



Museum of
Australian Democracy
Old Parliament House

Fraud and Corruption Control System Policy

A handwritten signature in black ink, appearing to be 'Daryl Karp', is positioned above the name.

Daryl Karp
Director

May 2022

Due for review May 2024

Fraud Strategy Statement

Old Parliament House (OPH) has a 'zero tolerance' uncompromising attitude towards fraud and corruption and will not accept or make concessions for serious misconduct or behaviour that may contravene the law. Officials engaging in fraudulent behaviour or activity will be investigated, which at its most severe, may result in referral to internal or external authorities and/or disciplinary action such as termination. OPH maintains the highest standards of prevention, detection and remediation. All officials, including contract personnel and temporary workers are responsible for ensuring strong, robust and effective fraud and corruption control.

Fraud against the Commonwealth is defined as 'dishonestly obtaining a benefit, or causing a loss, by deception or other means.' There is a mental or fault element to fraud requiring intent; it requires more than carelessness, accident or error.

All staff are responsible for not only abstaining from fraudulent behaviour themselves, but for being vigilant for, and reporting, any potentially fraudulent activity. All staff are therefore responsible for:

- promoting professional and ethical practice to other staff and clients by setting an appropriate example
- taking appropriate action in relation to suspected fraudulent or improper conduct within their area of responsibility
- refusing to condone any fraudulent behaviour
- implementing fraud risk management strategies
- fully participating in activities relating to fraud control
- dealing with all reports of fraud or improper conduct in a prompt, professional manner
- not knowingly making false or misleading reports
- not acting in a retaliatory, discriminatory or otherwise adverse manner in regard to a person who has made a genuine report of fraud or assisted in a relevant inquiry
- not hindering or impeding an investigation
- providing appropriate assistance to any person authorised to conduct an investigation.

Staff must report instances of suspected fraudulent behaviour or activity to the Fraud Control Officer (FCO), the Agency Security Adviser (ASA) and/or the Chief Security Officer (CSO).

For clarity:

- The FCO is the Official in the position of CFO (Head Finance & Business).
- The ASA is the Official in the position of Head Facilities, Capital projects, Heritage & Security.
- The CSO is the Official in the position of Deputy Director

Reporting can be either anonymous or identifiable, and can be provided by either in person, telephone or in writing to the FCO, ASA or CSO (including via e-mail to FraudControlOfficer@moadoph.gov.au).

The FCO, the ASA and the CSO have authority to provide confidential and independent advice to staff and clients in relation to fraud control or suspected fraud. As reporting fraud is a sensitive issue, especially if a colleague is the subject of the allegation, management will ensure the confidentiality of any information provided by staff.

Fraud against the Commonwealth is a criminal offence under chapter 7 of the *Criminal Code Act 1995*. Breaches of the PGPA Act Rule may also attract a range of criminal, civil, administrative and disciplinary remedies including under the PGPA Act, the *Public Service Act 1999*, and the *Crimes Act 1914*.

All cases of suspected fraud and corruption reported will be handled and investigated in a confidential, prompt and professional manner and allegations will be referred to internal and external authorities as appropriate.

This document should be read in conjunction with the OPH Risk Register, the Risk Management Policy & Framework and the Accountable Authority Instructions.

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Version	Date	Author/Reviewer	Summary of changes	Status
V3: Fraud Control Policy and Framework	April 2022	Keegan Heiser/ Nicholas Hetherington/Pattie Burke-Maxwell	Review of previous policy to incorporate points of clarity and consistency with Risk Management Policy & Framework and to reflect AS8001:2021	Approved
V2: Fraud Control Policy and Framework	November 2018	Nicholas Hetherington	Review of previous policy to incorporate change to Corporate Commonwealth entity status.	Superseded
V1: Fraud Control Policy and Framework	April 2015	Tricia Carnevale	Review and update of previous policy to incorporate Commonwealth Fraud Control Framework requirements	Superseded

Purpose

Fraud against the Commonwealth is a criminal offence that impacts directly on Australians. The Government has developed the *Commonwealth Fraud Control Framework* (Framework) to assist agencies to manage the risk and incidence of fraud. The Framework consists of three documents:

- Section 10 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) – a legislative instrument binding all Commonwealth entities setting out the key requirements of fraud control
- The *Commonwealth Fraud Control Policy* – A Government Policy non-binding for Corporate Commonwealth entities setting out procedural requirements for specific areas of fraud control such as investigations and reporting
- *Resource Management Guide No. 201, Preventing, detecting and dealing with fraud* – a best practice document setting out the Government's expectations in details for fraud control arrangements within all Commonwealth entities.

This policy and associated documents are intended to ensure:

- compliance with statutory obligations
- provision of suitable user-friendly policy and guidance on fraud prevention, detection and investigation
- ongoing improvement in control structures and governance
- proactive rather than reactive fraud control.

It outlines fraud definitions; organisational and staff responsibilities; and structures in place to detect and prevent fraud. It also provides guidance on how to analyse exposure to fraud and the resultant fraud risk after consideration of existing controls. It should be read in conjunction with the OPH Risk Register and associated relevant documents including OPH's Corporate Plan, Risk Management Policy & Framework, Accountable Authority Instructions and Annual Reports.

The policy and its associated documents comply with the Australian Government Protective Security Policy Framework (PSPF) and cover all personnel employed by OPH, contractors and consultants.

OPH is strongly committed to:

- the prevention, detection, investigation and rectification of fraud and fraudulent practices, and taking appropriate action for proven instances of fraudulent behaviour
- recovering financial losses caused by illegal activities via appropriate processes.

Definition of fraud

Fraud against the Commonwealth is defined as ***dishonestly obtaining a benefit, or causing a loss, by deception or other means.***

There is a mental or fault element to fraud that requires intent; it requires more than carelessness, accident or error.

Fraud against the Commonwealth can be broadly categorised as being either external (fraud committed by clients or customers, service providers and members of the public) or internal (fraud committed by employees and contractors). In some cases, it may involve collusion between external and internal parties, which may not only result in loss for the Commonwealth but may also involve corrupt conduct such as bribery and secret commissions.

A benefit is not restricted to a monetary or material benefit, and may be tangible or intangible, including the unauthorised provision of access to or disclosure of information. A

benefit may also be obtained by a third party rather than, or in addition to, the perpetrator of the fraud.

Fraud against the Commonwealth is a criminal offence under chapter 7 of the *Criminal Code Act 1995*. Breaches of the PGPA Act Rule may also attract a range of criminal, civil, administrative and disciplinary remedies including under the PGPA Act, the *Public Service Act 1999*, and the *Crimes Act 1914*.

Examples of fraud

Fraud against the Commonwealth may include (but is not limited to):

- theft
- accounting fraud (e.g. false invoices, misappropriation)
- misuse of Commonwealth credit cards
- unlawfully obtaining or using property, equipment, material or services
- causing a loss, or avoiding and/or creating a liability
- providing false or misleading information to the Commonwealth, or failing to provide information when there is an obligation to do so
- misusing Commonwealth assets, equipment or facilities
- making or using false, forged or falsified documents
- wrongfully using Commonwealth information or intellectual property.

Auditing standards are concerned with two types of intentional material misstatements in financial reports (ie fraud):

- misstatements resulting from fraudulent financial reporting
- misstatements resulting from misappropriation of assets.

Fraudulent financial reporting often involves override of controls that otherwise may appear to be operating effectively. Fraud can be committed using such techniques as:

- recording fictitious journal entries, particularly close to the end of an accounting period, to manipulate operating results or achieve other objectives
- inappropriately adjusting assumptions and changing judgements used to estimate account balances
- omitting, advancing or delaying recognition in the financial report of events and transactions that have occurred during the reporting period
- concealing, or not disclosing, facts that could affect the amounts recorded in the financial report
- engaging in complex transactions that are structured to misrepresent the financial position or financial performance of OPH
- altering records and terms related to significant and unusual transactions.

Misappropriation involves the theft of an organisation's assets and is often perpetrated by employees in relatively small and immaterial amounts. However, it can also involve staff in positions which allow them to more ably disguise or conceal misappropriations.

Misappropriation of assets can be accomplished in a variety of ways including:

- embezzling receipts (for example, misappropriating collections on accounts receivable or diverting receipts in respect of written-off accounts to personal bank accounts)
- stealing physical assets or intellectual property (for example, stealing inventory for personal use or for sale, stealing scrap for resale, colluding with a competitor by disclosing technological data in return for payment)
- causing an organisation to pay for goods and services not received (for example, payments to fictitious employees, payments to fictitious vendors, or kickbacks paid by vendors to the OPH's purchasing agents in return for inflating prices)

- using an organisation's assets for personal use (for example, using the assets as collateral for a loan for yourself or an associate).

Misappropriation of assets is often accompanied by false or misleading records or documents, in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Potential for Fraud

A number of aspects of the museum's operations provide some potential for fraud to occur. These include:

- Visitors donating cash in donation boxes located at key museum entry and exit points. There is also an option to donate via EFTPOS and donation tap and go machines.
- The ongoing program of repair, maintenance and preservation/restoration required by the site's status as a heritage and cultural asset. Repair, maintenance, preservation and conservation services are largely contracted out
- The presence of numerous heritage and culturally significant assets within the premises, including furniture and political memorabilia collections.
- The provision of contracted café and catering services within the building, run by licensees who pay a licence fee
- The presence of a substantial number of portable and attractive assets, including laptops.
- The presence of a number of tenants in the building who pay rental for office space.
- Increased cash holdings and transfers of cash into and out of the bank account for investments into Term Deposits.

There is very limited opportunity for fraud in relation to the visitor experience fees (e.g admission fees) as most payments are individually small and made by credit card. Credit card payments are processed via an EFTPOS machine or through the online booking portal. Receipts are issued for every ticket purchase.

Accountable Authority responsibilities

Effective fraud control requires the commitment of all officials, contractors and third-party providers. However, the primary responsibility for fraud control rests with the Accountable Authority (the OPH Board). Accountable authorities play a key role in ensuring their entities have appropriate fraud control arrangements, and in setting the ethical tone within their entities.

The Board has the following obligations under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act):

- section 15 requires the Accountable Authority of an entity to govern the entity in a way that promotes the proper use and management of public resources for which the entity is responsible, promotes the achievement of the purposes of the entity and promotes the financial sustainability of the entity
- section 16 requires the Accountable Authority of an entity to establish and maintain an appropriate system of risk oversight and management for the entity and an appropriate system of internal controls for the entity, including implementing measures directed at ensuring officials of the entity comply with the finance law
- section 22 requires the Accountable Authority of a corporate Commonwealth entity to govern the entity in a way that is not inconsistent with the policies of the Australian Government.

The general duties provisions in the PGPA Act (sections 25 to 29) impose a range of obligations on officials, including acting in good faith and for proper purpose, and not

improperly using their position or information. The Accountable Authority also has obligations under Section 10 of the PGPA Rule:

The accountable authority of a Commonwealth entity must take all reasonable measures to prevent, detect and deal with fraud relating to the entity, including by:

- a) *Conducting fraud risk assessments regularly and when there is a substantial change in the structure, functions or activities of the entity; and*
- b) *Developing and implementing a fraud control plan that deals with identified risks as soon as practicable after conducting a risk assessment; and*
- c) *Having an appropriate mechanism for preventing fraud, including by ensuring that:*
 - i) *Officials of the entity are made aware of what constitutes fraud; and*
 - ii) *The risk of fraud is taken into account in planning and conducting the activities of the entity; and*
- d) *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*
- e) *Having an appropriate mechanism for investigating or otherwise dealing with incidents of fraud or suspected fraud; and*
- f) *Having an appropriate mechanism for recording and reporting incidents of fraud or suspected fraud.*

In accordance with the Australian Standard on Fraud and Corruption Control AS8001:2021 the OPH Board:

- acknowledges and accepts overall accountability for controlling OPH's fraud and corruption risks
- acknowledges fraud and corruption as a serious risk
- has an awareness of OPH's fraud and corruption exposures; and
- demonstrates a high level of commitment to controlling the risks of fraud and corruption both against OPH and by OPH

Staff responsibilities

The Executive Management Group, with the oversight of those responsible for governance, places a strong emphasis on fraud prevention, reducing fraud opportunities and fraud deterrence. This involves a commitment to promoting a culture of honesty and ethical behaviour. All reasonable measures will be taken to recover financial losses caused by illegal activity through proceeds of crime and civil recovery processes or administrative remedies.

Under sections 25 to 29 of the PGPA Act, officials (all staff engaged under the *Public Service Act 1999*) are obliged to:

- exercise powers, perform functions and act in good faith and for proper purpose
- not improperly use their position or use information obtained because they are an official of OPH to gain advantage for them or any other person, or cause detriment to OPH, the Commonwealth or any other person
- disclose details of any material personal interest that relates to the affairs of the OPH.

The *Australian Public Service (APS) Code of Conduct* gives APS employees guidelines for their overall behaviour. It requires that they must behave honestly and with integrity in the course of their employment, act with care and diligence and operate in a way that upholds the APS Values.

As such, it is the responsibility of all staff not only to abstain from fraudulent behaviour themselves, but to be vigilant for, and report, any potentially fraudulent activity. All staff are therefore responsible for:

- promoting professional and ethical practice to other staff and clients by setting an appropriate example
- immediately advising the Fraud Control Officer (FCO), the Agency Security Adviser (ASA) and/or the Chief Security Officer (CSO) where they hold any concern, suspicion, or information of any instance of fraudulent, corrupt or improper conduct, and encourage others to do the same
- taking appropriate action in relation to suspected fraudulent or improper conduct within their area of responsibility
- refusing to condone any fraudulent behaviour
- implementing fraud risk management strategies
- fully participating in activities relating to fraud control
- dealing with all reports of fraud or improper conduct in a prompt, professional manner
- not knowingly making false or misleading reports
- not acting in a retaliatory, discriminatory or otherwise adverse manner in regard to a person who has made a genuine report on fraud or assisted in a relevant inquiry
- not hindering or impeding an investigation
- providing appropriate assistance to any person authorised to conduct an investigation
- completing mandatory annual Fraud Awareness training.

All staff are responsible for observing, the Accountable Authority Instructions (AAs) regarding fraud risk management and control. They must also ensure that any instances of fraud are reported for inclusion in the OPH's Annual Report, the annual Certificate of Compliance return, and the annual Australian Institute of Criminology Fraud against the Commonwealth survey

Fraud control activities

The CFO (Head, Finance and Business), is responsible for coordinating fraud control activities as OPH's designated FCO. They will also provide the Executive Management Group and the Audit, Finance and Risk Committee with regular reports, informing them of any suspected instances of fraud and ensuring their early involvement in any such matters.

Specific fraud control roles and responsibilities are allocated as follows:

Task	Responsible officer/area	Completion date
Oversee implementation of the OPH's risk assessment process in accordance with the OPH Risk Management Policy & Framework and Fraud Control Plan.	FCO	Ongoing
Co-ordinate the conduct of the OPH risk assessments and update of risk management plans (including the Fraud Risk Management Plan) to ensure the ultimate delivery of the OPH Risk Register. Risk management plans to be reviewed to ensure the appropriate consideration of fraud risk across all sections and ongoing projects.	FCO	At least once every two years and when there is a substantial change in the structure, functions or activities of OPH

Task	Responsible officer/area	Completion date
Ensure the OPH Risk Register and underlying risk management plans are provided to the internal auditor for consideration in the audit work program.	FCO	Following the update of the OPH Risk Register
Co-ordinate follow-up of the risk assessments by ensuring that all timetabled strategies related to fraud risk are implemented in accordance with the OPH Risk Register.	FCO	Follow-up to occur on an annual cycle
Conduct pressure testing of internal control systems	FCO	Ongoing
Co-ordinate fraud awareness training and ensure fraud-related policies and procedures are available on the intranet.	FCO	Ongoing
Raise staff awareness of fraud, ethics and security issues through internal publications.	FCO/ASA	Ongoing
Implement fraud control strategies.	All Heads	Ongoing
Ensure prevention and detection of fraud within Sections, through an internal control system and the mitigation strategies listed in the OPH Risk Register.	All Heads	Ongoing
Continuously assess OPH's exposure to technology-enabled fraud, particularly the use of cloud and application-based internet technologies	Manager, Web and IT	Ongoing
Provide a central referral point for fraud allegations, ensuring that all matters are appropriately recorded, referred for investigation (where and when appropriate) and reported.	FCO	Ongoing
Facilitate the conduct of preliminary investigations into all suspected frauds, ensuring that such investigations are in accordance with Australian Government Investigation Standards.	FCO/ASA/CSO	Ongoing
Co-ordinate a review of OPH systems should a fraud occur.	FCO	Ongoing
Co-ordinate the provision of information to the Australian Institute of Criminology and the Minister at the end of each financial year.	FCO	End of financial year

Communication and consultation

The FCO will communicate to all staff their responsibilities regarding preventing, detecting and reporting fraud by:

- regularly reviewing, and updating the Fraud Control Policy & Framework, and OPH Risk Register and making them available via the intranet
- distributing any other relevant information on fraud control

- ensuring staff are aware of the reporting methods available
- encouraging staff to report any suspected incident of fraud.

Section Heads are to:

- ensure that all staff are aware of, and observe, the Accountable Authority Instructions regarding fraud
- participate as required in preparing fraud-related reports for the Audit Committee, thus raising awareness of fraud risks and associated key controls.

Key fraud risks

Fraud risk factors are events or conditions that:

- indicate an incentive or pressure to commit fraud
- provide an opportunity (perceived or actual) to commit fraud
- indicate an ability to rationalise the fraudulent action.

Aspects of the OPH's operations that provide potential for fraud to occur are set out in the Risk Management Plan.

The Executive Management Group is responsible for ensuring controls are in place and are operating effectively to mitigate the identified risks. Line areas are required to assess business risks, including fraud, for all proposed new projects and activities. Relevant fraud risks are also assessed through internal audit activities.

Fraud risk assessment

A strong risk management culture is already promoted in OPH by the Risk Management Policy & Framework and the OPH Risk Register. Fostering such a culture helps ensure that, as part of strategic and corporate planning processes, staff take explicit account of business risks. This includes identifying and assessing sources of risk, potential impacts and the control environment.

Fraud risk must be considered in section/ project risk management plans. A specific Fraud risk management plan is required and must be reviewed:

- at least once every two years
- when there is a substantial change in the structure, functions or activities of OPH (eg, as a result of a machinery of government change, significant change in organisational structure or change of scope in capital works or permanent exhibitions)
- as required (e.g. in the implementation of relevant audit findings).

The risk assessment process takes into account all factors likely to affect OPH's exposure to risk. The previous risk assessment is reviewed and updated in accordance with OPH's Risk Management Policy & Framework, the Australian/New Zealand Standard *AS/NZ ISO 31000-2018 Risk Management Guidelines* and the Australian Standard *AS 8001: 2021 Fraud and Corruption Control* and relevant key staff consulted. The results are to be incorporated into an updated OPH Risk Register.

To date, OPH has been assessed as having a low fraud risk exposure. This conclusion is reached by considering all risks in context, and the extent to which identified risks are being adequately treated by existing controls.

The FCO is responsible for monitoring and reporting on fraud control strategies for OPH.

Strategies to address fraud risks

A number of treatment strategies are in place to mitigate fraud risk. For moderate risks, the existing controls are considered to be adequate and no further treatment strategies are proposed. The Executive Management Group and section heads remain responsible for ensuring controls are in place and are operating effectively to mitigate the identified risks.

Fraud risk management within OPH has been further strengthened in recent years by the expansion of general risk assessment requirements in a wide range of activities, including business and project planning and management.

Detection

A wide range of staff behaviours may indicate possible fraudulent activity, including:

- working unusual hours
- excessive familiarity with a supplier or excessive receipt of hospitality
- employees using logons other than their own
- excessive secrecy on the part of staff members about the work they are doing
- budget or other controls being overridden
- use of unusual delivery channels for goods or cash
- missing records or lack of detail in records
- managers making autocratic decisions and refusing to answer questions
- staff members changing their behaviour or spending patterns
- system or process workarounds
- failure to take leave.

Monitoring, recording and tracking

The FCO is responsible for maintaining an appropriate recording and tracking system which ensures that all instances of suspected fraud are dealt with satisfactorily. This system should also facilitate the extraction of statistical data for monitoring the effectiveness of the Fraud Control Policy & Framework.

The information provided on each suspected instance should include wherever possible:

- details of the suspected fraudulent offence
- details of any staff allegedly involved (name and location)
- details of any clients or outside parties allegedly involved (name, description and address)
- any potential sources of additional information about the matter in question (eg, people, files)
- contact details for the reporting person (where provided), in case further information or assistance is required, to ensure that enquiries and investigations are carried out promptly and efficiently.

Information which relates to an alleged fraud should be held under conditions which meet appropriate regulations and procedures. For instance, such information:

- must be held securely
- should not be discussed with or shown to uninvolved officers
- depending on the stage reached in the investigation, should be under the charge of the FCO.

Reporting channels

The Executive Management Group is committed to providing channels for staff and the public to report any suspected fraud.

Staff may report instances of suspected fraudulent behaviour or activity to the FCO, the ASA or the CSO. This can be either anonymous or identifiable and can be provided by either telephone or in writing (including via e-mail to FraudControlOfficer@moadoph.gov.au). All such reporting must be in accordance with the OPH Public Interest Disclosure Policy.

Members of the general public or stakeholders may report instances of suspected fraudulent behaviour or activity; any such reports or enquiries that are received should be directed to the FCO. Such reporting can be either anonymous or identifiable and can be provided by either telephone or in writing (including via e-mail to FraudControlOfficer@moadoph.gov.au).

The FCO, the ASA and the CSO have authority to provide confidential and independent advice to staff and clients in relation to fraud control or suspected fraud. They can also advise and assist in any areas where concern may have arisen regarding possible fraud.

As reporting fraud is a sensitive issue, especially if a colleague is the subject of the allegation, management will ensure the confidentiality of any information provided by staff.

Investigating fraud

OPH is responsible for making decisions at a number of critical stages in the management of a suspected fraud. This includes the decision to initiate an investigation (including the transition from audit or compliance work to a fraud investigation) or to refer the matter to the AFP or other law enforcement agencies. It also includes subsequent decisions on the actions resulting from an investigation, such as referral of a brief of evidence to the Commonwealth Director of Public Prosecutions (CDPP), or application of administrative, disciplinary or civil sanction or other action (such as a decision to take no further action).

The criteria for investigating fraud will reflect the particular circumstances of OPH, including such factors as:

- 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 of investigation, including recovery of losses, deterrent value and non-monetary considerations such as the public interest or damage to the integrity of OPH or Government if the matter is not investigated
- the identity of person(s) against whom the allegations are made
- the nature of the alleged fraud
- the prospect of compiling sufficient evidence for a brief to the 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
- the possible ongoing risks caused by or evident in the fraud.

For fraud to be established there must have been intent to commit the fraud. Instances of non-compliance may not constitute fraud. It may occur because of a lack of understanding or awareness of obligations. In addition to non-compliance, some matters of fraud may be so trivial as to not warrant investigation. If the evidence cannot establish the degree of intention, recklessness or negligence required for a criminal offence, or if the matter is trivial, it may be appropriate to apply administrative or civil sanctions.

Internal investigation

OPH has primary responsibility for investigating any potential fraud detected within its own programs.

All reports of suspected instances of fraud must be accepted and handled in a professional manner. Any such suspected instance should initially be reported as soon as possible to the FCO. They in turn will ensure that the Executive team, the ASA and the Audit Committee, are advised.

All investigations will be managed by the FCO, and carried out by persons who, at a minimum, meet the requirements set out in the Australian Government Investigation Standards (AGIS), which provides minimum case handling standards for investigations.

All investigation methods and procedures and information storage arrangements will also be consistent with the AGIS requirements.

Upon receipt of a report of a suspected incidence of fraud, the primary concern is the preservation of possible evidence and the minimisation of loss. To preserve possible evidence and minimise further loss, the following steps should be taken as soon as possible following any report of suspected fraud:

- all enquiries and interviews with potential witnesses or suspects are to be documented
- all relevant documents, digital records and physical evidence should be appropriately secured
- staff suspected of being involved in the incident should have their access to relevant files, systems or locations restricted
- the FCO should be advised of relevant occurrences or proposed recovery action
- while investigations are taking place, all parties involved are to be treated fairly, without pressure or penalty, and ensured natural justice.

Where a suspected incident is unlikely to lead to prosecution or disciplinary action, preliminary enquiries may be made by the FCO in consultation with the CSO. Enquiries may include examining relevant documents and speaking to people who reported the incident.

External investigation

Where initial enquiries disclose a complex situation beyond OPH's capability, external expertise should be engaged to complete the investigation. This process will be managed by the FCO in consultation with the CSO. External investigators must possess the minimum competencies as outlined in the AGIS.

Australian Federal Police (AFP)

While OPH is responsible for investigating routine or minor instances of fraud, all instances of potential serious or complex fraud must be referred to the AFP. Guidance will be sought from the AFP to determine whether it is appropriate to refer a particular matter. The following factors may indicate that a referral to the AFP is appropriate:

- significant or potentially significant monetary or property loss to the Commonwealth
- damage to the security, standing or integrity of the Commonwealth or an entity
- harm to the economy, national security, resources, assets, environment or wellbeing of Australia
- a serious breach of trust by a Commonwealth official or contractor of an entity
- the use of sophisticated techniques or technology to avoid detection, which requires specialised skills and technology for the matter to be successfully investigated
- the elements of a criminal conspiracy
- bribery, corruption or attempted bribery or corruption of a Commonwealth official or contractor of an entity
- known or suspected criminal activity against more than one entity
- activities that could affect wider aspects of Commonwealth law enforcement (e.g. illegal immigration or money laundering)
- politically sensitive matters.

Commonwealth Director of Public Prosecutions (CDPP)

Where the AFP is unable to investigate a potential offence and returns the matter, OPH may, where sufficient evidence is obtained, refer it to the Commonwealth Director of Public Prosecutions (CDPP) to consider prosecution action. If the CDPP then advises that a prosecution will not proceed, OPH is responsible for resolving the matter.

Reporting incidents to the Minister

The Minister will be advised of:

- all cases of fraud referred to the AFP or the CDPP
- where necessary, progress reports on fraud investigations
- the outcome of all reported cases of fraud.

Training and awareness

Fraud awareness-raising activities, including training, are provided for all staff members. Fraud awareness is included in the induction process for new staff and a rolling program of refresher training is implemented including mandatory annual fraud awareness training. All relevant documents are available on the Intranet and any major changes circulated to all staff for information.

External reporting obligations

The Accountable Authority (the Board) must also provide a report annually (via the Annual Report) to the Portfolio Minister on fraud risk and fraud control measures, including:

- fraud initiatives undertaken by OPH in the reporting period, including an evaluation of their effectiveness
- planned fraud initiatives not yet in place
- information regarding significant fraud risks for OPH, and
- significant fraud incidents which occurred during the reporting period.

Glossary of terms

For the purpose of this policy the following definitions have been applied to accurately describe all persons whom this policy is applicable to:

Accountable authority: the person or group of persons who has responsibility for, and control over, a Commonwealth entity's operations as set out under section 12 of the PGPA Act. The Board of Old Parliament House is the Accountable Authority.

Contractor: any person who is employed, contracted, subcontracted, conducts work on behalf of, or at the request of the entity, on an independent basis and who is not engaged under the *Public Service Act 1999*.

Corporate Commonwealth entity: a Commonwealth entity that is a body corporate and has a separate legal identity outside the Commonwealth and can act in its own right exercising certain legal rights such as entering into contracts and owning property. Old Parliament House is a corporate Commonwealth entity.

Official: a term referred to in the PGPA Act as an individual who is in, or forms part of, the entity as set out under section 13 of the PGPA Act. An official is the equivalent to any person engaged under the *Public Service Act 1999* (includes ongoing, non-ongoing, and casual).

Serious and complex fraud: fraud which due to its size or nature is too complex for most entities to investigate.