

PRO-119

# Fraud, theft and corrupt conduct reporting procedure

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# About this document

## Purpose and scope

<b>Policy</b>	<p>The policy statement for this document is <i>POL-120 Values and ethics policy</i>.</p> <p><b>Parks Victoria will promote the highest standard in public sector values to support commitment to and confidence in every aspect of its delivery of park management services.</b></p>
<b>Purpose</b>	<p>This procedure is established to facilitate the development of controls that will aid in the detection and prevention of fraud against Parks Victoria. It is the intent of Parks Victoria to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.</p> <p>This procedure outlines how to:</p> <ul style="list-style-type: none"><li>• report suspected or actual acts of fraud, theft, losses, arson, corrupt conduct or other criminal activities;</li><li>• act on, investigate and report to other authorities on fraud, theft, losses or corrupt conduct.</li></ul>
<b>Scope</b>	<p>This procedure applies to all Parks Victoria Board Members and employees. This procedure applies to any irregularity, or suspected irregularity, involving employees as well as stakeholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Parks Victoria.</p> <p><b>Matters related to behavioural conduct do not fall within the scope of this procedure. Behavioural conduct issues should be raised with People and Culture.</b></p>
<b>Related documents</b>	<p>POL-110 Governance policy</p> <p>POL-310 Financial management and reporting policy</p> <p>PRO-111 Complaints procedure</p> <p>PRO-112 Delegations procedure</p> <p>PRO-115 Code of Conduct procedure</p> <p>PRO-121 Gifts, benefits and hospitality procedure</p> <p>PRO-122 Protected Disclosure procedure</p> <p>PRO-123 Conflict of interest procedure</p>

## Definitions

**Bribe** The act of paying a secret commission to another individual. It is also used to describe the secret commission itself.

**Corrupt conduct** Dishonest activity in which a Board Member, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity. The concept of 'corruption' within this standard can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly.

- This conduct implies:
  - substantial mismanagement of public resources
  - a substantial risk to public health or safety
  - a substantial risk to the environment

**Detrimental action** As defined by the Independent Broad-based Anti-corruption Commission (IBAC), detrimental action includes harassment or discrimination, or other adverse action taken against the discloser by a public officer or public body in reprisal for having reported the alleged improper conduct.

**Financial Management Compliance Framework (FMCF)** A framework developed by the Victorian Government to monitor the standard of financial management and assist Victorian public sector agencies to establish and maintain effective financial management.

**Fraud** Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys 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 also includes the deliberate falsification, concealment, destruction or use of falsified documentation for a normal business purpose or the improper use of information or position for personal financial benefit.

The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered 'fraud'.

Fraud against Parks Victoria may include (but is not limited to):

- theft
- accounting fraud (e.g. false invoices, misappropriation)
- misuse of credit/ debit cards
- unlawful use of, or unlawful obtaining of, property, equipment, material or services
- providing false or misleading information, or failing to provide information when there is an obligation to do so
- misuse of Parks Victoria's' assets, equipment or facilities
- making, or using, false, forged or falsified documents, and/or
- wrongfully using Parks Victoria's information or intellectual property.

<b>Irregularity</b>	Something which is non-conforming, contrary to rule or deviating from usual or common practice.
<b>Loss</b>	Being deprived of property or causing property to be destroyed, this includes deprivation resulting from acts of arson.
<b>Protected Disclosure</b>	<p>A 'disclosure' is a complaint or report about corrupt conduct by a public body or officer. Someone who discloses such a complaint may also be referred to as a 'whistleblower'.</p> <p>A disclosure is 'protected' when the Independent Broad-based Anti-corruption Commission (IBAC) assesses that the complaint falls within the protections of the <i>Protected Disclosure Act 2012</i> and is eligible for further investigation. If so, the complainant may receive certain legal protections, and IBAC may pursue the matter. The legal protections include:</p> <ul style="list-style-type: none"> <li>• the identity of the discloser remains confidential</li> <li>• the discloser has statutory remedies in the event that anyone takes detrimental action against the discloser (or potentially a witness) for making the disclosure.</li> </ul>
<b>Theft</b>	The act of unlawfully stealing or taking property or money.

# 1 Context

## 1.1 Introduction

Maintaining integrity and accountability is important to Parks Victoria. As with all organisations, Parks Victoria could have employees who have been involved in corrupt and improper conduct. It is important to Parks Victoria that instances of fraud, corruption and improper conduct are dealt with appropriately. This procedure outlines how to report instances of fraud, corruption and improper conduct, and how these instances are managed.

## 1.2 Commitment and role

Parks Victoria is committed to eliminating corruption and improper conduct from its workforce and has a zero tolerance for fraud and corruption. All employees have a responsibility to report suspected fraud, theft, corrupt conduct or other irregular activity. Parks Victoria is also committed to training its staff so there is a clear understanding of appropriate standards of conduct. It is also committed to holding staff to account if they engage in activities that fall below those standards.

## 1.3 Whistleblower services and Protected Disclosures

Reports of irregularities that relate to fraud, theft or corruption may be made to an employee's line manager, Executive Director Legal, Risk and Compliance, through the Whistleblower hotline (Stopline) or directly to IBAC. If the whistleblower wishes for the issue to be investigated by IBAC as a protected disclosure or Stopline believes the matter falls within the protections of the *Protected Disclosure Act 2012*, Stopline will advise the whistleblower to contact IBAC directly. Details for the whistleblower hotline are below:

Telephone No:	1300 30 45 50
Email:	<a href="mailto:parks@stopline.com.au">parks@stopline.com.au</a>
Mail:	Parks Victoria, C/o Stopline Pty Ltd, Locked Bag 8, Hawthorn VIC 3122
APP:	Download the smart phone APP at the App Store (Apple) and Google Play (Android) – search for “stop247”
Fax:	Parks Victoria, 03 9882 4480
Microsite:	<a href="http://parks.stoplinereport.com">http://parks.stoplinereport.com</a>

If the complaint does not meet the criteria of a protected disclosure, this will be forwarded by Stopline to the Executive Director Legal, Risk and Compliance who will refer these to the Whistleblower Complaints Steering Committee for further action if required. Stopline will maintain the anonymity of the whistleblower if requested.

Parks Victoria supports the protections extended to all disclosers of irregularities and protections against detrimental action.

The *Protected Disclosures Act 2012* encourages and facilitates making Disclosures of suspected fraud or corruption by Public Bodies and/or their employees, and protects persons who make those Disclosures.

Under the Act, Parks Victoria is not able to accept a Disclosure. Disclosers should provide information to IBAC directly. Where the CEO becomes aware of suspected fraud or corruption, they will report this to IBAC as soon as possible.

Where Parks Victoria has been notified of an IBAC investigation underway, it may commence its own internal investigations unless instructed otherwise by IBAC or the Ombudsman.

## 1.4 Standing Directions of the Minister for Finance

Where an Agency is made aware of an actual or suspected significant or systemic fraud, corruption or other theft or loss, the Executive Director Legal, Risk and Compliance, using the Fraud, corruption and other losses form must:

- (a) notify as soon as is practicable, the Responsible Minister, Audit Risk and Compliance Committee Chair, Portfolio Department and Auditor-General of the incident and remedial action to be taken;
- (b) ensure that the Responsible Minister, Audit Risk and Compliance Committee, Portfolio Department and Auditor-General are kept informed about the incident, including the outcome of investigations; and
- (c) ensure that the Agency takes appropriate action to mitigate against future Fraud, Corruption and Other Losses.

A quarterly report summarising instances of fraud, theft and arson is provided to the Minister of Finance as required under the FMCF.

The thresholds for significant or systemic fraud, corruption or other loss are:

<b>Money</b>	\$5,000
<b>Property</b>	\$50,000
<b>Purchasing and Prepaid debit cards</b>	\$1,000

## 2 Process

### 2.1 Responsibilities and accountabilities

<b>All employee</b>	<p>All employees have a responsibility to report suspected fraud, theft, corrupt conduct or other irregular activity to their line manager, Executive Director Legal, Risk and Compliance, the independent Whistleblower service run by Stopline, or directly to IBAC.</p> <p>All participants who are involved in or who become aware of a fraud, theft or corrupt conduct investigation must keep the details and results of the investigation confidential to the investigation process. No suspicion of or proven case of fraud, theft or corrupt conduct is to be discussed with or reported to a third party (other than IBAC)</p>
<b>Managers</b>	<p>Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Each member of the management team will be familiar with the types of irregularities that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any irregularity that is detected or suspected must be reported immediately to the independent Whistleblower service run by Stopline.</p>
<b>Executive Director Legal, Risk and Compliance</b>	<p>The Executive Director Legal, Risk and Compliance has the primary responsibility for the investigation of all suspected irregular acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Executive Director Legal, Risk and Compliance will refer the findings to the Whistleblower Complaints Steering Committee. The Whistleblower Complaints Steering Committee will make recommendations on appropriate course of action.</p> <p>For any actual or suspected significant or systemic fraud, corruption or other loss, if above the set thresholds, the Executive Director, Legal, Risk and Compliance is responsible for</p> <ol style="list-style-type: none"><li>1) <b>notifying</b><ul style="list-style-type: none"><li>• the Responsible Minister</li><li>• the Portfolio Department</li><li>• the Auditor-General</li><li>• the Chief Executive if an act which should be referred to IBAC (where protected disclosures are not requested)</li><li>• Audit and Risk Compliance Committee Chair</li></ul></li><li>2) <b>reporting to</b><ul style="list-style-type: none"><li>• the Chief Executive Officer</li><li>• the Audit, Risk and Compliance Committee</li><li>• the Board.</li></ul></li></ol> <p>Reports will be referred to the Whistleblower Complaints Steering Committee for the appropriate course of action. Behavioural conduct complaints may be referred directly to the Executive Director People and Finance.</p>
<b>Whistleblower Complaints Steering Committee</b>	<p>The Whistleblower Complaints Steering Committee will receive the whistleblower complaints from Stopline and:</p> <ul style="list-style-type: none"><li>• Review the nature of the complaint</li></ul>



- Assess the need for further investigation
- Oversee and coordinate investigations
- Advise and make recommendations on course of action
- Collect, analyse and report in accordance with the Fraud and Corruption Control procedure on potentially serious fraud and investigations
- Advise and make recommendations on preventive measures, where necessary, after analysing the patterns of behaviour encountered after an investigation is performed

## 2.2 Initial reporting

Step	Description	Responsibility
1	Knowledge, evidence or notification received of fraud, theft, losses, corrupt conduct or other irregular activity	All employees
2	<p>Report the activity</p> <p>All Parks Victoria employees must report any suspected or actual acts of irregularity, fraud, theft, losses or corrupt conduct to the Whistleblower hotline, their line manager or Executive Director Legal, Risk and Compliance.</p> <p>Where an employee does not feel comfortable reporting their suspicions to their line manager or may want their identity to be kept confidential, they must report such matters through the Whistleblower complaints hotline. The anonymity of the whistleblower will be maintained if specified to Stopline.</p> <p>If a line manager receives the complaint directly from an employee, they must report the details through the Whistleblower complaints hotline.</p> <p><b>Note:</b> Managers should not pursue an investigation of the allegations as reports should first be reviewed by Whistleblower Complaints Steering Committee.</p>	All employees, Managers
4	<p>Stopline record complaints</p> <p>If Stopline identify that the issue can be covered by protected disclosure, Stopline will advise the whistleblower to contact IBAC directly. Otherwise, Stopline will provide details of all complaints received to the Executive Director, Legal, Risk and Compliance. . Behavioural conduct complaints may be referred directly to the ED, People and Finance. .</p>	Stopline

## 2.3 Investigation Process

Step	Description	Responsibility
1	<p>Assess whistleblower complaints/ allegations and determine next steps</p> <p>All allegations and Whistleblower reports will be referred to the Whistleblower Complaints Steering Committee. The Whistleblower Complaints Steering Committee will:</p> <ul style="list-style-type: none"> <li>• Review the nature of the report</li> <li>• Assess the need for further investigation</li> <li>• Oversee and coordinate investigations</li> <li>• Advise and make recommendations on appropriate course of action</li> </ul>	Whistleblower Complaints Steering Committee

Step	Description	Responsibility
	<ul style="list-style-type: none"> <li>Collect, analyse and report in accordance with the Fraud and Corruption Control plans on potentially serious fraud and investigations</li> <li>Advise and make recommendations on preventive measures, where necessary, after analysing the patterns of behaviour encountered after an investigation is performed.</li> </ul> <p>Behavioural conduct complaints received through the Whistleblower hotline will be referred directly to the Executive Director People and Finance.</p>	
2	<p>Notify the Chief Executive Officer</p> <p>The Executive Director Legal, Risk and Compliance will immediately notify the Chief Executive if suspected fraud, theft or corrupt conduct involves a member of Senior Management or if it is of a severe nature. The Board may also be notified if required.</p>	Executive Director Legal, Risk and Compliance
3	<p>Determine if notification to the Responsible Minister, Portfolio Department and Auditor-General is required</p> <p>Any actual or suspected significant or systemic fraud, corruption or other loss, if above the set thresholds must be reported to the Responsible Minister, Portfolio Department and Auditor-General. (Refer to <b>section 1.5</b>).</p>	Executive Director, Legal, Risk and Compliance
4	<p>Undertake investigation if required</p> <p>If the Whistleblower Complaints Steering Committee determines that further investigation of the allegation/ complaint is required, the Executive Director Legal, Risk and Compliance will decide if the investigation will be conducted in house or by an external agency. Executive Director Legal, Risk and Compliance will be responsible for the investigation until completed.</p>	Executive Director Legal, Risk and Compliance
5	<p>Determine appropriate course of action when investigation has been completed</p> <p>The results of the investigation will be referred to the Whistleblower Complaints Steering Committee to recommend the appropriate course of action.</p>	Whistleblower Complaints Steering Committee
6	<p>Maintain records of all actual and suspected Fraud, Corruption and Other Losses, including remedial actions planned and taken</p> <p>Records of all actual and suspected Fraud, Corruption and Other Losses, including remedial actions planned and taken will be maintained by Stopline and reported to the Executive Director Legal, Risk and Compliance annually.</p> <p>On request, provide their Responsible Minister, Portfolio Department or Audit Committee with a copy of records kept.</p>	Executive Director Legal, Risk and Compliance

## 2.4 Acting on investigation findings

Step	Description	Responsibility
1	<p>Agree on actions to be implemented</p> <p>Where evidence of fraud, theft, corrupt conduct or other irregular activity is found the ED, Legal, Risk &amp; Compliance, in conjunction with Whistleblower Complaints Steering Committee and the relevant stakeholders, will determine and implement the actions to be taken. The following list of actions is to be considered:</p> <ul style="list-style-type: none"> <li>Referral to police</li> <li>Disciplinary action</li> <li>Repayment of theft or losses is to be pursued</li> <li>Alerts to other authorities in line with contractual or community responsibilities</li> </ul>	Executive Director Legal, Risk and Compliance, Whistleblower Complaints Steering Committee, Key stakeholders

Step	Description	Responsibility
	<ul style="list-style-type: none"><li>Key learnings to prevent further fraud, thefts or corrupt conduct are to be shared and implemented.</li></ul>	
2	Report to CEO or other senior management	The Executive Director Legal, Risk and Compliance will keep the Chief Executive Officer and relevant senior management informed of any investigation, its findings and resultant actions.
		Executive Director Legal, Risk and Compliance

## Document history

Version	Date approved	Issue comment	Version author
1.0	2 June 2015	New procedure	Executive Director Corporate Governance
1.1	9 Sept 2016	Minor revision to update positions and clarify reporting requirements	Executive Director Corporate Governance
1.2	23 July 2018	Changes to include Whistleblower hotline, changes to the standing directions and establishment of Whistleblower Complaints Steering Committee.	Senior Governance Officer Assurance
1.3	30 April 2019	Board review. Amended scope to apply procedure to Board Members. Amended 1.4 and 2.1 to incorporate notification requirements to the ARCC Chair.	Senior Governance Officer Compliance