

# Commonwealth Fraud Control Guidelines

## Fact Sheet

### New definition of fraud:

*“dishonestly obtaining a benefit by deception or other means”*

For examples of what this includes, see paragraph 2.2 of the Guidelines.

### Responsibility of Agency Chief Executive Officers

- ❖ Chief Executive Officers are required under section 45 of the *Financial Management and Accountability Act 1997* to implement a fraud control plan for their agency.
- ❖ CEOs have primary responsibility for fraud control within their agency and for reporting fraud control activities to their Minister and in the agency’s annual report.

### Who do the Guidelines apply to?

- ❖ All agencies covered by the *Financial Management and Accountability Act 1997*; and
- ❖ Organisations covered by the *Commonwealth Authorities and Companies Act 1997* that receive at least 50% of funding for their operating costs from the Commonwealth or Commonwealth agencies. CAC organisations outside this threshold are strongly encouraged to comply with the Guidelines as best practice.

### What are the key requirements of the Guidelines?

- ❖ Agencies are to undertake fraud risk assessments and produce fraud control plans at least every two years. They are encouraged to incorporate their fraud risk management into a general business risk management approach.
- ❖ Routine and minor fraud is to be investigated by agencies; complex fraud investigation is to be referred to the Australian Federal Police.
- ❖ Responsibility for fraud control remains with agencies even where an activity is outsourced to an external service provider.
- ❖ Training is mandatory for fraud control investigators and best practice for those involved in fraud prevention.
- ❖ Agency annual reports are to include certification by the Chief Executive Officer that the agency has undertaken a fraud risk assessment and prepared a fraud control plan; has appropriate fraud prevention, detection, investigation and reporting procedures in place; and annual fraud control data has been collected and reported.
- ❖ Specified annual fraud data is to be provided to the Australian Institute of Criminology by 30 September each year for inclusion in the Fraud Control Annual Report.
- ❖ The AFP is to be advised annually of current identified major fraud risks.
- ❖ Compliance with the physical security requirements of the *Protective Security Manual*

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