

Financial Diligence/Fraud Prevention Policy

Rationale:

This policy covers the prevention, detection and management of fraud and corruption. A priority for the school is an awareness of fraud and its prevention in the College environment, including strategies and procedures that address the issue of accountability, efficient and effective administration with focus on improving systems and procedures, improving the overall integrity and performance of the College. It aims to give guidance to both the reporting of suspected fraud and for fair dealing of the investigation of such reported fraud or corruption.

Aims:

- To ensure that Principal Class Officers are aware of their responsibilities for identifying exposures to fraudulent and corrupt activities and for establishing controls and procedures for preventing such activity and/or detecting such activity when it occurs
- To provide guidance to all staff on action to be taken where they suspect any fraudulent or corrupt activity
- To provide a clear statement to staff forbidding any illegal activity, including fraudulent or corrupt activity
- To provide assurance that all suspected fraudulent and corrupt activity will be fully investigated
- To provide guidance as to responsibilities for conducting investigations into such activities
- To provide a suitable environment for staff to report matters that they suspect may involve fraudulent or corrupt activity, or serious improper conduct
- To provide adequate protection to staff in circumstances where they are victimised as a consequence of reporting, investigating or being a witness to, these activities

Definition:

Fraud and corruption involves monetary and material benefits as well as intangibles such as status and information. This definition is taken from Australian Standards 8001-2003 "Fraud and Corruption Control"

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 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 the use for a normal business purpose or the improper use of information and position.

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.

Implementation:

The Principal is responsible for the prevention, detection and investigation of fraud and corrupt activities and is also responsible for ensuring that appropriate and effective internal control systems are in place.

It is the responsibility of all Assistant Principals, Leading Teachers, KLA Leaders, Business Managers, Librarian and Library and IT Technicians to ensure that there are mechanisms in place within their area of control to:

- Assess the risk of fraudulent and corrupt activities
- To promote staff awareness of ethical principles, honest dealings, understandings as to the role all play as custodians of this educational facility and all its assets and reputation

- Educate staff about fraud and corruption prevention and detection, to this end
 - Ensure that staff understand that internal controls are designed and intended to prevent and detect fraudulent and corrupt activities
 - Encourage staff to report suspected fraud directly to those responsible for investigation without fear of disclosure or retribution
 - Require all staff to follow the systems and procedures established by the College, that will be reviewed from time to time, along with College Policy, and that of the Department of Education
 - The Principal, through the Delegation Order, delegates responsibility to designated Staff for specific areas such as budget management and custodianship of assets

In addition, all Staff share responsibility for the prevention and detection of fraud and corruption, and for the implementation of this Policy.

All staff are required to abide by the terms of this policy and are responsible for reporting suspected fraudulent and corrupt activities to the Principal. Any staff who report fraudulent or corrupt activities will be accorded appropriate confidentiality, recognising that in certain circumstances, the law may require some form of disclosure (refer to the Department of Education Whistleblower Protection Act 2001 Guidelines).

The College will comply with the Department of Education Audit Policy for the conducting of an annual audit of financial management to ensure that appropriate and effective internal control systems are in place and act on any recommendations from such audit.

The College will comply with the Department of Education Accountability requirements.

Resources:

- www.education.vic.gov.au
- Schools Reference Guide
- Financial Management Policy & Procedures for Victorian Government Schools, February, 2006
- Department of Education & Training - Internal Control for Schools February, 2006
- Accountability & Framework for Victorian Government Schools 2007
- Asset Management Policy
- Financial Reporting for Schools
- CASES21 Finance Process Guide
- Risk Assessment Policy
- SRP Guide

Evaluation:

- This policy will be reviewed as part of the three yearly review cycle by the Finance Sub-Committee and the Policy and Review Sub-Committee for endorsement by School Council.