



## Case studies:

### Examples of mandatory notifications under Section 57 of the *Independent Broad-based Anti-corruption Commission Act 2011*

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The following examples of mandatory notifications to IBAC provide details of actual cases assessed by IBAC, and the actions taken as a result of our assessment.

#### Case study 1

##### Outcome: notification investigated

IBAC received a mandatory notification from a Victorian government agency alleging that a member of staff had failed to declare an interest in a private business that was awarded contracts to provide maintenance services to the agency.

Prior to notifying IBAC, the agency had conducted an audit which identified that the staff member was a director of the contracted company and held a financial interest in it. Discreet checks were made by the agency that revealed a number of incidents involving criminal conduct.

The information provided in the notification indicated that serious corrupt conduct may have taken place and IBAC subsequently commenced an investigation.

#### Case study 2

##### Outcome: preliminary enquiries to investigation

IBAC received a mandatory notification from a council regarding possible fraud by an employee who managed civil works projects for the council. Information provided to IBAC included a report by the council's internal auditors detailing a forensic examination of a sample of transactions involving the employee which identified instances of possible misappropriation of funds or illegitimate payments.

The auditor found a number of transactions that were unlikely to be business related amounting to nearly \$400,000. The audit report identified weaknesses in the processing of purchase orders, enabling approval without sufficient oversight and of amounts outside the employee's financial delegation.

Preliminary enquiries by IBAC established that there was evidence that the employee may have engaged in corrupt conduct, committing offences including Obtaining Financial Advantage by Deception and Misconduct in Public Office. IBAC commenced an investigation.

#### Case study 3

##### Outcome: notification referred

IBAC received a mandatory notification from a Victorian Government department indicating that an employee had accessed the department's payroll system without authorisation to process fraudulent payments to themselves. Information provided indicated the employee accessed the system using other colleagues' log-in details and there was evidence available to substantiate the allegations.

While IBAC noted the seriousness of the alleged behaviour, based on the information provided, IBAC considered the department the most appropriate agency to investigate these allegations. IBAC referred the matter back to the department for appropriate action.

#### Case study 4

##### Outcome: notification dismissed

IBAC received a mandatory notification from a department alleging an employee used Cabcharge vouchers valued more than \$3000 for personal use without approval. As part of the notification, the department advised that the matter had been dealt with, and the staff member resigned prior to the notification to IBAC.

In this case IBAC should have been notified of the matter once a reasonable suspicion was formed that corrupt conduct had taken place. Given that the department had already investigated and dealt with the matter, IBAC decided to dismiss it.

## Case study 5

### Outcome: notification dismissed

IBAC received a mandatory notification from a council advising that a staff member frequently attended gaming venues during work hours and approved overtime for other employees in exchange for money. The notification was based on information the council had received from an anonymous source.

IBAC dismissed the notification as there was no information provided to substantiate why the CEO had formed a reasonable suspicion that the alleged corrupt conduct had in fact occurred or was occurring.

An anonymous allegation against someone is not enough to form a reasonable suspicion. Discreet checks by the council may have helped determine if there was any substance to the allegations. In this case, the allegation alone was not sufficient to demonstrate the possibility of corrupt conduct and IBAC therefore dismissed the notification.

If IBAC dismisses a notification, the relevant principal officer should of course proceed with appropriate action to address disciplinary or other integrity issues identified.

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IBAC is Victoria's anti-corruption agency responsible for preventing and exposing public sector corruption and police misconduct. We do this by:

- investigating serious corruption and police misconduct
- informing the public sector, police and the community about the risks and impacts of corruption and police misconduct, and ways in which it can be prevented.

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