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RELATED POLICIES AND DOCUMENTS:	Financial Management Act 1994 Standing Directions of the Minister for Finance 2016 Fraud and Corruption Control AS8001:2008 PPP035 Reconciliation of daily takings FIN012 Fraud & Corruption Incident Report PPP051 Fraud and Corruption Control Policy

1. Introduction

The Fraud & Corruption Control Guideline provides guidance in reporting & investigating potential fraud, corruption and other losses that South West Institute of TAFE may face as an Education provider.

2. Scope

The Fraud & Corruption Control Guideline applies to all South West Institute of TAFE staff including partnering agreements.

3. Definitions

Corruption

Dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity. The concept of 'corruption' within this standard can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly.
(from Australian Standard AS 8001)

Fraud

Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where 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 the improper use of information or position for personal financial benefit. The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered 'fraud' for the purposes of this Standard. **(from Australian Standard AS 8001)**

Other Loss a loss caused by any intentional or negligent act or omission, including theft, vandalism and arson and excluding acts of God.

Theft Refers to the act of unlawfully stealing or taking property or money from an agency.

Significant or Systemic means an incident, or a pattern or recurrence of incidences, that a reasonable person would consider has a significant impact on the Agency or the State's reputation, financial position or financial management.

4. Procedure

4.1. Internal Reporting

All members of the South West Institute of TAFE community have an obligation to report suspected fraud, corruption and other losses.

The following sets out those lines of reporting:

- **Students:** Where a student suspects that an act of fraud, corruption and other losses is occurring or has occurred, it is the duty of that student to report such suspicions to their teacher or Senior Educator.

Where the student does not feel comfortable reporting their suspicions to their teacher or Senior Educator, they must report such matters to Directors, Executive Managers or to the CEO.

- **Staff:** Where a staff member suspects that an act of fraud, corruption and other losses is occurring or has occurred, it is the duty of that staff member to report such suspicions to their senior manager.

Where the staff member does not feel comfortable reporting their suspicions to their Senior Manager, they must report such matters to Directors, Executive Managers or to the CEO

- **Anonymous Reports:** Anonymous reports are to be directed through to the Protected Disclosure Officer (Audit & Compliance Officer); this can be completed through a written summary of the incident. Where such reports are directed to other Institute staff, this information is to be forwarded to Executive Manager, Corporate Services.
- **Confidentiality:** All participants who are involved in or become aware of fraud, theft, losses or suspicious activity must keep the details and results of the investigation confidential to the investigation procedure.

In particular, no suspicion of or proven case of fraud, corruption and other losses is to be discussed with or reported to a third party such as media except with the approval of the CEO.

4.2. Acting on a Report of Suspected Fraud, Corruption and Other Losses

All staff have a responsibility to act on and report of suspected fraud, corruption and other losses.

This should involve:

- **Record the Suspicion:** Senior Management receiving notification of a suspected fraud, corruption or other losses must record details of the notification including details of when the notification was received and details of all matters raised. This is to be completed on the Institute's Fraud & Corruption Incident Report Form.

Where the suspected significant or systemic fraud, corruption and other losses is identified (greater than \$5000 cash, \$50,000 property or \$1000 credit card) the appropriate reporting template must be utilized. *(Please refer to 5. Reporting significant or systemic fraud, corruption and other losses below for further information)*

- **Fraud & Corruption Register:** All suspected fraud, corruption and other losses must be recorded on the Institutes Fraud & Corruption Register to ensure adequate monitoring and review of the incident.
- **Notify Executive Manager, Corporate Services:** All reports of suspected fraud, corruption and other losses must be reported to the Executive Manager, Corporate Services immediately and prior to any investigation of such allegations being undertaken.

Involving Senior Management: When a suspected fraud, corruption and other losses involves a member of Senior Management, the Executive Manager, Corporate Services must notify the CEO.

4.3. Investigating a Report of Suspected Fraud, Corruption and Other Losses

Investigations of suspected fraud, corruption and other losses will be guided by the following:

- **Determining whether an investigation is required and the process to be followed:** the reporting supervisor will establish with the Executive Manager, Corporate Services both, whether an investigation is required and the process for an appropriate investigation.
- **Elements of the investigation process:** the investigation process will have a clear plan that will include:
 - Preservation of electronic or paper based evidence
 - Collection of appropriate evidence through interviews, evidence statements, review of records, review of transaction, etc
 - Analysis of information
 - Appropriate consultation as required with relevant senior personnel
 - Where appropriate involvement of Police or other relevant authorities
 - Clear conclusions and action recommendations and responsibilities
- **Key portfolio stakeholders in the investigation:** The Executive Manager, Corporate Services will involve the Human Resources Manager, Finance Manager and other portfolio stakeholders where necessary.
- **Advising others of the investigation:** The Executive Manager, Corporate Services will advise the CEO and other stakeholders as necessary of the nature and scope of any investigation.

4.4. Acting and Reporting on Investigation Findings

Where evidence of fraud, corruption and other losses is found:

- **Agreed actions are to be implemented:** The Executive Manager, Corporate Services in conjunction with the relevant portfolio stakeholders will determine and implement actions to be taken.
- **The following guide to actions is to be considered:**
 - Human Resources disciplinary processes are to be followed
 - Repayment of any losses is to be pursued
 - Notifying and reporting the matter to the Victoria Police
 - Alerts to other authorities in the Institutes contractual and community responsibilities.
 - Key learning's to prevent further theft, fraud, loss or corruption are to be shared and implemented
- **CEO to be kept informed:** The Executive Manager Corporate Services will keep the CEO and where relevant HESG informed of any investigation, its findings and resultant action.
- **Audit, Risk and Compliance (ARC) Committee is to be informed:** Incidents of fraud, corruption and other losses are to be periodically reported to the ARC Committee as part of the regular Risk Management Report.

5. External Reporting of Significant or Systemic Fraud, Corruption & Other Losses

The Institute reports actual or suspected significant or systemic fraud, corruption and other losses in accordance with the Direction 3.5.3 of the Standing Directions of the Minister for Finance 2016.

Direction 3.5.3:

Where an Agency is made aware of an actual or suspected Significant or Systemic Fraud, Corruption or Other Loss, the Accountable Officer must:

- notify, as soon as is practicable, the Responsible Minister, Audit Committee, Portfolio Department and Auditor General of the incident and remedial action to be taken;*
- ensure that the persons notified under Direction 1.1.1.1(a) are kept informed about the incident, including the outcome of investigations; and*
- ensure that the Agency takes appropriate action to mitigate against future Fraud, Corruption and Other Losses.*

Instances involving the following will be required to be reported in accordance with Direction 3.5.3:

- values **greater than \$5 000 in cash**
- values **greater than \$50 000 in property**
- values **greater than \$1000 for purchasing and prepaid debt cards**

The provided template will be utilised in the reporting of significant or systemic Fraud, Corruption and Other Losses.