

## FRAUD POLICY AND PROCEDURE

<b>Policy Code</b>	FIN03
<b>Policy Lead</b>	Chief Executive Officer/Principal
<b>Approving Authority</b>	Board of Directors
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<b>Version</b>	2024.2
<b>Relevant legislation or external requirements</b>	National Code of Practice for Providers of Education and Training to Overseas Students 2018 (NC: Higher Education Standards Framework (Threshold Standards) 2021 (HESFs: 1.5.4c, 5.2.2, 7.3.3b)  Tertiary Education Quality and Standards Agency Act 2011 (TEQSA Act) Education Services for Overseas Students Act 2000 (Cth) (ESOS Act) Education Services for Overseas Students Regulations 2019 (Cth) (ESOS Regulations) Corporations Act 2001 Crimes Act 1990 Fair Work Act 2009 (Cth) State Records Act 1998 AS8001:2021 Fraud and Corruption Control guidelines
<b>Related ASA Documents</b>	Critical Incident Management Plan Critical Incident Policy Cyber Security Framework Cyber Security Procedure Financial Management Policy Financial Management Procedure Manual Information Technology Policy and Procedure Privacy Policy Privacy Procedure Records and Information Management Policy and Procedure Risk Management Framework Risk Management Policy Risk Management Procedure Staff Code of Conduct Student Code of Conduct

### 1. Purpose

This Policy provides a framework for the ASA Institute of Higher Education (**ASA**) to establish and maintain sound financial, legal and ethical decision-making and organisational practices. ASA is committed to minimising the potential for fraud and corruption as part of its desire to protect its reputation and the integrity of the organisation.

The *Australian Standard on Fraud and Corruption Control* (AS 8001:2021) has been used as a framework to control fraud and corruption risks across all aspects of ASA's operational and administrative functions. This Policy draws together ASA's fraud and corruption prevention and detection initiatives, which are part of the overall Risk Management System. There are three major components:

1. Prevention – policy and processes to deter and minimise the opportunities for fraud and corruption;

2. Early Detection – initiatives to detect the occurrence of fraud and corruption; and
3. Effective Response – initiatives to deal with detected or suspected fraud and corruption.

ASA has zero tolerance for fraud and corruption and is committed to minimising the risks of such behaviour.

ASA considers a breach of this policy to be a serious violation of Policy, which may result in disciplinary measures, including the dismissal of employees or the termination of its relationship with any party. ASA is also obliged to report potentially illegal acts to the relevant authorities.

## **2. Scope**

This Policy applies to all stakeholders of ASA including:

- a. all staff of ASA whether full-time, part-time, casual or contract;
- b. all members of ASA's governing bodies as outlined in the Governance Charter;
- c. individuals engaged in providing services to or receiving services from ASA, such as students, contractors or consultants;
- d. conduct that is included within the scope of the definitions in this Policy.

This Policy does not include breaches of academic integrity, which are managed under the provisions of the *Staff Code of Conduct*, *Student Code of Conduct* and *Academic Integrity* policies and procedures, respectively.

## **3. Principles**

ASA recognises its obligations under the *Corporations Act 2001*.

ASA acknowledges that a report of fraud and corruption from an individual involved in ASA's business operations presents an opportunity for improvement. ASA will encourage, support and protect persons who report suspected fraud and corruption and will be afforded protections in line with the principles outlined in this policy and ASA's legal responsibilities.

The purpose of this policy framework is to protect the ASA's assets and reputation by:

- a. the promotion of an ethical environment and culture of honesty, integrity and professionalism, with zero tolerance for fraud and corruption, and encouraging the reporting of any instance of fraud or corrupt conduct;
- b. the prevention of internally and externally instigated fraud and corruption through ASA's commitment to identifying risks of fraudulent and corrupt activities and to establishing policies, controls and procedures for prevention and detection of these activities;
- c. the timely detection and investigation of fraud and corruption, or suspected fraud and corruption; and
- d. ensuring that all fraud and corruption, or suspected fraud and corruption, is dealt with and reported appropriately.

ASA is dedicated to maintaining transparency, impartiality, and confidentiality, and prioritising staff and student welfare throughout these processes.

## 4. Definitions

Term	Definition
Australian Standard on Fraud and Corruption Control (AS 8001-2021)	Initiatives outlined in this standard are aimed at preventing and detecting fraud and corruption, as well as guidance on how to respond to those events that have already occurred. Organisations wishing to develop and implement a fraud and corruption control system are provided guidance by this standard around early detection of such events, and effective responses to them for optimal outcomes.
conflict of interest	A conflict of interest is a situation in which the impartiality of an officer in discharging their duties could be called into question because of the potential, perceived or actual influence of personal considerations, whether financial or other. The conflict in question is between official duties and obligations, on the one hand, and private interests on the other.
corruption or corrupt conduct	<p>The Australian Standard on Fraud and Corruption Control (AS 8001:2021) defines corruption as: 'Dishonest activity in which a person associated with an organization (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation.'</p> <p>Corruption or corrupt conduct could involve any of the following matters:</p> <ul style="list-style-type: none"> <li>• official misconduct (including breach of trust, fraud in office, nonfeasance, misfeasance, malfeasance, oppression, extortion or imposition)</li> <li>• bribery</li> <li>• blackmail</li> <li>• obtaining or offering secret commissions</li> <li>• fraud</li> <li>• theft</li> <li>• perverting the course of justice</li> <li>• embezzlement</li> <li>• election bribery</li> <li>• election funding offences</li> <li>• election fraud</li> <li>• treating</li> <li>• tax evasion</li> <li>• revenue evasion</li> <li>• currency violations</li> <li>• illegal drug dealings</li> <li>• illegal gambling</li> <li>• obtaining financial benefit by vice engaged in by others</li> <li>• bankruptcy and company violations</li> <li>• harbouring criminals</li> <li>• forgery</li> <li>• treason or other offences against the Sovereign</li> <li>• homicide or violence</li> <li>• matters of the same or a similar nature to any listed above</li> <li>• any conspiracy or attempt in relation to any of the above.</li> </ul>

Term	Definition
fraud	<p>Fraud is defined as dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false representation, resulting in the diversion of resources, whether for personal gain, for the benefit of an individual or group of individuals. Fraud is not restricted only to actions that result in a loss to ASA.</p> <p>Resources may include money, physical assets, equipment or intellectual property. A fraudulent act can take many forms, for example:</p> <ul style="list-style-type: none"> <li>• theft – removal or misuse of funds, assets or cash;</li> <li>• falsifying material – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any legitimate purpose by an individual or organisation, with a view to personal gain or advantage in any form or gain or advantage for another;</li> <li>• furnishing information which is or may be misleading, false or deceptive; or</li> <li>• abuse of position – abuse or misuse of authority or misuse of resources or information for personal gain or advantage.</li> </ul>
financial transactions	<ul style="list-style-type: none"> <li>• Forging or falsifying documents or signatures</li> <li>• Dishonestly using procurement forms and processes</li> <li>• Causing, assisting, or enabling unauthorised or illegal transfers of funds or access to other benefits or advantages</li> <li>• Inappropriate use of Institute credit cards including use for personal purchases</li> <li>• Creating and causing payments to fictitious vendors or suppliers</li> </ul>
misappropriation of resources	<ul style="list-style-type: none"> <li>• Assisting in the illegal transfer of assets</li> <li>• Causing a loss or creating a liability by deception</li> <li>• Theft of cash, inventory, or equipment</li> <li>• Unauthorised use or sale of assets for personal benefit</li> <li>• Using resources (including equipment) dishonestly, without approval or authority, or for personal advantage</li> </ul>
salaries, wages, allowances	<ul style="list-style-type: none"> <li>• Payments to "ghost" employees</li> <li>• Authorising payments to employees for tasks not performed or for skills they do not have</li> </ul>
staffing	<ul style="list-style-type: none"> <li>• Appointments motivated by a personal relationship and without merit</li> <li>• Falsifying documents</li> <li>• Unlawful alteration of staff records</li> <li>• Use or disclosure of information for a dishonest or unauthorised purpose</li> </ul>

## 5. Policy Statement

ASA is committed to protecting its reputation, staff, property, and assets, from any attempt to gain money, property or other advantage by fraudulent or unauthorised means. ASA will minimise the incidence of fraud or corruption through the development, implementation and regular review of fraud and corruption prevention, detection, and response strategies.

### 5.1 Fraud Management

ASA's approach aims to:

- protect the organisation's assets, interests and reputation;
- ensure a transparent and coordinated approach in dealing with suspected fraudulent or corrupt behaviour; and

- where appropriate, safeguard the reputation of individuals subject to the operation of this policy.

## 5.2 Fraud Risk Areas

The following areas are identified as high-risk areas and ASA will ensure effective prevention and detection measures are in place for these activities:

- procurement of goods and services;
- recruitment;
- information Technology (IT) systems access, data management and contracting for IT services and supplies;
- financial transactions;
- intellectual property and confidential information;
- student admissions and records;
- international engagement, including education services for overseas students; and
- management of external suppliers and service providers.

## 5.3 Fraud Prevention

Fraud prevention measures are those that are designed to help reduce the risk of fraud and corruption occurring.

ASA's measures are designed to prevent fraud and corruption occurring which include but are not limited to:

- effective risk management by the Audit and Risk Committee, which is responsible for reviewing the processes in place to minimise the opportunity for fraud;
- appropriate delegation of authority for operational responsibility;
- a staff code of conduct which expects staff to act honestly and ethically and instructs staff not to engage in any activities which may bring the organisation into disrepute;
- an effective pre- employment screening process when employing new staff;
- a staff induction process which includes discussion of this policy; and
- effective internal controls in the finance team such as a segregation of duties to ensure the integrity of financial data and reliability of financial reporting, password protected access to systems and effective back up arrangements.

## 5.4 Fraud Detection

Fraud detection measures are those designed to uncover incidents of fraud and/or corruption as close as possible to the time when they occur, or before they occur.

ASA's measures will detect early fraudulent and/or corrupt activity which include but are not limited to:

- staff disclosure involving suspected improper conduct;
- a staff grievance process which protects confidentiality;
- appropriate delegation of authority for operational responsibility;
- a clear delegation schedule to ensure the effective monitoring by management and the Board of Directors;

- the Staff Code of Conduct requiring every member of staff to report any improper conduct, which includes suspected fraudulent or corrupt behaviour; and
- annual external auditing.

## 5.5 Fraud Response Plan

In the case where suspected fraud or corrupt conduct is flagged, ASA will:

- promptly investigate the allegation of fraud or corrupt conduct by gathering evidence, concluding the investigation and reporting the result to the relevant committee;
- instigate disciplinary proceedings, prosecution and/or recovery action according to the seriousness of the matters;
- take any necessary legal action to recover losses or compensate for damage to the organisation from fraudulent or corrupt conduct; and
- ensure that any person who knowingly discloses information that reveals fraud or corrupt conduct is reasonably protected from acts of reprisal.

## 5.6 Reporting

Staff must report any suspected fraudulent behaviour as soon as possible to the:

- CEO or designate if the matter relates to a member of staff other than the CEO or designate; or
- Chair of the Academic Board; and
- Chair of the Board of Directors.

The nature of the complaint will determine the appropriate action to be taken, which may include notifying law enforcement authorities. If the fraud relates to student records or similar then other reporting may be required as well.

## 5.7 Record Keeping

ASA will maintain records that demonstrate that due process has been followed for all actions and decisions arising out of the implementation of this Policy. All investigative documentation will comply with relevant legislative provisions, will remain strictly confidential and will be retained in accordance with the *State Records Act 1998* and ASA's *Records and Information Management Policy and Procedure*.

# 6. Procedures

## 6.1 Responsibilities

It is the responsibility of the Board of Directors under Corporate Governance to:

- Ensure ASA complies with its own Constitution, Governance Charter, policies, and procedures.
- Maintain up-to-date knowledge of and ensure compliance to relevant Australian laws and regulations.
- Inform all staff and students of their rights and responsibilities through induction, orientation, and ongoing training and education.
- Regularly review the policies and procedures surrounding fraud and corruption.
- Inform staff and students of any changes to policies and procedures.
- Review and address reports of fraud and corruption.

- Address the underlying causes of incidents and direct Senior Management staff to take specific action or revise policies or processes in light of incidents discovered.

The Board of Directors will delegate certain responsibilities to other positions and bodies within ASA. Refer to the *Governance Charter*, *Delegations of Authority Policy and Procedure*, and the *Delegations of Authority Register* for further details.

All staff are expected to:

- Abide by general professional and ethical standards.
- Understand the policies and procedures surrounding fraud and corruption.
- Take all reasonable steps to prevent fraud and corruption, such as declaring conflicts of interest.
- Report instances of fraud and corruption in good faith.

## 6.2 Prevention and Mitigation

Key to preventing and minimising the risk of fraud and corruption is a suite of general measures as outlined below:

- Effective risk management processes as per the *Risk Management Framework*, *Risk Management Policy*, *Risk Management Procedure*, *Business Continuity Plan*, *Business Continuity Policy* and *Business Continuity Procedure*.
- Ensuring that all those involved in operations at ASA are fully informed of their rights and responsibilities through codes of conduct, induction, orientation, and ongoing training and information sessions.
- Maintaining an incident database in which all instances of fraud or corruption are recorded, monitored, and referred to in developing changes to policies and procedures.
- Maintaining ongoing internal reporting and auditing processes. Financial reporting is described in the *Financial Management Policy and Procedure*.
- Undertaking regular independent audits of ASA finances by a qualified auditor.

### 6.2.1 Governance

ASA has a delegations and reporting system defined through a current, approved *Delegations of Authority Register*, which ensures appropriate oversight and reporting to upper management, the Audit and Risk Committee, and the Board of Directors with regard to financial decision making.

ASA will maintain sound financial management processes as per the *Financial Management Policy and Procedure* and the *Financial Management Procedure Manual*.

The Academic Board has delegated authority to oversee the employment of appropriately qualified, or equivalently experienced, academic staff via the *Professional Equivalence Academic Qualifications Policy*.

The Academic Board has a defined role in endorsing the awarding of qualifications to students upon completion of academic requirements as per the *Qualification Issuance and Graduation Policy and Procedure*. The document includes provisions regarding replacement educational awards and documentation after appropriate processes have been carried out.

Any conflicts of interest in governance or academic matters must be swiftly and appropriately resolved at any committee meetings.

### 6.2.2 Legal and Regulatory Non-Compliance

ASA will monitor laws and regulations and ensure that ASA's policies and procedures are compliant, as monitored by the Director Quality and Compliance.

### 6.2.3 Recruitment

ASA will ensure that recruitment processes are impartial and based on merit as per the *Staff Recruitment and Selection Policy* and associated *Procedure*.

### 6.2.4 Staff Training

Training, support, and professional development will be offered to all staff members. Those involved in financial decision-making will be provided with specific financial management training and support.

### 6.2.5 Delegations of Authority

A framework of delegations of authority has been implemented within ASA to ensure that staff members with the appropriate seniority handle decision-making. See *Delegations of Authority Policy* and associated *Procedure* and *Delegations of Authority Register* for more information.

### 6.2.6 Academic Misconduct

As per the *Academic Integrity Policy*, ASA will implement policies and procedures to prevent and address instances of academic misconduct. In addition to this, the *Intellectual Property Policy* and *Copyright Policy and Procedure* establish clear procedures to safeguard against breach of intellectual property and copyright law infringements.

### 6.2.7 Student Admissions and Records

ASA has established a suite of policies to safeguard against fraud and corruption in student admissions and records.

## 6.3 Reporting and investigation

1. Reporting and investigation of theft, fraud or corrupt conduct will be dealt with in accordance with the process detailed in this Procedure.
2. A staff member, student or senior officer of ASA who suspects that an act of theft, fraud or corrupt conduct may be about to occur, is occurring or has occurred must report such suspicions to their Manager/Supervisor or the Chief Executive Officer.
3. On receiving a report of suspected theft, fraud, or corrupt conduct the Manager/Supervisor will:
  - a. record the time and date the report is made and details of all matters reported; and
  - b. refer the report (including anonymous reports where there is adequate supporting information) to the Chief Executive Officer, immediately and prior to any investigation of such allegations being undertaken.
4. Where a report of suspected theft, fraud or corrupt conduct is made and involves:
  - a. the CEO, then the Manager/Supervisor will refer the report to the Chair of the Board of Directors, via the Executive Officer and the Chair of the Audit and Risk Committee; or
  - b. a senior officer of ASA other than the CEO, the CEO will refer the report to the Chair of the Board of Directors, via the Executive Officer and the Chair of the Audit and Risk Committee. The Board of Directors will determine and implement an appropriate process for investigation.

5. Any individual (who is not a staff member or student of ASA) may make a complaint about corrupt conduct or detrimental action by ASA, its staff, students or officers to the Executive Officer. The Executive Officer will provide this information to the CEO and Chair of the Board of Directors for action.
6. The CEO will assess whether a report of suspected theft, fraud or corrupt conduct warrants an investigation.
7. Where an investigation of allegations relating to theft, fraud or corrupt conduct by a staff member or students is required, the CEO will appoint investigation officers and provide them with terms of reference.
8. Where an external supplier of goods and services to ASA is involved in suspected theft, fraud or corrupt conduct, the CEO will notify departments who have engaged the external supplier, and other relevant areas of ASA, of the investigation.
9. At the conclusion of an investigation, the CEO may:
  - a. take no further action;
  - b. refer the matter to the Chair of the Board of Directors and discuss whether to pursue further through legal options; or
  - c. report the theft, fraud or corrupt conduct to police for further action where evidence of theft or fraud is found to be of a serious nature and a *prima facie* case has been established.
  - d. The CEO will provide a copy of the findings of his/her investigation, together with any further action, to the Executive Officer for attention of the Board of Directors at its next meeting.

#### **6.4 Whistle-Blower Protection**

Any member of the ASA community who reports acts of fraud and corruption will be afforded the following rights:

- Their identity will be kept completely confidential.
- ASA will continue to treat them as employees equal to all other employees.
- They will not be subjected to any kind of reprisal in response to their report by ASA.
- ASA will, to the best of its ability, protect them from reprisal by others.

#### **7. Response**

Anyone accused of fraud or corruption will be treated with the principles of natural justice and will thus have the opportunity to present their case to a committee.

Disciplinary measures may include:

- Suspension
- Expulsion or termination of contract.
- For more serious offences, the incident may be handled by law enforcement authorities.

In the event that an incident is to be reported to the police or regulatory bodies, ASA will cooperate fully and provide the documents required for their investigation.

ASA will seek legal advice for any attempt to recover losses incurred due to fraud or corruption.

Once the incident is resolved, a report summarising the proceedings will be finalised, added to

the incident database, and circulated to the relevant stakeholders. Based on the report of events, the Audit and Risk Committee will investigate ASA's policies and procedures and recommend changes to the Board of Directors to address any issues or loopholes.

## 8. Relevant HESFs

This Policy and the associated Procedure comply with Higher Education Standards Framework (2021) which specifies that:

### Standard 1.5 Qualifications and Certification [...]

5. All certification documentation issued by the higher education provider is: [...]
  - c. protected against fraudulent issue

### Standard 5.2 Academic and Research Integrity [...]

2. Preventative action is taken to mitigate foreseeable risks to academic and research integrity including misrepresentation, fabrication, cheating, plagiarism and misuse of intellectual property, and to prevent recurrences of breaches.

### Standard 7.3 Information Management [...]

3. Information systems and records are maintained, securely and confidentially as necessary to: [...].
  - b. prevent unauthorised or fraudulent access to private or sensitive information, including information where unauthorised access may compromise academic or research integrity.

## 9. Version Control

This Policy has been reviewed and approved by the ASA Board of Directors as at April 2024 and is reviewed every three years.

The Policy is published and available on the ASA website <https://www.asahe.edu.au/policies-and-forms/>.

Change and Version Control				
Version	Authored by	Brief Description of the changes	Date Approved:	Effective Date:
2024.2	Project Officer	Document formatting updated to reflect change of Trading Name to ASA Institute of Higher Education	28/06/2024 by CEO	01/07/2024
2024.1	Chief Executive Officer/Principal	Updated policy to include HESF references, changes in regulatory compliances. Benchmarked against 5 other Higher Education Providers.	26/04/2024	08/05/2024
Previous version archived. New Policy code and numbering system implemented.				
2.1		Board of Directors approval	04/11/2020	