fraud control is included in the *Student Handbook* and the *Information Guide*, available on AFTRS' website.

## 4 Preventing and detecting fraud or suspected fraud

AFTRS adopts a number of strategies and controls to prevent, detect and respond to suspected fraudulent activity. In addition to the FCP, strategies include integrity frameworks through the *Administrative Orders* and *Codes of Conduct*, pre-employment and other screenings, fraud awareness training, fraud risk assessments, robust internal controls, data analysis, management report reviews, the establishment of clear reporting channels and protection of people who disclose suspected fraud.

Further information about the other strategies is as follows:

### 4.1 Appointment screenings

The appointment of new, non-casual staff is governed by the *AFTRS Enterprise Agreement 2017* and *AFTRS' Staff Recruitment Policy*. *AFTRS Enterprise Agreement 2017* and the Policy and Procedures clearly outline the expected staff engagement and authorisation processes and are retained on the intranet.

New staff appointments must be authorised in accordance with AFTRS' Human Resource delegations of authority.

All new staff are required to provide evidence of their identity, and reference checks are also completed. Employees who are residents of Australia have to supply bank details, tax file numbers, superannuation membership numbers, and their home address, phone number and email address. Non-resident casuals asked to work at AFTRS' premises must show their passport and relevant work visa.

All Executives, senior teaching staff identified by the Executive, and other Heads of Department with governance responsibilities are required to be assessed as a 'Fit and Proper Person' by the CEO. This is a combination of a Declaration and National Police check. Employees engaged to fill other Identified Positions who have access to extensive personal information or across-School financial expenditure, or processing authority, also require a National Police Check. All AFTRS employees must have a clearance to work with children according to applicable law.

### 4.2 Fraud awareness training

All staff have access to applicable legislation, and the *Administrative Orders*, *Code of Conduct* and other policies and procedures, through AFTRS' website and intranet. New staff are informed about the *Code of Conduct* at induction.

Employees who will exercise financial delegations as part of their role have additional fraud control awareness training at induction with the Head of Finance.

Existing staff have access to a number of Information Sheets on Fraud Control through the Intranet, which include information on their responsibilities and how to report suspected fraudulent activity.

New and existing staff are required to complete the Fraud Awareness e-learning module every two years. Staff are also required to attend any additional, compulsory face-to-face training conducted by Finance. HR tracks e-learning training completion status in the e-learning system (Moodle) and follows up with employees who have not adequately completed all compulsory training.

AFTRS' *Fraud Control Policy* and modified FCP are accessible to everyone, including the public, on AFTRS' website, and are updated or replaced where necessary because of external or internal changes, such as new or amended legislation or new AFTRS' structures or systems.

### Internal and external fraud risk assessments

Fraud risk management is treated as part of AFTRS' general Risk Management Framework.

AFTRS conducts its specific, periodic, fraud risk assessment process across the School in accordance with the relevant, key principles of the *Risk Management – Guidelines and Principles* (AS/NZS ISO 31000:2009). The approach meets the requirements of the Guidelines and is augmented by AFTRS applying the principles contained in the *Fraud Control in Australian Government Entities – Better Practice Guide (March 2011)*.

The approach qualitatively assesses controls, and measures the likelihood, consequence, and the residual risk of each potential fraud risk. The residual risk is the level of risk that remains after considering all existing controls. The residual risk rating, in combination with the controls assessment, provides information about areas where management attention or action is required.

Residual risks are rated as follows:

Rating	Residual Risk Definition
High	Risk must be assessed and reduced as soon as possible. If it cannot be reduced from high, Management must demonstrate to the CEO that due diligence systems are in place and appropriate corporate governance can be demonstrated.
Significant	Ensure system and technical controls are such that the CEO agrees that the risk is as low as is reasonably practicable and due diligence systems are in place and appropriate corporate governance can be demonstrated.
Moderate	Ensure management system controls risk, managerial responsibility is defined and key controls subject to regular reviews.
Low	Acceptable Risk – Review consequence and likelihood, Manage through routine procedures and key controls subject to regular reviews.

Internal fraud risk assessments are conducted as part of the regular and ongoing risk management framework. .

From time to time, the Director, Finance & Technology engages an external service provider to conduct whole-of-School general business risk assessments and fraud risk assessments, and to provide recommendations for further action.

In addition, from time to time, the Director, Finance & Technology arranges for external service providers to conduct data analysis of specific aspects of the finance and payroll systems.

AFTRS recognises that auditors also have a role to play in the detection and reporting of fraud.

### 4.3 Internal controls

AFTRS has developed and maintains strong internal controls against fraud in all areas of its operations.

These controls are established by the *Administrative Orders* and by the implementation of policies and procedures covering a range of issues, including:

- guarding against employee identity fraud, and nepotism and corruption;
- protecting AFTRS' assets and infrastructure and establishing and maintaining security;
- preventing or mitigating conflicts of interest and potential bribery and corruption;
- safeguarding AFTRS' finances; and
- ensuring all students are dealt with fairly and equitably, and ensuring students behave with academic integrity.

If, however, any fraud is detected, or any unacceptable fraud risk, AFTRS will re-assess the relevant internal controls to determine whether they need to be adjusted or replaced and make any necessary changes as soon as practical.

#### **4.4 Internal Audit**

The purpose of Internal Audit reviews are to promote a risk aware culture, make recommendation to improve business risk management processes and controls and provide independent assurance that internal control systems are adequate and operating effectively.

AFTRS recognises that both external and internal auditors have a role to play in the detection and reporting of fraud.

## **5 Reporting a fraud suspicion**

Everyone is encouraged to report or disclose information that shows or tends to show fraudulent behaviour.

Whistle-blowing is one the most common methods of detecting fraud and AFTRS has implemented the *Public Interest Disclosure Act (2013) (PID Act)*. The PID Act encourages disclosure of suspected wrongdoing in government entities and provides protections to people who make public interest disclosures (PIDs), and requires agencies to take action.

The PID Act:

- Encourages and facilitates public interest disclosures by public officials
- Ensures public officials who make public interest disclosures are supported and protected from adverse consequences
- Ensures disclosures by public officials are properly investigated and dealt with.

### **5.1 Who can a suspected fraud be reported to?**

A suspected fraud may be reported to:

- Any member of the Executive
- Head of Finance
- Head of Production Technology
- Technology Service Desk Manager
- Head of Facilities

- Head of Learning & Student Experience
- A supervisor
- a Public Interest Disclosure (PID) officer

Law enforcement agencies may also be approached if a person has evidence that a crime has been committed.

## 5.2 How are reports to be made?

A report may be given verbally or in writing, on the phone, in person or electronically. The report should include as much information as possible to explain and justify the allegation and enable (at least the start of) an investigation.

An employee, contractor, volunteer or student who suspects that fraudulent activity is occurring must:

- **Note observations**
  - not jump to conclusions
  - not conduct their own investigations
- **Report Concerns**
  - report concerns and provide written allegations to the appropriate person
  - refer any relevant documents (which must not be altered) as possible evidence to the appropriate person, and ensure they are stored securely.
- **Inform only those who need to know**
  - to prevent possible destruction of evidence
  - as protection against any pressure from those involved
  - to avoid compromising future proceedings
  - to protect the rights of people suspected of fraudulent activity who may, in fact, be innocent.

Managers who receive a report must document the report in the AFTRS' *Fraud Incident Report Form* current at the time they receive the report. A copy of the current version is contained in Attachment 1.

## 5.3 Additional information

A person who is or was an AFTRS' Council member, an employee or an individual employed by a contractor to AFTRS may make a report about suspected fraudulent conduct under the *Public Interest Disclosure Act 2013* (PID Act). Details about reports made under the PID Act, and how they are to be dealt with, are set out in the PID Procedures available on AFTRS' website and in Information Sheets available to staff on AFTRS' Intranet.

AFTRS is committed to supporting and protecting people (and the careers of employees) who report suspected fraud from victimisation and discrimination, so long as they are not involved in the fraud.

For example:

- A person making a report under the PID Act is supported and protected under the PID Act from reprisals being taken against them because of the report;
- AFTRS' *Code of Conduct* recognises that 'whistleblowing' is not misconduct, unless the whistleblower was aware at the time that the allegations were not grounded in fact. The AFTRS' 2017 *Enterprise Agreement* requires AFTRS to protect employees who allege breaches of the *Code of Conduct* from victimisation and discrimination in their employment.

AFTRS acknowledges its obligations under the *Privacy Act 1988* in relation to a discloser's identity. However, as the subject of a report will be advised of its content, even if AFTRS maintains a discloser's confidentiality, it may be possible for the report's subject to determine who made it. It may also not be possible to prevent the disclosure of a discloser's identity in the event of criminal prosecutions or civil proceedings. If a discloser is also involved in improper conduct, while AFTRS will take their disclosure into account in any internal disciplinary proceedings, AFTRS will have no power to provide immunity from criminal prosecution.

## 6 Investigating fraud or suspected fraud

### 6.1 Rights of individuals

People suspected of fraud against AFTRS are considered innocent until they are found to be engaged in fraudulent behaviour. A person suspected of fraud has the right not to have details of the allegation disclosed to and discussed by people not concerned with the matter and no-one should tolerate or promote speculative gossip.

A person who suspects that fraudulent activity may be taking place at AFTRS should, in the first instance, report the activity as indicated in section 5 of the FCP. People working in an area in which fraud is suspected may be interviewed by fraud investigators or by the police.

People have a common law duty to assist police with their investigations. However, a person who believes that the answer to a question during a fraud investigation may implicate them in the fraud has a right not to answer the question. Before an interview, fraud investigators and police are legally bound to advise people of their legal rights, including their right to legal representation during the course of the interview.

### 6.2 Overview of investigative processes

#### 6.2.1 Types of and criteria for investigations

Investigations of public interest disclosures made under the PID Act will be undertaken according to the PID Act and the *PID Procedures*.

Except in the case of a public interest disclosure under the PID Act, some of the matters to be considered when making decisions on whether or not a fraud suspicion should be investigated and, if it should, the type of investigation that is appropriate, include:

- the cost or value of the alleged fraud;
- the security implications of the alleged fraud;
- the likely cost of investigation or prosecution;
- the possible benefit, including recovery of losses and deterrent value, and non-monetary considerations such as the public interest or damage to the integrity of the entity or Government if the matter is not investigated;

- the identity of the person or people suspected of fraud;
- the nature of the alleged fraud;
- the prospect of compiling sufficient evidence for a brief to the Commonwealth Director of Public Prosecutions (**CDPP**);
- the possibility that the fraud is systemic or targeted (rather than an isolated or opportunistic incident);
- the likelihood that the fraud was perpetrated by an external party with internal assistance; and
- the possible ongoing risks caused by or evident in the fraud.

If evidence cannot establish the degree of intention, recklessness or negligence required for a criminal offence, or if the matter is trivial, administrative or civil sanctions may be appropriate.

### **6.2.2 Internal investigations**

Investigations are only to be carried out by appropriately qualified and experienced personnel, with the appropriate level of managerial oversight. Any external investigators must also be appropriately qualified and supervised.

### **6.2.3 Preliminary, minor or routine investigations not undertaken by the AFP**

Subject to paragraph 6.2.2 and the PID Act, AFTRS, or an external investigator appointed by AFTRS, may undertake a preliminary investigation, a minor or routine investigation not referred to the AFP, an investigation unlikely to be accepted by the AFP where they do not involve conflicts of interest or politically sensitive matters, and investigations not accepted by the AFP or state or territory police.

A preliminary investigation will decide whether the allegation:

- is not substantiated and no further action will be taken other than to debrief the informant(s)
- is substantiated and warrants further investigation, disciplinary processes or civil action or any of them. If necessary, advice will be sought from the Australian Government Solicitor or other legal advisers to AFTRS on the appropriate course of action
- is likely to be accepted by the AFP under its Case Categorisation and Prioritisation Model (**CCPM**)
- is to be subject to an investigation carried out by an accredited service provider.

AFTRS, or the appointed external investigator, who must be supervised by AFTRS, will conduct an investigation taking into account the Australian Government Investigation Standards (AGIS) and provide:

- a report on the alleged fraud, recommending action to be taken
- if necessary and appropriate taking into account the *Prosecution Policy of the Commonwealth*, a prosecution brief for the CDPP in accordance with the *Guidelines for dealings between Commonwealth investigators and the Commonwealth Director of Public Prosecutions*
- a recommendation on whether or not administrative/disciplinary action be taken against the offender.

The Director, Finance & Technology will be responsible for monitoring investigation contracts and will ensure that:

- external investigators have the appropriate qualifications, experience and security clearances; and
- investigation contracts include monitoring provisions and performance indicators.

#### **6.2.4 Referral of cases to State or Territory police**

Where an incident involves a suspected offence under State or Territory law, the Director, Finance & Technology and the CEO must consider whether or not to refer the incident for investigation by the relevant State or Territory Police force. If the matter may involve cartel conduct, it should be referred to the Australian Competition and Consumer Commission (**ACCC**). If a decision is made to refer the incident, either the Director, Finance & Technology or the CEO may do so. The decision must be reported to the FARM Committee.

#### **6.2.5 Referral of cases to the AFP**

All alleged incidents of serious or complex crime against Commonwealth laws, its revenue, expenditure and policy, must be referred by the Director, Finance & Technology, in consultation with the CEO, to the AFP for investigation. Subject to applicable legislation, the referral is to be made according to the AGIS and the referral process published on the AFP website. The decision must be reported to the FARM Committee.

Alleged incidents of fraud, which may warrant referral to the AFP, are those involving:

- a significant monetary or property loss
- organised or conspiratorial criminal activity
- bribery, corruption or attempted bribery or corruption of a Commonwealth employee or contractors
- the security, standing or integrity of the Commonwealth or AFTRS, or harm to their resources and interests
- harm to the economy, national interest or well-being of Australia
- a serious breach of trust by an AFTRS' official or contractor
- the use of sophisticated techniques or technology to avoid detection
- elements of a criminal conspiracy
- a matter which is known or suspected to involve criminal activity committed on more than one agency of the Commonwealth
- activities that could affect wide aspects of Commonwealth law enforcement
- politically sensitive matters

Any cases of criminal conduct or suspected criminal conduct by any personnel engaged in fraud control or fraud prevention duties, may be referred to the AFP for investigation or advice.

If any incidents are referred to the AFP, the following information should, wherever possible, be provided:

- details of the offence/s; and
- details of the suspected offender/s where known, for example:
  - name
  - address
  - date of birth

- place of birth
- whether or not an AFTRS or Commonwealth employee.

The AFP decides whether it will accept an investigation according to its Case Categorisation and Prioritisation Model (**CCPM**).

In circumstances where possible criminal activity is likely to have politically sensitive implications and the assistance of the AFP is to be sought, for information purposes only, the matter must be brought to the attention of the Minister for Justice through the responsible Minister, unless bringing the matter to the attention of the Minister would compromise the investigation.

### **6.3 Approach to disciplinary action, court proceedings and recovery**

For employees, contractors and volunteers, fraudulent behaviour is a breach of AFTRS' *Code of Conduct*, which may result in suspension, either with or without pay, dismissal or termination of the engagement. AFTRS' Council members, CEO, Divisional Directors and employees may also face disciplinary action if they do not act with honesty, care and due diligence in the discharge of their duties, including their duties under the PGPA Act.

Disciplinary action will generally not be finalised until an investigation is complete. The laying of criminal charges does not prevent disciplinary action.

Apart from taking disciplinary action, in appropriate cases, AFTRS may either bring civil proceedings against an alleged offender, or, where criminal offences are potentially involved, refer the matter to the CDPP (with a brief of evidence). The CDPP then decides whether or not to prosecute.

Employees who commit fraudulent acts are subject to prosecution under the *Criminal Code* (see chapter 7), the *Crimes Act 1914* and the *Proceeds of Crime Act 2002*.

They may also lose superannuation entitlements under the *Crimes (Superannuation Benefits) Act 1989*.

#### **6.3.1 Recovery action**

It is Commonwealth policy that those involved in a crime should not benefit from their criminal activity. AFTRS enforces this policy and will take all reasonable measures to pursue the recovery of lost money or property (generally where the likely benefit, including to reputation and the public interest, and deterrent value, will exceed recovery costs) through:

- *Proceeds of Crime Act 2002*; and
- Civil recovery processes or administrative remedies.

## **7 Recording and reporting fraud or suspected fraud**

### **7.1 Record keeping responsibilities**

Documents created in relation to a PID disclosure will be kept according to the PID Procedure.

Otherwise, the Director, Finance & Technology is responsible for maintaining records of identified or reported incidents of suspected fraud, their investigation and outcome, including decisions to take action, whether civil, administrative or disciplinary, decisions that no action will be taken, and the reasons for a decision.

Unless inconsistent with the PID Act or the *PID Procedures*, records will comply with the AGIS' storage of information requirements, and include details sufficient to enable AFTRS to complete the Australian Institute of Criminology's (AIC's) annual questionnaire. Records will also be kept according to the *Archives Act 1983* and AFTRS' *Disposal Authority*. In cases of theft, the Director, Finance & Technology will keep a list of the items stolen and the depreciated value of each item.

## **7.2 Reporting to the FARM Committee**

The Director, Finance & Technology must report to the FARM Committee on:

- all non-trivial identified or reported alleged incidents of fraud against AFTRS;
- all investigations of suspected fraud, whether internal or by external investigators;
- all cases of suspected fraud referred to State or Territory police and all decisions made not to refer cases to State or Territory police;
- all cases of suspected fraud referred to the AFP or the CDPP and all cases of suspected fraud not referred to the AFP;
- the progress and outcome of all identified or reported cases of fraud and all fraud investigations.

## **7.3 Reporting to others**

Depending on the specific circumstances AFTRS will report to the Responsible Minister, Australian Institute of Criminology, Attorney General's Department, ACCC and/or Australian Charities and Not-for-profits Commission as required

# Attachment 1 - Fraud Incident Report Form

**1. Details of suspected fraud**

Please include the names, positions, and details of all individuals or organisations suspected of fraud, and state whether internal or external to AFTRS:

**2. Describe the suspected fraud, for example, what does it involve? When did it occur? Where did it occur? How did it occur?**

**3. Details about evidence, for example, what evidence exists? Where is it? Who holds it?**

**4. Details about the person making the report, unless anonymous, for example, name, position, relationship to AFTRS, contact details:**

5. How was fraud detected?

No	Method of detection/notification	Tick, if YES
1.	Internal controls/audit/investigation	
2.	Staff member/colleague discovered	
3.	Internal anonymous whistle-blower/informant	
4.	External audit/investigation	
5.	Notification by police or other law enforcement agencies/investigation	
6.	External whistle-blower/informant	
7.	Credit card issuer	
8.	Media	
9.	Offender self-reported	
10.	Not recorded/unknown	
11.	Other – please specify	

6. Focus of suspected fraud

No	Focus	Tick, if YES
1.	<b>Equipment</b>	
	Theft of telecommunications or computer equipment (including mobile devices)	
	Theft of other government equipment	
	Theft of consumable stock (office related)	
	Theft of consumable stock (other)	
	Misuse of government equipment	
	Unable to be determined	
	Other equipment – please specify	
2.	<b>Entitlements</b>	
	Expenses (other than travel)	
	Travel claims	
	Payroll fraud	
	Leave and related entitlements	
	Unable to be determined	
	Other entitlements – please specify	
3.	<b>Information</b>	
	Obtaining or using information without authorisation (excluding personal information)	
	Obtaining or using personal information without authorisation	
	Providing false or misleading information, or failing to provide information when required to do so	

No	Focus	Tick, if YES
	Use of agency logo or name without authorisation	
	Misuse of agency intellectual property	
	Unable to be determined	
	Other information – please specify	
<b>4.</b>	<b>Financial benefits</b>	
	Obtaining cash/currency without permission (including theft of petty cash)	
	Misuse or theft of government credit cards, travel cards or other cash cards	
	Misuse or theft of cab charge	
	Theft of property other than cash	
	Procurement offences	
	Bankruptcy offences (hiding or disposing of assets)	
	Falsification of documents in order to gain financial benefits	
	Unable to be determined	
	Other financial benefits – please specify	
	Other – please specify	

#### 7. Method of suspected fraud

No	Method	Tick, if YES
<b>1.</b>	<b>Misuse of ICT</b>	
	Accessing information or programs via a computer without authorisation	
	Copying or altering data or programs without authorisation	
	Misuse of email	
	Manipulation of a computerised accounting system	
	Insertion of malicious code	
	Interference with computer networks	
	Unable to be determined	
	Other misuse of IT – please specify	
<b>2.</b>	<b>Misuse of identity</b>	
	Creating and/or using a fictitious identity	
	Use of another employee's or contractor's identity without their knowledge	
	Fraudulently using another person's identity with their permission	
	Unauthorised use of another person's password, PIN or access pass	
	Unauthorised use of another person's Tax File Number or Australian Business Number	

No	Method	Tick, if YES
	Unable to be determined	
	Other misuse of ID - please specify	
<b>3.</b>	<b>Misuse of information</b>	
	Creating and/or using a false or altered agency document	
	Creating and or using a false or altered document (not belonging to the agency)	
	Dishonestly concealing documents	
	Failing to provide documents when required to do so	
	Deliberately disclosing of sensitive information (in any form) for benefit	
	Unable to be determined	
	Other misuse of documents– please specify	
<b>4.</b>	<b>Corruption</b>	
	Accepting bribes	
	Accepting kickbacks or gratuities	
	Nepotism	
	Failure to disclose/abuse of a conflict of interest	
	Collusion or conspiracy between internal and external parties	
	Abuse of power	
	Unable to be determined	
	Other corruption– please specify	
<b>5.</b>	<b>Other methods</b>	
	Please specify type	

**Name/position of person completing report and date of report:**