

# PROCEDURES – Fraud Risk Management

<b>Procedure Title</b>	<b>CEF Fraud Risk Management Procedures</b>
<b>Procedure Number</b>	Financial 2.002
<b>Version Number</b>	1
<b>Date Approved</b>	3/9/2019
<b>Review Date</b>	9/2022
<b>Policy Officer</b>	Operations Manager
<b>Responsible Person/s</b>	Board / Chief Executive Officer
<b>Scope</b>	All stakeholders <i>* Stakeholders of CEF includes but is not limited to; volunteers, staff, Board members, students, alumni, contractors, donors etc.</i>
<b>Purpose</b>	Country Education Foundation of Australia (CEF) provides these procedures to ensure; <ol style="list-style-type: none"> <li>1. That all parties are aware of their responsibilities regarding the identification and prevention of fraudulent activity.</li> <li>2. That all relevant stakeholders understand who to report to in the event that they suspect fraudulent activity.</li> <li>3. Provide a step-by-step guide to respond to an allegation regarding fraudulent activity.</li> </ol>
<b>PROCEDURES</b>	

## Responsibility

The Board of CEF 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 CEO is responsible for dealing with and investigating instances of fraud reported to them.

All managers must ensure that they:

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

Management 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 staff/board members/volunteers/contractors share in the responsibility for the prevention and detection of fraud.

## Reporting

All staff/board members/volunteers/contractors have the responsibility to report suspected fraud.

Any staff member, board member, volunteer or contractor who suspects fraudulent activity must immediately notify their supervisor or the CEO about the concern.

Following notification, the supervisor must then notify the CEO (or the Chair of the Board in circumstances where the suspected fraud involves the supervisor or CEO).

## Personal Responsibility

1. Upon notification an allegation pertaining to fraud, the CEO (or Chair of the Board) 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 CEO (or Chair of the Board) 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 must 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 volunteer or their rights to receive assistance as a client), shall be taken by the appropriate level of management.
5. CEF 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.

CEF 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.

## Record of Amendments

Amendments	Section	Date	Name	Approved

**Policies** can be established and amended only by the Board. **Procedures** can be amended by the CEO