

	Title: Fraud Control Policy	
	Version: 1.1	Approved: AF&R Committee
	Date: 31.08-2014	Date: 31.08.2014
	Author: T. O'Brien	Next Review: 31.07.2016
Administered: Business Manager	Signed : 	

1. Purpose:

The Hunter Trade College is committed to protecting all its assets and therefore preventing fraud at its origin. The College believes that an emphasis on prevention and detection is the best way to deal with fraud.

The focus of the College's policy on fraud prevention is to encourage all stakeholders to understand that fraudulent acts against the College are unacceptable, may constitute a criminal offence and will be prosecuted.

Any effective fraud prevention strategy recognises that prompt action needs to be taken when fraud is detected, both to bring the fraud to an end and to discourage others who may be inclined to commit similar conduct.

This policy is designed to protect College funds and assets; protect the integrity, security and reputation of the College and its staff.

The two (2) elements of the College's policy are:

- a) prevention of losses through fraud by the implementation of fraud prevention procedures; and
- b) a commitment to a policy of detection, investigation and prosecution of individual cases of fraud.

2. Scope

This policy applies to fraudulent conduct by all College stakeholders.

3. Definitions

CEO	Chief Executive Officer
the College	Hunter Trade College Ltd
Fraud	is a crime involving the dishonest obtaining of a financial or other benefit by deception.
ICAC	Independent Commission Against Corruption
HR/WHS	Human Resources/Work Health Safety
Ombudsman	the Office of the NSW Ombudsman
RTO	Registered Training Organisation
Stakeholders	covers all people having dealings with the College including but not limited to members of the public, parents, guardians, students, staff, volunteers, work placement employers, SBAT employers and contractors

4. Responsibilities.

Audit, Finance & Risk Committee	Review fraud control policy implementation
CEO	Implement procedures in fraud control policy

College Staff	Read and implement the fraud control policy
HR/WHS Officer	Include required policies in staff induction

5.0 Policy and Procedures

5.1 Fraud Prevention

5.1.1 Organisational Integrity and Leadership

The College recognises that the most effective form of fraud prevention is the establishment of an organisational culture that rejects fraudulent conduct. Commitment from managers is essential in establishing a behaviour model for all stakeholders.

The College will establish and maintain a fraud-resistant culture by:

- (a) Employing managers and supervisors who provide positive role models of ethical behaviour;
- (b) Adopting and enforcing policies that emphasise ethical behaviour;
- (c) Issuing clear standards and procedures to encourage the minimisation and deterrence of fraud;
- (d) Ensuring managers and supervisors are accountable not only for their own actions but also for the actions of those they supervise where an appropriate level of supervision has not been exercised;
- (e) Including relevant clauses in employment contracts and performance agreements;
- (f) Including relevant elements in the College's core values.

5.1.2 Employee Awareness

Employees will be made aware of the College's ethical conduct expectations through:

- (a) The inclusion of awareness training in College standards by referencing the College Code of Conduct, Conflict of Interest, Fraud Control and Whistleblower Policies during induction training for new employees.
- (b) The inclusion of awareness training in College standards by referencing the College Code of Conduct, Conflict of Interest, Fraud Control and Whistleblower Policies in biennial refresher training for all employees.
- (c) The referencing of relevant fraud prevention policies in the Staff Handbook.

Employees will also be made aware of potential fraudulent behaviour through training sessions provided by the College in:

- (a) Cash handling and approved purchasing procedures and
- (b) Identifying fraud.

5.1.3 Customer and Community Awareness

Fraud is often uncovered as a result of complaints from consumers or members of the public. As such, it is important that the community knows about corruption, and why it is important that it be exposed. In order to increase community awareness and encourage the reporting of corrupt conduct, the following actions will be taken by the College:

- (a) The inclusion of the College's Code of Conduct, Fraud Control, Whistleblower Policy and Complaints procedure on the College's website.
- (b) Provide feedback to all persons who report suspected corrupt conduct on the action that has been taken.

5.1.4 Risk Assessment

Assessing the risk of fraudulent conduct is a major step towards preventing its occurrence. Accordingly, an annual risk assessment review will be conducted by the College's Executive Committee, and a report will be submitted to the Board's Audit Finance and Risk Committee.

5.1.5 Ongoing Review of Policies and Procedures

Apart from continuing to develop policies to address unforeseen ethical or corruption problems that may arise, there will be an ongoing program of reviewing all policies. In particular the College will review the following policies and procedures biennially:

- (a) Code of Conduct,
- (b) Fraud Control Policy,
- (c) Whistleblowers Policy,
- (d) Recruitment, Selection and induction Policy and Induction Procedures,
- (f) Purchasing Policy
- (g) Complaints Policy and Register.

5.1.6 Security

One of the major strategies in fraud prevention is to limit the opportunities for fraud. The security of the College's assets shall be based on systems not people. In this respect, there will be a yearly review of cash handling, securing of cash and valuable equipment conducted by the College's Executive.

5.2 Fraud Detection

Detecting Fraud depends upon constant monitoring of operations and the encouragement of reporting by employees and the public. The following strategies will be utilised:

5.2.1 Encouraging Disclosures

The College recognises that most fraud is detected by employees of the College, and to a lesser extent, by members of the public. The College will encourage the reporting of fraudulent conduct by:

- (a) The inclusion of fraud detection and internal reporting training in induction procedures for new employees;
- (b) The inclusion of fraud detection and internal reporting training in biennial refresher training for all employees;
- (c) Advertising on its website methods by which members of the public can report instances of fraudulent conduct that they may become aware of;
- (d) The College providing feedback to people who report suspected fraud on the action that has been taken.

5.2.2 Audit Finance & Risk Committee

The Audit, Finance & Risk Committee will:

- (a) Have the responsibility to oversee the College's fraud prevention measures.
- (b) Include a review on the progress of the implementation and operation of fraud prevention procedures;
- (c) Monitor the implementation of recommendations;
- (d) Report to the Board annually on issues raised and actions taken during the preceding year.

5.2.3 Internal Auditing

- (a) The College will utilise the WHS/OHS office to conduct ad-hoc internal audits on the College payroll system as it represents 76% of College expenditure to identify risk areas and to detect any that may lead to fraud occurring.
- (b) The RTO Manager will undertake ad-hoc audits on College equipment to ensure that it is being secured appropriately.

5.2.4 External Auditing

The College is required to have its financial reports audited annually and to present those audited financial reports to ASIC.

5.3 Fraud Investigation

The College recognises that it may not always be successful in its efforts to prevent fraud. It will therefore investigate all reported instances of fraud thoroughly. Depending upon the circumstances of the fraud, an internal investigation may be undertaken or the matter may be referred to an external body such as the NSW Police, ICAC or the Ombudsman.

5.3.1 Internal Reporting

This situation is covered by the College's Whistleblower's Policy. Investigations will be conducted as per the guidelines in the Whistleblower's Policy.

5.3.2 External Complaint

Complaints regarding corrupt conduct received from the general public should be referred to the CEO or Business Manager. Should the complaint concern the CEO, then it should be referred to the Chairman of the Board.

5.4 Fraud Correction

Once a fraudulent act has been identified and investigated, strategies will be implemented by the College, the CEO and Business Manager to ensure that the act will not be repeated. These may include:

- (a) Disciplinary action and/or dismissal of employees or volunteers involved in fraudulent conduct.
- (b) Suspension of Students.
- (c) Termination of contractors.
- (d) Review and alteration of operating procedures.
- (e) Additional training for employees or volunteers.
- (f) Making other employees aware of the situation in general terms in order to discourage similar conduct in the future.
- (g) Improvements in physical security.

5.5 Non Compliance with this Policy

Failure to comply with the terms of this policy may result in disciplinary procedures, and/or dismissal for employees and volunteers and termination of contractors.

5.6 Variation

The College reserves the right to review, vary or revoke this policy and procedure.

6.0 Reference Documents / Legislation

Code of Conduct
Risk Management Plan
Recruitment, Selection and induction Protocol and Procedures
Complaints Procedure
Conflict of Interest Policy
Purchasing Policy
Staff Handbook
Whistleblower Policy

7.0 Document History and Version Control Record

Version Number	Version Date	Authorised Officer	Amendment Details
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1.0	18/7/2012	T O'Brien	New Policy
1.1	August 2014	T O'Brien	Periodic Review