



TASMANIAN
CATHOLIC
education commission

POLICY (OPERATIONAL) FRAUD CONTROL

RELATED POLICIES / PROTOCOLS / STATEMENTS

Code of Conduct for All Employees in Catholic Education
Catholic Education Commission Tasmania Vision and Mission Statement
Taking Care Policy

FRAUD CONTROL POLICY

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RATIONALE

Catholic Education Tasmania is committed to working as an ethical and moral agent to uphold the Catholic ethos. All members of staff work and minister in the name of the Church. As employees, they formally undertake to support the ethos as a requirement of their Employment Agreement and are expected to demonstrate their support for the Vision and Mission of Catholic Education through the exercise of their employment responsibilities and conduct. In doing so, employees of Catholic Education Tasmania will:

... live out our responsibilities as stewards of our environment, tradition and faith.

Catholic Education Office Mission Statement (2006)

This Fraud Control Policy has been formulated to provide members of Catholic Education Tasmania with information on what constitutes fraud, and sets out the responsibilities that are incumbent on all staff for the management and reporting of issues that may constitute fraud.

POLICY

This policy provides the definition of fraud as understood by Catholic Education Tasmania. It should be read in conjunction with Financial Policies and Procedures as applicable to a particular school, college or office.

DEFINITIONS

Fraud Fraud against Catholic Education Tasmania is dishonestly obtaining a benefit by deception or other means.

This definition includes:

1. theft, whether theft be of monies, physical or intellectual property;
2. obtaining property, a financial advantage or any other benefit by deception;
3. theft, whether theft be of monies, physical or intellectual property;
4. causing a loss, or avoiding or creating a liability by deception;
5. providing false or misleading information to Catholic Education Tasmania, or failing to provide information where there is an obligation to do so;
6. providing confidential information to unauthorised people or bodies;

7. making, using or possessing forged or falsified documents;
8. bribery, corruption or abuse of office;
9. the adoption of unethical standards in terms of work practices and behaviours, including hours of work and the taking of leave;
10. unauthorised use of Catholic Education Tasmania computers, vehicles, telephones and other property or services;
11. relevant bankruptcy offences; and/or
12. any offences of a like nature to those listed above.

The benefits referred to can be either tangible or intangible, and rebound to the advantage of the staff member or any other person.

GUIDELINES

1. OBJECTIVES

Catholic Education Tasmania aims to reflect best practice in identifying and controlling fraud risks. This is to be achieved by:

- 1.1 Ensuring all staff of Catholic Education Tasmania are aware of their obligation to act in an honest way and to assist in the control of fraud.
- 1.2 Establishing and maintaining effective fraud prevention, control, detection and reporting measures.
- 1.3 Providing a clear statement to all employees prohibiting any illegal activity, including fraud.
- 1.4 Providing assurance that any and all suspected fraudulent activity will be fully investigated.
- 1.5 Ensuring that principles of natural justice are applied in the investigation of any potential fraudulent activity.

2. RESPONSIBILITY FOR THE IMPLEMENTATION OF THIS POLICY

In matters concerning the Tasmanian Catholic Education Office (TCEO) and Catholic systemic schools, the Director of the TCEO accepts ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place. Similar responsibilities rest with the relevant Religious Orders or Governing Councils of Association Colleges.

Those personnel who are accountable for the management of staff share the responsibility for the prevention and detection of fraud. Similarly, all staff must be made aware of their individual responsibilities in the area of fraud management.

It is the responsibility of all managers to ensure that there are mechanisms in place within their area of control to:

- 2.1 assess the risk of fraud;
- 2.2 promote employee awareness of the Code of Conduct for All Employees in Catholic Education; and
- 2.3 educate employees about fraud prevention and detection.

3. POTENTIAL RISK AREAS

3.1 *Procurement Fraud*

Involving in corrupt dealings with suppliers or falsification of suppliers or supplies.

3.2 *Awarding of Contracts*

Any person authorised to arrange purchases should obtain best value in relation to any contract awarded by the organisation. In awarding contracts, fraud can occur where best value principles are overshadowed by personal relationships with suppliers or where there is a conflict of interest involving employees.

3.3 *Asset Disposal*

Fraud in asset disposal can occur:

- 3.3.1 where an item of equipment being disposed of is sold at an unrealistically low value to an employee or an employee's associate;
- 3.3.2 where the sale of an asset is recorded as an asset write-off and the person writing off the item retains the proceeds from the sale; or
- 3.3.3 where an asset is disposed of to an employee or an associate where the item did not need to be replaced.

3.4 *Cash Handling*

Fraud in cash handling can occur on any scale from the misuse of petty cash to the electronic movement of cash to and from accounts.

3.5 *Use of Equipment and/or Facilities*

The assets of Catholic Education Tasmania should not be used for unauthorised purposes. Excessive private use of equipment such as mobile phones and photocopiers may constitute fraud. No equipment of Catholic Education Tasmania is to be taken away from any premises without proper authorisation.

3.6 *Adequate Checking and Approval Processes*

Maintenance of proper and timely business records provide the best method of tracing funds that have been misappropriated. Fraud can occur:

- 3.6.1 where records do not exist or are insufficient in recording details of all transactions;
- 3.6.2 where false records are supplied by individuals involved in purchasing transactions; and/or
- 3.6.3 where inadequate or ineffective checking or approval processes exist.

3.7 *Disclosure of Client Information*

Fraud can occur when an employee uses the personal details of clients and employers for personal advantage.

4. RECRUITMENT OF STAFF

Recruitment policy and practices underpins fraud prevention. Human resource recruitment strategies aimed at fraud prevention must be supported. These include:

- 4.1 criminal background checks on potential employees, where the position warrants it;
- 4.2 contacting previous employers and referees; and
- 4.3 verifying transcripts, qualifications, publications and other certification or documentation offered during the recruitment process.

5. FRAUD REPORTING

All employees have the responsibility to report suspected fraud.

All reports of suspected fraud (including those concerning the Deputy Director and Director of the TCEO) should be made, in the first instance, to the TCEO Head of Finance and Facilities Services. Where a person suspects fraud by the Head of Finance and Facilities Services, the person shall report the suspected fraud directly to the Director of the TCEO.

The Tasmanian Catholic Education Office shall ensure that no person making a report of suspected fraud shall be victimised in any way.

In the case of an allegation of serious fraudulent behaviour, the Director will initiate the investigation processes outlined in the *Taking Care Policy*.

In particular, if an allegation is considered to be of a serious nature, with the possibility of:

- 5.1 resulting in a criminal investigation;
- 5.2 adversely affecting ongoing employment; or
- 5.3 affecting the reputation of Catholic Education Tasmania,

then the provisions of the *Taking Care Policy* will apply. *Taking Care* provides advice and direction in managing personnel issues when serious allegations initially arise and at the conclusion of the investigative process.

6. CONFIDENTIALITY

Strict conditions of confidentiality will be applied during the course of any investigation into allegations of fraud. No finding of fraud can be made until the person against whom the allegation is made has been informed of the substance of the allegation (including supporting evidence) and has been given the opportunity to explain and/or defend themselves against the allegation. The principles of natural justice and procedural fairness will be applied in dealing with any allegation of fraud.

In order to avoid damage to the reputations of innocent persons and to protect Catholic Education Tasmania and its employees from potential civil liability, the results of any investigation will only be disclosed or discussed with persons who require this knowledge in the proper performance of their office or function.

Complainants will generally be advised of the outcome of any investigation into an allegation made by them.

7. EXTERNAL REPORTING

In cases that involve serious criminal fraud, the Director of Catholic Education will refer the matter to the police or other appropriate authority, as per the protocols in the *Taking Care Policy*.

The Director will also ensure that Catholic Education Tasmania insurers are informed of any allegation of fraud that may give rise to a claim under the relevant insurance policies.

The Director is also advised to seek professional legal assistance to ensure that any investigation of the allegations preserves the integrity of a subsequent criminal investigation, protects innocent persons, limits the potential for unnecessary litigation and meets the Archdiocesan requirements for proper investigation and preservation of natural justice principles.

REFERENCES

Nil

FORMS

Nil

APPENDICES

Nil

SIGNED:

 TCEC Chairperson

DATE:

Approved by:	TCEC
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