

# Fraud Prevention Policy and Procedure

Purpose.....	2
Scope.....	2
Policy .....	2
Policy Statement .....	2
Principles.....	2
Procedure .....	2
Possible areas of potential fraud and corruption .....	2
Prevention strategies.....	3
Detection strategies.....	3
Reporting of suspected incidences .....	3
Response to allegations .....	3
Recording.....	4
Responsibilities .....	4
Definitions .....	5
Version history .....	5
Additional Information .....	5

## Purpose

This Policy and Procedure provides a framework to prevent and address fraud and corrupt conduct within the Australian Institute of Future Education (**AIFE**).

## Scope

This Policy and Procedure applies to:

- All AIFE staff (full-time, part-time, casual)
- Individuals engaged in providing services to or receiving services from AIFE, and
- Members of AIFE's Governing Bodies.

## Policy

### Policy Statement

A culture of honesty and integrity will be developed and maintained within AIFE, and to this end this Policy and Procedure put in place processes to prevent, detect and manage fraud and corrupt conduct.

### Principles

The following principles will guide AIFE in preventing and managing fraudulent and corrupt behaviours:

- AIFE's management and Governing Bodies will be made aware of their responsibilities for establishing controls and procedures for preventing and detecting fraudulent and corrupt behaviour
- All stakeholders of AIFE are to refrain from corrupt conduct, and fraudulent activities
- If any stakeholders are aware of fraudulent and corrupt conduct, this must be reported
- Any suspected fraudulent or corrupt conduct will be investigated and sanctions imposed
- All reports of fraudulent or corrupt conduct will be treated with confidentiality and care.

## Procedure

### Possible areas of potential fraud and corruption

Any areas of AIFE's higher education operations are vulnerable to fraudulent and corrupt behaviours which could lead to substantial loss of AIFE's finances. Some examples include:

- Misappropriation of resources (e.g. theft of cash, inventory or equipment)
- Misusing position for personal or organisational advantage (e.g. using official position at AIFE to offer a bribe to another party such as a government official to influence a positive decision)
- Misuse of information (e.g. providing false or misleading information, or withholding information)

- Unauthorised activities (e.g. making unauthorised expenditure or unauthorised use of AIFE data for personal advantage)
- Forgery (e.g. falsifying documents or signatures)

### Prevention strategies

Behaviours that are fraudulent and corrupt will be prevented through the following strategies:

- Awareness training for all staff and members of AIFE's Governing Bodies
- Senior staff and members of AIFE's Governing Bodies are expected to model ethical conduct at all times and to demonstrate a high level of commitment to controlling the risk of fraud and corrupt conduct within AIFE

### Detection strategies

The following strategies will be adopted to detect fraudulent and corrupt conduct at AIFE:

- Regular internal and external audit cycles
- Training relevant staff to identify and assess early warning signs of fraud and corrupt conduct and respond appropriately
- Ongoing monitoring of financial activity, e.g. analysis of invoice numbers and bank account numbers to detect patterns that might indicate fraud or irregular behaviour

### Reporting of suspected incidences

Any suspected fraudulent or corrupt conduct should be reported as soon as possible:

- Staff should report their suspicions to their immediate supervisor, if possible, or a senior member of AIFE's staff
- Students should lodge a report with the CEO or the manager of student services, and
- Members of AIFE's governing bodies should lodge a report with the chair of the relevant Governing Body.

Reports can be made verbally or in writing and should clearly explain the basis for the allegation. AIFE will treat all information disclosed in a confidential manner so far as circumstances permit and will provide appropriate protection for those who make disclosures in accordance with the *Corporations Act 2001*.

All staff are expected to operate in good faith in respect of any allegations made and will be required to cooperate with any investigation.

On receiving any report of fraud or corruption, the CEO, alternative delegate or Chair of the relevant Governing Body, must submit the report to the Board of Directors where appropriate.

### Response to allegations

All allegations of fraud or corruption must be recorded, investigated and resolved.

Depending on the nature of the report received, the Board of Directors may direct that a working group be convened to manage an investigation.

The working group will recommend an appropriate course of action, which may include:

- The appointment of an independent investigator
- Disciplinary action under the relevant employment agreement
- Referral to law enforcement agencies and/or other external agencies as appropriate, or
- A strategy or process to recover money, assets or property.

Persons, who are the subject of a report of fraud or corrupt conduct will be:

- Provided with appropriate guidance and support
- Treated fairly, impartially and within the principles of natural justice
- Informed of their rights and obligations
- Kept informed during any investigation
- Given the opportunity to respond to any allegations made against them, and
- Informed of the result of any investigation.

## Recording

AIFE will report to, or cooperate with, any external agencies regarding an investigation into suspected fraudulent or corrupt conduct.

The Board of Directors will authorise any:

- External communications in relation to any allegation, investigation or outcome, and
- Referral to regulatory organisations, funding bodies or law enforcement agencies.

## Responsibilities

All stakeholders must:

- Comply with the internal controls, systems, relevant policies and procedures that apply to them in relation to carrying out their duties or functions
- Ensure their behaviour and conduct always reflects the standards set out in AIFE's appropriate codes of conduct, policies and procedures
- Notify the appropriate person of any suspicions of fraudulent or corrupt conduct
- Not take unfavourable action against a person that they suspect has reported suspicions of fraudulent or corrupt conduct, and
- Cooperate with any investigations into fraudulent or corrupt conduct.

Senior staff and members of AIFE's Governing Bodies must:

- Ensure an adequate system of internal control exists within their area of responsibility appropriate to the risk involved and that those controls are properly operated and complied with, and
- Escalate reports of alleged fraud and corrupt conduct, as appropriate.

The Board of Directors must:

- Arrange for a working party to investigate suspicions of fraud or corrupt conduct reported by any stakeholders within AIFE
- Act on the outcome of the investigation, and
- Authorise referral to law enforcement agencies where required and any external communications.

## Definitions

For the purposes of this Policy and Procedure, the following terms are defined as follows:

Governing Bodies	Means the Board of Directors and its sub-committees, and the Academic Board and its sub-committees
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## Version history

Version #	Changes	Approval Body	Approval Date
1.0	New policy	Board of Directors	15 December 2021

## Additional Information

Policy Status	Approved
Policy Owner	CEO
Next Review Date	3 years from Approval Date
Related Internal Documents	Not applicable
Higher Education Standards Framework (Threshold Standards) 2022	Standards 6.2.1a and 6.2.1d
Other legislative or regulatory instruments	Corporations Act 2001

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