



# ACEA

Australasian Corrections  
Education Association

Create the Opportunity

## FRAUD RISK MANAGEMENT POLICY

Policy number	011	Version	1.0
Drafted by	Paul Barnes	Approved by Executive on	10 January 2020
Responsible person	Paul Barnes	Scheduled review date	10 January 2021

### INTRODUCTION

Just like commercial organisations, not-for-profit organisations may be subject to fraudulent activity and must therefore implement effective prevention strategies to minimise legal and financial exposure.

### PURPOSE

The purpose of this Policy is to:

1. Ensure that all parties are aware of their responsibilities regarding the identification and prevention of fraudulent activity.
2. Ensure that members and contractors understand who to report to in the event that they suspect fraudulent activity.
3. Provide a step-by-step guide to respond to an allegation regarding fraudulent activity.
4. Express a clear statement to members and contractors forbidding fraudulent activity for the benefit of the association.

## **POLICY**

Australasian Corrections Education Association will not tolerate fraud in any aspect of its operations.

Australasian Corrections Education Association will investigate any suspected acts of fraud, misappropriation or other similar irregularity. An objective and impartial investigation, as deemed necessary, will be conducted regardless of the position, title, length of service or relationship with the organisation of any party who might be the subject of such investigation.

Any fraud shall constitute grounds for dismissal. Any serious case of fraud, whether suspected or proven, shall be reported to the relevant and appropriate authorities such as the police and the ombudsman.

Any person who suspects the commission of a fraud, related to the operations of Australasian Corrections Education Association, is required to immediately report it to an appropriate person in authority within Australasian Corrections Education Associations. Any person reporting a fraud, or a suspected fraud, shall not be penalised for raising a concern of this nature.

## **AUTHORISATION**

Ron Wilson

10 January 2020

President, Australasian Corrections Education Association (Inc.)

# FRAUD RISK MANAGEMENT PROCEDURES

Procedures number	011	Version	1.0
Drafted by	Paul Barnes	Approved by Executive on	10 January 2020
Responsible person	Paul Barnes	Scheduled review date	10 January 2021

## RESPONSIBILITIES

The Executive Committee of Australasian Corrections Education Association has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.

The **President** is responsible for dealing with and investigating instances of fraud reported to them.

All **Executive Committee members** must ensure that they:

- Assess the risk of fraud within their area of control;
- Educate members and contractors about fraud prevention and detection; and
- Facilitate the reporting of suspected fraudulent activities.

Executive Committee Members should be familiar with the types of improprieties that might occur within their area of responsibility and be alert to any indications of such conduct.

All **members and contractors** share in the responsibility for the prevention and detection of fraud.

## REPORTING

All members and contractors have the responsibility to report suspected fraud.

Any member or contractor who suspects fraudulent activity must immediately notify their supervisor or the President about the concern.

In situations where the member or contractor notifies their supervisor, the supervisor must then notify the President (or any other Executive Committee member in circumstances where the suspected fraud involves the supervisor or President).

## Step-by-step guide: Responding to suspected fraud

1. Upon notification an allegation pertaining to fraud, the President (or other nominated Executive Committee Member) will promptly arrange to carry out an initial review into the allegation.
2. After an initial review and a determination that the suspected fraud warrants additional investigation, the President (or other nominated Executive Committee Member) shall coordinate the investigation with the appropriate law enforcement officials or external investigator as deemed appropriate. Internal or external legal representatives will be involved in the process, as deemed appropriate.

3. Once a suspected fraud is reported, immediate action will be taken to prevent the theft, alteration or destruction of relevant records. Such actions include, but are not necessarily limited to, removing relevant records / information and placing them in a secure location, limiting access to the location where the records / information currently exists, and preventing the individual suspected of committing the fraud from having access to the records / information.
4. If an allegation of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal (or termination of an individual's right to work as a contractor or member), shall be taken by the appropriate level of authority.
5. The organisation will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of any losses from the offender.

Where a prima facie case of fraud has been established, the matter shall be referred to the relevant authorities. If an allegation is made in good faith, but it is not substantiated by the investigation, no action will be taken against the complainant.

The organization will make every effort to keep the investigation confidential; however members of the management team may need to be consulted to assist with a review / investigation.

## **RELATED DOCUMENTS**

Mechanisms pertaining to fraud prevention shall be incorporated into the organisation's accounting and human resources policies and procedures including (but not limited to):

- Authority to Sign Cheques Policy
- Reimbursement of Expenses Policy

## **AUTHORISATION**

Ron Wilson

10 January 2020

President, Australasian Corrections Education Association (Inc.)