

Fraud and Corruption Control Policy

1 Purpose

This policy outlines the Victorian Auditor-General's Office (VAGO) commitment to the control of fraud and corruption against and within the Office and to protecting public monies and assets.

This policy responds to requirements in [Standing Directions under the Financial Management Act – Direction 3.5 'Fraud, Corruption and Other Losses'](#).

2 Application

This policy applies to all VAGO officers, including employees, contractors, consultants, volunteers and any individuals or groups undertaking activity for or on behalf of VAGO.

3 Principles

VAGO does not tolerate fraud or corruption.

VAGO has no risk appetite for fraud or corruption perpetrated by staff and is committed to deterring and preventing such behaviour. VAGO takes all allegations of suspected fraud or corruption very seriously and responds fully.

All employees included in the scope of this policy have obligations under the law and the [Code of Conduct for Victorian Public Sector employees of Special Bodies](#) to act with integrity and not abuse their powers.

4 Requirements

VAGO has as part of its comprehensive Fraud and Corruption control framework:

- this Fraud and Corruption Control Policy
- Fraud and Corruption Control Plan
- Fraud and Corruption Response Procedure

VAGO officers also play a vital role in preventing and detecting fraud and corruption through their obligations to report improper conduct. VAGO officers are to report without delay all cases of attempted, alleged, suspected or detected fraud and corruption.

In situations where suspected fraud and corruption is identified, they will be reported in accordance with relevant legal obligations, investigated and responded to in a timely, professional and confidential manner. Where fraud and corruption is confirmed through investigation, reports will be made to the relevant external body, in accordance with relevant legal obligations, and recovery of monies will be pursued where appropriate.

5 Responsibilities

Responsibility for fraud and corruption prevention rests with all levels of VAGO, who collectively must accept ownership of the controls relative to this policy.

Auditor-General	Oversight of the framework for minimising VAGO’s exposure to fraud and corruption through effective governance and risk management External reporting as per the Standing Directions - Direction 3.5.3
Operational Management Group	Management of fraud and corruption risks and issues including identification, assessment, reporting and response, including controls to address specific and systemic issues
Audit and Risk Committee	Monitoring VAGO risk management including fraud and corruption control
Executive Officer	Managing and maintain a risk-based fraud and corruption control framework including this policy, control plan and relevant procedures. Championing fraud and corruption control across VAGO
Directors and Managers	Ensuring compliance and manage risk in relation to internal controls, systems, policies and directions
Our people	Reporting suspected cases of fraud and corruption within VAGO Maintaining a culture that is resistant to fraud, corruption and other intentional or deliberate wrongdoing Ensuring that their behaviour and conduct at all times reflects the standards of VAGO codes of conduct Complying with the internal controls, systems, relevant policies and directions that apply to them from time to time in relation to carrying out their duties or functions for VAGO

6 Definitions

Fraud	<p>Fraud is dishonest activity causing actual or potential financial loss including theft of monies or other property by employees, contractors, or persons external to the entity and where deception is used at the time, immediately before or immediately flowing from the activity, including:</p> <ul style="list-style-type: none"> the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit. <p>Examples are:</p> <ul style="list-style-type: none"> theft of money or other property by employees or persons external to VAGO deliberate falsification of a resume destroying audit evidence failure to disclose a related party at a client’s organisation.
Corruption	<p>Corruption is a dishonest activity in which an employee or contractor of VAGO acts contrary to the interests of VAGO and abuses his/her position of trust in order to achieve some personal gain or advantage for him/herself or for another person or entity.</p> <p>Examples are:</p> <ul style="list-style-type: none"> seeking or taking a bribe dishonestly performing official duties misuse of internet or email release of confidential or private information or intellectual property deliberate failure to perform functions properly exercise of a power or duty for an improper purpose <p>conspiring to engage in corrupt activity.</p>

Significant or Systemic	<p>Significant or systemic fraud or corruption is defined in Standing Directions under the Financial Management Act—Direction 1.6—it means an incident, or a pattern or recurrence of incidences that a reasonable person would consider has a significant impact on the Agency or the State's reputation, financial position or financial management.</p> <p>The defined value thresholds above which, an actual or suspected Fraud, Corruption or Other Losses are considered “significant”, have been determined as follows:</p> <ul style="list-style-type: none"> • \$5,000 in money • \$50,000 in other property • All unauthorised credit card transactions.
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7 References / related documents

[Standing Direction 3.5 'Fraud, Corruption and Other Losses'](#)

Fraud and Corruption Control AS 8001-2008 (Standards Australia)

Legislation

[Public Administration Act 2004](#)

[Financial Management Act 1994](#)

[Crimes Act 1958](#)

[Independent Broad-based Anti-corruption Commission Act 2011](#)

[Public Interest Disclosure Act 2012](#)

Codes of Conduct

[Code of Conduct for Victorian Public Sector employees](#)

[Code of Conduct for Victorian Public Sector employees of Special Bodies](#)

Policies

Fraud and Corruption Control Plan

Notifying IBAC of suspected corrupt conduct Policy

Management of Misconduct Policy

Procedures

Fraud and Corruption Response Procedure

8 Policy review statement

This policy will be reviewed every two years from the last approval date, or when there is a significant change in the intent of the policy.

9 Version history

Release notice			
Version	Date of effect	Amendment details	Amended by
1.0	1/7/2017	Initial release	
2.0	27/11/2017	Review – alignment to Standing Directions and AS 8001-2008	OAG
2.1	4/10/2018	Minor changes related to Internal Audit Review	OAG
2.2	19/11/2018	Minor changes to name of reference	OAG
2.3	19/04/2020	Change protected disclosure to public interest disclosure	OAG
2.4	18/6/2020	Minor changes to references	OAG
2.5	17/7/2020	Inclusion of unauthorised credit card transaction threshold in definitions	OAG
HP record no:	N17/12464		
Policy owner:	OAG		
Approved by:	Auditor-General		Date: 17 July 2020