



IONA COLLEGE
TRINITY

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Fraud Prevention Policy and Procedure

Approved by the Board of Directors on 20 January 2022

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1. Purpose

This Policy sets out the approach of Iona Trinity College of Higher Education (**the College**) for preventing fraud and corrupt conduct. This Policy does not address all possible situations that may arise within the wide range of activities carried out by and through the College but provides a process that can be applied in most situations.

2. Scope

This Policy applies to all stakeholders of the College including:

- All staff of the College whether full-time, part-time, casual or contract
- All members of the College's Governing Bodies
- Individuals engaged in providing services to or receiving services from the College, such as students, contractors or consultants;
- Conduct that is included within the scope of the definitions in this Policy (see examples in **Appendix One**).

This Policy does not include breaches of academic integrity, which are managed under the provisions of the *Staff Academic Integrity* and *Student Academic Integrity* policies and procedures, respectively.

3. Policy

The College aims to develop and maintain a culture of honesty and integrity within the organisation, and to put in place processes that ensure effective prevention, detection and management of fraud and corrupt conduct. The College adopts a zero-tolerance approach to fraud and corrupt conduct in all College activities. This approach is consistent with the *Human Resource Management Policy and Procedure*, *Student Code of Conduct* and the law.

3.1 Principles

This Policy is designed to:

- Prevent and detect corruption across all areas of the College's operations, including those of its related entities
- Ensure that management and governing bodies are aware of their responsibilities for establishing controls and procedures for the prevention and detection of fraud and corrupt conduct
- Ensure that all stakeholders are aware of the College's expectation that they will refrain from corrupt conduct, fraudulent activities and maladministration
- Encourage all stakeholders to report matters that they suspect may concern corrupt conduct
- Provide assurances to all stakeholders and the wider community that any suspected corrupt conduct will be fully investigated, and sanctions imposed, and
- Ensure that all reports of fraud and corrupt conduct are treated with confidentiality and care.

3.2 *Culture and awareness*

The College maintains a zero-tolerance attitude towards fraud and corruption and requires that any case of suspected fraud is reported promptly and dealt with appropriately.

Staff members, particularly those in management roles, should be aware that some activities present a higher potential risk for fraud or corruption and require particular focus, including:

- Procurement of goods and services
- Recruitment
- IT systems access, data management and contracting for IT services and supplies
- Financial transactions, particularly of a value over \$10,000
- Payroll
- Student admissions and records, and
- International engagement, including education services for overseas students.

3.3 *Expectations*

All Governing Body members, all staff, contractors and students must:

- Understand and comply with this Policy and Procedure
- Comply with all relevant legislation, regulations, codes and agreements, and
- Comply with the College's policies and procedures, and employment terms and conditions.

In the performance of their duties, Governing Body members, all staff, contractors and students must:

- Act honestly and exercise skill, care and diligence in the performance of their duties, and
- Not intentionally cause unacceptable risk to the College's reputation or financial viability.

4. **Procedure**

4.1 *Possible areas of potential fraud and corruption*

Fraud and corrupt conduct can potentially occur in any area of the College's operations. Some examples of conduct which could represent fraud, corrupt conduct or serious and substantial waste of the College's funds are included in **Appendix One**.

4.2 *Prevention strategies*

The College ensures a sound and sustainable ethical culture through a process of awareness training and the development of robust policies, procedures and monitoring and auditing processes.

Senior staff and members of 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 the College.

All College stakeholders will have a general awareness of fraud and corrupt conduct and understand how any such activity should be managed if it is detected or suspected.

The *Delegations Policy and Schedule* specifies authority within the College to undertake certain activities and sets boundaries in relation to expenditure. Therefore, the College's Governing Body members and staff must understand and comply with the *Delegations Policy and Schedule*.

In implementing this policy and the *Delegations Policy and Schedule*, and as a preventative countermeasure, the College will not allow the same person to:

- Create and maintain vendor records as well as process invoices
- Use a credit card as well as acquit and reconcile credit card payments
- Approve grants as well as process grant payments
- Order assets from suppliers as well as confirm the delivery of the assets in the accounting system, and
- Record payroll information in the system as well as verify the calculation and reconcile records.

4.3 Detection strategies

The College implements the following detection strategies:

- Regular internal and external audits
- Identification and assessment of early warning signs to detect fraud by training key personnel to recognise 'red flags' and respond appropriately
- Ongoing monitoring of financial activity which includes but is not limited to:
 - Data analysis activities of invoice numbers and bank account numbers to detect patterns and relationships that might highlight fraud, irregular behaviour or inconsistencies as evidence of duplicate payments
 - Reviews of financial statements to detect fraud through a comparison of the College's budget reports, expenditure against appropriate benchmarks or trends in bad or doubtful debts
 - Post-transaction reviews to detect fraud by focussing on authorisations, adherence to guidelines on expenditure receipting and missing documentation, to detect altered or missing documents or falsified or altered authorisations.

4.4 Reporting of suspected instances

All stakeholders are encouraged to report any suspected fraud, corruption or mismanagement as soon as possible as follows:

- Staff should make reports to their immediate supervisor. If for any reason this is not appropriate the report should be made to the relevant senior manager, who should in turn submit the report to the Principal or alternative delegate where required.
- Students should lodge a report directly with the Principal, or Student Services Manager.

- Members of governing bodies should lodge a report with the Chair of the relevant governing body.

Reports can be made orally or in writing and should clearly explain the basis for the allegation. The College 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 Principal, alternative delegate or Chair of the relevant governing body, must submit any reports that have the potential to impact on the operations or reputation of the College to the Chair of the Board of Directors, or their delegate.

4.5 Response to allegations

All allegations of fraud, corruption or mismanagement must be appropriately 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
- A strategy or process to recover money, assets or property.

The College is committed to ensuring persons who are the subject of a report of fraud or corrupt conduct are:

- 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.

4.6 Recording and reporting

The College will fulfil any duty to report to or cooperate with external agencies.

The Board of Directors will authorise:

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

All information regarding suspected mismanagement, fraud or corruption will be collected, classified and handled appropriately and have regard to requirements for reporting to law

enforcement agencies, privacy, confidentiality, legal professional privilege and the requirements of procedural fairness and natural justice.

5 Responsibilities

Senior staff and members of governing bodies are responsible for:

- Ensuring that 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
- Receiving reports of alleged fraud and misconduct, and
- Escalating reports as appropriate.

The Board of Directors:

- Receives reports of alleged fraud and misconduct
- Arranges for a working party and investigation where appropriate
- Acts on the outcome of any investigation, and
- Authorises referral to law enforcement agencies where required and any external communications.

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 of the College
- Ensure that their behaviour and conduct always reflects the standards of the College's appropriate codes of conduct, policies and procedures
- Not take unfavourable action against a person that they suspect has reported wrongdoing
- Notify the appropriate person of any suspicions they have that detrimental action is occurring or has been threatened
- Supply any information on request
- Report any known or suspected incidents of wrongdoing, and
- Bring to the attention of the Principal and/or senior staff areas of weakness they have identified in procedures and suggesting improvements to these procedures to reduce the possibility of fraud.

6. Definitions

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

Benefit	A non-tangible item of value (e.g., a new job or promotion, preferential treatment or access to confidential information) that one person confers on another
Corrupt conduct	Deliberate dishonesty relating to, or distortion of, the College's processes or procedures, including the acceptance of donations

	<p>or bribes, to obtain advantage for an individual or group of individuals. This could include:</p> <ul style="list-style-type: none"> • The improper use of knowledge, power or position for personal gain or the advantage of others, and • Acting dishonestly or unfairly or breaching trust.
Corruption	A dishonest act in which an individual engages in activities contrary to the College's interests to achieve a personal gain or advantage; or to avoid loss or disadvantage for the individual, or another person or entity related to the individual. Corruption can include, but is not limited to, an individual carrying out their duties dishonestly or misusing the College's resources or information for an improper purpose, or advancing the College's interests via unethical means including and is not limited to bribery, abuse of trust and threats
Fraud	Dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false representation, resulting in the diversion of resources, whether for personal gain for the benefit of an individual or a group of individuals with consequent loss to the College. Resources may include money, physical assets, equipment or intellectual property.

7. Version history

Version #	Changes	Approval Body	Approval Date
1.0	Original Version	Board of Directors	20/01/22
1.1	Strengthen provisions for fraud and corrupt conduct	Board of Directors	27/07/23

8. Additional Information

Policy Status	Approved
Policy Owner	Principal
Next Review Date	3 years from Approval Date
Associated Internal Documents	Human Resources Management Policy and Procedure Student Code of Conduct
Higher Education Standards Framework (Threshold Standards) 2021	Standard 6.2.1d

National Code of Practice
for Providers of Education
and Training to Overseas
Students 2018

No relevant standard

Other Applicable Legislation
and Instruments

Corporations Act 2001

Tertiary Education Quality and Standards Agency Act 2011

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Appendix One

Examples of fraud and corruption

Activity	Example
Misappropriation of resources	<ul style="list-style-type: none"> Assisting in the illegal transfer of assets Causing a loss or creating a liability by deception Theft of cash, inventory, or equipment Unauthorised use or sale of assets for personal benefit Using resources (including equipment) dishonestly, without approval or authority, or for personal advantage
Misuse of position - whether for personal or for supposed organisational advantage	<ul style="list-style-type: none"> Facilitating the dishonest activity of another for a 'consideration' of the benefit gained Improperly using an official position to gain an advantage for oneself or another person Paying or accepting commissions from or to third parties Receiving from a person or offering a bribe or facilitation payment to a person, including those in public office, to influence a decision that would mean that person would violate their official duty
Travel and Entertainment	<ul style="list-style-type: none"> Deceptive or misleading information in Travel Diaries Inappropriate or unauthorised expenditure Inflated or deceptive expense claims Unapproved travel at the College's expense
Data assets and IT access	<ul style="list-style-type: none"> Accepting payment for enrolling non-eligible students or altering academic transcripts Provision of usernames and passwords to unauthorised people for a fee or other benefit Unauthorised access, use, release or destruction of data for personal advantage Use of administrative privileges to gain unauthorised access to accounts, work areas or systems
Legal obligations	<ul style="list-style-type: none"> Providing false or misleading information Withholding information contrary to a legal requirement to provide information

Activity	Example
Staffing	<ul style="list-style-type: none"> • Appointments motivated by a personal relationship and without merit • Falsifying documents • Unlawful alteration of staff records • Use or disclosure of information for a dishonest or unauthorised purpose
Salaries, wages, allowances	<ul style="list-style-type: none"> • Payments to "ghost" employees • Authorising payments to employees for tasks not performed or for skills they do not have
Contract management	<ul style="list-style-type: none"> • Accepting bribes, facilitation payments and/or "incentive gifts" from suppliers • Inflating charges or costs for goods or services or substituting an inferior product to that contracted for • Negligent or deliberate mismanagement of contracts for personal advantage
Tender processes	<ul style="list-style-type: none"> • Manipulating a competitive procurement process for improper benefit or advantage for any individual or organisation, including the College • Unauthorised or improper release of pricing or other competitive procurement information • Failing to declare a conflict of interest when overseeing competitive procurement processes • Accepting inappropriate gifts or benefits without full transparency
Financial transactions	<ul style="list-style-type: none"> • Forging or falsifying documents or signatures • Dishonestly using procurement forms and processes • Causing, assisting, or enabling unauthorised or illegal transfers of funds or access to other benefits or advantages • Inappropriate use of College credit cards including use for personal purchases • Creating and causing payments to fictitious vendors or suppliers