

Time Theft & Fraud Policy

For Australian Small & Medium Enterprises

Template Version 1.0 | December 2024

Important Notice

This template provides general guidance on preventing time fraud. Investigations must follow procedural fairness requirements. Seek legal advice before taking disciplinary action for suspected fraud.

1. Purpose

This policy establishes [Company Name]'s position on time theft and timesheet fraud. It defines prohibited conduct, outlines consequences, and establishes processes for prevention and investigation.

2. Scope

This policy applies to:

- All employees regardless of employment type
- All time recording activities
- All work locations

3. What is Time Theft?

3.1 Definition

Time theft occurs when an employee is paid for time not actually worked. This includes deliberately recording inaccurate times or being paid for periods when work was not performed.

3.2 Examples

- Clocking in before arriving at workstation
- Clocking out after leaving work area
- Extending breaks beyond entitlement
- Conducting personal activities during paid time
- Leaving early without recording departure

4. What is Timesheet Fraud?

4.1 Definition

Timesheet fraud is the deliberate falsification of time records. This is a serious breach of trust and may constitute misconduct.

4.2 Examples

- Recording hours not worked
- Clocking in or out for another employee
- Falsifying correction requests
- Manipulating time records
- Claiming overtime not worked

5. Prohibited Conduct

5.1 Employees Must Not

- Record time for another employee
- Allow others to record their time
- Falsify any time record
- Claim payment for time not worked
- Deliberately record incorrect times

5.2 Buddy Punching

Recording time for a colleague (buddy punching) is strictly prohibited. Both the employee who punches and the one who requests it may face disciplinary action.

6. Prevention Measures

6.1 Systems

- Photo verification at clock-in/out
- GPS location confirmation
- Biometric time clocks
- Manager approval workflows

6.2 Monitoring

- Time records regularly audited
- Patterns and anomalies reviewed
- Comparison with rostered hours

7. Reporting Concerns

7.1 How to Report

- Report to manager or HR
- Reports treated confidentially
- Anonymous reporting available
- No retaliation for good faith reports

7.2 What to Report

- Suspected buddy punching
- Time record irregularities
- Requests to falsify records
- Patterns of potential fraud

8. Investigation Process

8.1 Investigation

- Concerns investigated promptly
- Confidentiality maintained
- Evidence gathered and reviewed
- Procedural fairness observed

8.2 Employee Rights

- Notified of allegations
- Opportunity to respond
- Support person allowed
- No predetermined outcomes

9. Consequences

9.1 Disciplinary Action

Time theft or fraud may result in:

- Formal written warning
- Final written warning
- Summary dismissal for serious cases

9.2 Recovery

- Overpayments will be recovered
- Arrangements made per legislation

9.3 Legal Action

- Serious fraud may be referred to police
- Civil recovery action possible

10. Honest Mistakes

Genuine errors are not fraud:

- Forgotten clock-in addressed via correction process
- Honest mistakes treated fairly
- Pattern of errors may be addressed separately

11. Responsibilities

11.1 Employees

- Record time honestly and accurately
- Report concerns about fraud
- Cooperate with investigations

11.2 Managers

- Review time records regularly
- Investigate concerns fairly
- Maintain confidentiality

12. Review

This policy will be reviewed annually or when time recording practices change.

Employee Acknowledgement

I acknowledge that I have read and understood [Company Name]'s Time Theft & Fraud Policy.

Employee Name: _____

Signature: _____

Date: _____