

SECTION 7: FINANCE

7.3 Fraud Control Policy

RATIONALE

The Fraud Control Policy provides a framework for the protection of College financial and other resources and to protect the integrity and good reputation of the College. This includes reducing the risk of fraud occurring, discovering and investigating fraud when it occurs, and taking corrective action appropriate to the degree of fraudulent behaviour. In this way, this policy exists to ensure the effective management of College resources which is linked to the Gospel values of stewardship and honesty.

POLICY

The College has a policy of zero tolerance towards fraudulent activity or behaviour by all staff, members of the Board and its sub committees, contractors, third party service providers or students. To give effect to this:

1. Any form of fraud will not be tolerated.
2. The College will follow all laws that apply to any fraudulent or corrupt activities and any person found to have committed fraud will be subject to disciplinary action including the likelihood of immediate termination of employment.
3. All staff will be provided with relevant training and support to enable them to meet their obligation to understand and adhere to procedures that are in place to prevent, detect, report and respond to fraud.

APPLICATION

Definition

The College will adopt Australian Standard 8001-2003 which defines fraud as:

“dishonest activity causing actual or potential loss to any persons or entity including theft of moneys or other property by employees or persons external to the entity and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or for improper use of information or position.”

Responsibilities

The Board is responsible for providing strategic direction and leadership for the College, and for oversight of a robust governance and compliance monitoring framework that ensures:

- best practice financial management and governance policies and procedures;
- effective management of financial and non-financial risks; and
- compliance with relevant laws, regulations and standards applying to the activities of the College

The Board established a Finance, Audit and Risk Management Sub Committee (FARM) to assist it in discharging its responsibilities. FARM provides independent assurance and assistance to the Board on the College's risk control and compliance framework and to assist in fulfilling its responsibilities for the financial oversight and accountability of the College.

One of the responsibilities of FARM is to review the College's fraud control mechanisms to ensure the College has appropriate processes and systems in place to identify and manage fraud and capture and effectively investigate fraud related information. As such, FARM has an oversight responsibility for the Fraud Management Plan. The Board's Policy Committee has responsibility for integrating the Fraud Control Policy into the College's Policy Manual.

The Principal is responsible for developing and implementing a Fraud Management Plan to give effect to the Fraud Control Policy, consistent with Australian Standards. The Principal will submit the Fraud Management Plan to FARM for approval and will regularly review (at least annually) the Fraud Management Plan and make recommendations to FARM on suggested changes to the Plan and to the Board's Policy Committee on suggested changes to the Fraud Control Policy.

Fraud Management Plan

The Fraud Management Plan will cover the prevention, detection, reporting, investigation, prosecution, penalties and recovery of proceeds of fraudulent activity. It will also include training of employees in ethics and fraud awareness, the training of employees involved in fraud control activities, external scrutiny of the college's fraud control activities by an auditor and awareness raising of the Board and staff of circumstances that may indicate the possibility of fraud.

The Fraud Management Plan will make provision for a Risk Register which lists the identified potential fraud and corruption risks faced by the College, major controls put in place to manage the risk, responsibility for managing the risk and a residual risk rating for each identified potential fraud. A fraud risk assessment will be undertaken at least annually with appropriate adjustments made to the Risk Register to be submitted to FARM for approval.

In order to reduce the risk of fraud, the Fraud Management Plan will articulate strategies in areas such as communication, timeliness, staff behaviour and recruitment and will include specific actions to ensure accurate financial reporting and methods to be used by management to minimise fraud and corruption.

Approved August 16, 2016