

# Prevention of Fraud Policy



## Purpose/objective

The purpose of this Policy is to promote a culture of honesty, integrity and professionalism within AAHE and to establish controls and procedures to prevent and detect fraudulent and corrupt activities. The Policy provides guidance about what constitutes fraud to assist those working for or on behalf of AAHE to recognise and deal appropriately with it. The Policy also mandates reporting fraud or corrupt conduct and outlines the consequences for individuals who engage in this behaviour.

This Policy is supported by AAHE's Critical Incident Policy and Procedure<sup>1</sup>, which reproduces the fraud response procedures contained within this Policy.

## Scope

This Prevention of Fraud and Misconduct Policy applies across the entire AAHE community, including all employees whether through appointment, contract, or volunteering; any external parties involved in providing goods or services to AAHE, such as contractors, consultants, outsourced service providers and suppliers; and AAHE students.

## Definitions

<b>Bribery</b>	Providing, causing, offering or promising to provide any advantage to another person where the advantage is not legitimately due. The intention of the bribe must be to influence someone in the exercise of his or her duties to obtain or retain an advantage that is not legitimately due to them.
<b>Corruption</b>	Dishonest activity in which an employee, volunteer or contractor acts contrary to the interests of AAHE and abuses their position of trust in order to achieve some personal gain or advantage.
<b>Fraud</b>	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 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 the improper use of information or position for personal financial benefit.
<b>Public Interest Disclosure</b>	A disclosure of information that is made in accordance of Part 2 of the <i>Public Interest Disclosures Act 2013</i> <sup>2</sup> . Any person making a disclosure of improper conduct by public officers and public bodies is protected from any reprisal for disclosing the improper conduct.

<sup>1</sup> Insert *Critical Incident Policy and Procedure* hyperlink here

<sup>2</sup> <https://www.legislation.gov.au/Details/C2013A00133>

## Policy

- 1 Fraud refers to deliberate acts of deception, misrepresentation or omission committed with the intention of gaining an unjust advantage or to cause unjust loss or disadvantage. Fraudulent or corrupt conduct may or may not involve breaches of the law and extends to such behaviours as unauthorised use of AAHE facilities or equipment, and misappropriation of tangible and intangible assets through:
  - a) theft of property such as inventory, cash or equipment
  - b) unlawful or unauthorised release of confidential information that is dishonest
  - c) dishonestly obtaining or using property that belongs to AAHE
  - d) dishonest use of intellectual property
  - e) causing a loss to AAHE that is dishonest, or avoiding or creating a liability for AAHE by deception
  - f) knowingly making or using forged or falsified documents
  - g) dishonestly using AAHE computers, telephones, credit cards, cab vouchers or other property or services
  - h) fabrication, falsification or plagiarism of research or scholarly work
  - i) dishonestly falsifying invoices for goods or services
  - j) dishonestly using purchase or order forms to gain a personal benefit
  - k) receiving or giving kickbacks or secret commissions to or from third parties
  - l) dishonestly assisting or enabling the unlawful or unauthorised transfer, use or allocation of AAHE property and assets
  - m) dishonestly using grant or research funds or sponsorships for personal benefit.
- 2 AAHE staff, associates and students are expected to act in a professional and ethical manner, follow all legal obligations, care for AAHE property, and preserve the reputation of AAHE. To this end, AAHE will put in place appropriate mechanisms for fraud and corruption risk management, including policies and procedures, risk assessment, internal controls, investigation, reporting, education and independent auditing to reduce the incidence of fraud and corruption and regularly evaluate these for effectiveness.
- 3 AAHE recognises that the risk of fraud and corruption can arise in various contexts and will put in place measures proportionate to the risks it faces in order that staff, students and associates of AAHE are aware and understand the relevant policies and procedures for the prevention, detection and elimination of fraud and corruption.
- 4 Staff are expected to remain vigilant to any suspected fraudulent behaviour that may be occurring around them and to cooperate fully with any investigations or implementation of fraud control strategies. AAHE managers must uphold and monitor fraud control strategies within their area of responsibility.
- 5 Staff and students who become aware of or who suspect fraudulent conduct must report the matter according to the procedures that follow. AAHE does not tolerate vexatious or frivolous reports of fraud.
- 6 A critical objective of any fraud investigation will be the punishment of the perpetrator(s). AAHE will follow disciplinary procedures contained in our *Staff Code of Conduct* and *Student Code of Conduct* against any member of staff or student who commits fraud or corruption. Associates may have commensurate action taken against them, which may include

termination or non-renewal of their appointment or contract. AAHE may also initiate civil action to recover losses.

- 7 Fraud and corruption investigation will follow principles of natural justice. AAHE will appoint individual(s) who are impartial and who possess appropriate expertise to conduct the investigation. Following internal investigation, the matter may be reported to the police for further action or investigation.
- 8 All suspected incidents of fraud and corruption will be recorded in order to identify trends and prevent recurrence.
- 9 Non-compliance with this policy may result in disciplinary action.

## Procedure

- 1 Staff and students who become aware of suspected fraudulent conduct are required to report the matter in accordance with this procedure. Staff and students are also required to maintain strict confidentiality on any suspected fraud matter about which they have knowledge.
- 2 In the first instance, the issue should be reported to the person authorised by the Board of Directors to receive whistleblower disclosures. If, for any reason, the staff member considers that reporting the incident through this channel would be inappropriate, he or she may report the matter directly to the Chair of the Board. Such reports may be made confidentially, if desired.
- 3 AAHE strives to meet or exceed best practice standards on whistleblower protection and will do the following:
  - (a) require staff and students to act in good faith and reasonably in making reports under whistleblower protection
  - (b) recognise and respect the confidentiality of the identity of a *bona fide* informant
  - (c) ensure support and protection are provided to an informant against any form of recrimination or reprisal or any threat of detriment.
- 4 All instances of alleged fraud must be reported to the Board of Directors and to AAHE legal counsel, by the Chief Executive Officer. Legal counsel will then be responsible for overseeing and managing the investigation process, in consultation with other members of an investigation task force which shall comprise, not less than the following positions:
  - (a) Legal Counsel
  - (b) Chief Operating Officer, and
  - (c) another relevant senior executive or manager (e.g. CEO and/or Registrar).
- 5 The task force will consider all relevant legislative or regulatory requirements in assessing, investigating, managing and reporting matters of alleged fraud.
- 6 In each instance where fraud is confirmed, AAHE will reassess the adequacy of the internal control environment particularly those controls directly relevant to the fraud incident and provide a written report to AAHE's Audit, Risk and Finance Committee (ARF) on the implementation of any improvements. Where improvements are necessary, they will be implemented as soon as practicable under the supervision of ARF.
- 7 AAHE may pursue the recovery of any money or property lost through fraud after considering all relevant issues.

- 8 Any fraud risks identified during the fraud risk assessment, and any action taken by AAHE will be collated, classified and reported to the relevant authorities, having regard to privacy, confidentiality, legal professional privilege and the requirements of natural justice.

### Roles and responsibilities

- 1 All AAHE employees and associates of AAHE have a responsibility to safeguard themselves and AAHE against damage and loss through fraud or corruption activities, and to report incidents or reasonable suspicions of fraud or corruption on the part of others.
- 2 The Chief Operating Officer is responsible for the management of AAHE’s internal control framework including fraud and corruption prevention and controls.
- 3 AAHE Legal counsel is responsible for overseeing and managing the fraud investigation process.

### Related documents and relevant legislation

Risk Management Policy  
 Risk Management Plan  
 Business Continuity Plan  
 Critical Incident Policy and Procedure  
 Staff Code of Conduct  
 Student Code of Conduct

### Document information

**Document owner:** Principal and Chief Executive Officer

Version	Approved by	Approved on	Implementation date	Changes made
1	Board of Directors	14/10/21	1/10/23	