



Human Resource Due Diligence

know exactly who you're investing in

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## Verify finishes as FINALIST in National Privacy Awards

Verify is proud to announce our recent foray into the Australian Privacy Awards has resulted in us achieving the result of third place overall within our category. This strong result has led us to knock out some of our more established Privacy conscious competitors.

This is a direct result of our continual system and process refinements which is augmented by increases in technology within security and minimising human handling. As part of our system process we are regularly audited by Deloitte and are subjected to the National Privacy Principles as summarized on page 2. You can trust that the security and confidentiality of all privileged information we obtain will be adhered to at all times in line with federal privacy legislation, RCSA guidelines and our own internal Code of Ethics.

## Payroll fraud on the rise

HR and payroll professionals have been warned about a marked increase of payroll fraud over the past 12 months, which experts state can be attributed to the more challenging economic environment and financial distress.

“Often staff that commit fraud will rationalize it, thinking—well I didn’t get my bonus this year or they don't pay me enough for my services,” said Craig Osborne, Managing Director of Sage Micropay.

According to the Association of Certified Fraud Examiners (ACFE) 25% of people, if given the opportunity will commit fraud against their employer, however 90% of occupational fraud goes undetected. Of the remaining 10%, only 20%

of those are detected by internal controls.

Many small businesses do not have the systems and process in place to detect payroll fraud.

Payroll fraud affects all types of business. Recent examples include a NSW private school where the payroll manager was creating fake teachers, using the passwords of five former staff and a WA Beach club where the payroll manager used ghost employees as well as an electrical retailer and a number of local councils.

- According to Sage Micropay, two common mistakes made in preventing employee fraud are:

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- Not doing pre-employment screening of employees—conducting criminal background checks, credit history checks and employment history checks which is especially more critical when filling positions where staff have access and control of critical financial data.
- Not having the systems and processes in place to regularly review payroll transactions or where staff can change master data without proper authorization.

Businesses should not be focused on employee fraud prevention, rather they should be focused on implementing systems and processes that will improve the way they manage their business. If you are focused on building a business with good systems, processes and people, you won't fall victim to payroll fraud. Unfortunately many businesses are so busy achieving sales that critical internal business systems, processes and resources are an after thought," said Osborne.

The most common types of payroll fraud are Ghost Employee Fraud, False Wage Claim Fraud, False Expense Reimbursement

The best way to tackle fraud is to imbed **Verify's** candidate background verification into your on-boarding process to prevent the hiring of individuals who have a history of committing fraudulent activities.

*Sourced: HC Capital Magazine, 19 November 2009*

## National Privacy Principles (NPP)

Below is a brief summary of each of the 10 National Privacy Principles as seen in Schedule 3 of the Privacy Act 1988.

### NPP 1: Collection

Describes what an organisation should do when collecting personal information, including what they can collect, collecting from third parties and, generally, what they should tell individuals about the collection.

### NPP 2: Use and Disclosure

Outlines how organisations may use and disclose individuals' personal information. If certain conditions are met, an organisation does not always need an individual's consent to use and disclose personal information. However, there are rules about direct marketing.

### NPP 3 & 4: Information quality and security

An organisation must take steps to ensure the personal information it holds is accurate and up-to-date, and is kept secure from unauthorized use or access.

### NPP 5: Openness

An organisation must have a policy on how it manages personal information, and make it available to anyone who requests it.

### NPP 6: Access and Correction

Gives individuals a general right of access to their personal information, and the right to have that information corrected if it is inaccurate, incomplete or out-of-date.

### NPP 7: Identifiers

Generally prevents an organisation from adopting an Australian Government identifier for an individual as its own.

### NPP 8: Anonymity

Where possible, organisations must give individuals the opportunity to do business with them without the individual having to identify themselves.

### NPP 9: Transborder data flows

Outlines how organisations should protect personal information that they transfer outside of Australia.

### NPP 10: Sensitive information

Sensitive information includes information such as health, racial or ethnic background, or criminal record. Higher standards apply to the handling of sensitive information.

## Verify Catches a Crook

One of Australia's largest FMCG organisations has come to know **Verify's** worth when we uncovered a substantial criminal record on one of their potential employees. The candidate was applying for a Senior Warehouse Manager position responsible for managing their pharmaceutical products. The candidate's list of convictions ranged from;

- Possession of prohibited drugs
- Custody of a weapon in a public place
- Driving without a license and with an unregistered vehicle
- Common assault
- Larceny
- Possession of an anabolic or androgenic steroid agent

Luckily we were able to quickly identify and inform our client of the candidate's coloured history. When the candidate was asked why they did not inform them, they noted that by signing the consent form they thought there was a good chance the client would not check. They also thought that if they didn't sign the consent forms it would raise alarm bells. The candidate was not hired.



## Who Is **Verify**?

**Verify** was established in 2005 to provide Australia and New Zealand's most comprehensive, cost-effective and fastest verification service. With rapid turn-around times and 24/7 on-line access to lodge requests and monitor progress, we offer a streamlined process which will help ensure the person you are hiring are who they claim to be. Our service range enables us to provide an end-to-end verification solution to allow you to focus on your core activities. Have complete peace of mind in every recruitment decision you make.

At **Verify** we take the guesswork out of the most critical stage of the talent selection process. With offices in Sydney, Melbourne and Auckland, and an extensive range of international partners, we can meet your needs for candidate verification services locally or across the globe.

As a specialised independent body, **Verify** has no vested interest in whether your organisation appoints a candidate - just the facts to best equip you to make an employment offer. We don't get paid to recruit, we just **Verify** - so you can be sure you are receiving unbiased data and information on your candidate. To ensure a personalised and responsive service we don't have a call centre staffed by CSRs or telemarketers. All of our team have backgrounds in Human Resources and provide professional and personal support to their designated client.

We use an extensive network of private and government bodies in Australia, New Zealand and internationally; and adopt rigorous processes and procedures to capture and report information.

**Verify's** breadth of talent, contact networks and processes enable you to access the most complete pre-employment screening solution.



CEO & Founder of **Verify**  
Greg Newton

## Services Offered by **Verify**

**Verify** provides a comprehensive range of background verification services such as:

### Criminal History

- Criminal Record
- Terrorism Association

### Medical Assessments

- Basic Assessment
- Functional Assessment
- Spirometry
- Audiometry
- Muscular Skeletal
- Drug and Alcohol
- Vaccinations
- Specialist Medicals

### Identity

- Basic
- 100 point
- 140 point
- Fingerprint Analysis

### Licences

- Drivers Licence
- Operators Licence
- Entitlement to Work

### Qualifications

- Academic Qualifications
- Professional Memberships

### Performance History

- Reference Checks
- Employment History
- Media Search
- Exit Interviews
- Workers Compensation Checks
- Short-List Screening

### Financial Background

- AFS Licensees & Representatives Register
- APRA Disqualification Register
- Bankruptcy Record
- AML/CTF Global Official Lists
- ASIC Banned & Disqualified Register
- Credit History Check (Individual & Corporate)
- Liquid Asset Check
- Shareholdings
- Land Title Check

### Psychological

- Health & Safety Indicator
- Personality
- Reasoning
- Numerical
- Verbal

*& many more*

## Contact **Verify**

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