Rationale:
This policy covers the prevention, detection and management of fraud and corruption. Maryborough Education Centre has a zero tolerance for fraud or corruption. It aims to raise the awareness of fraud and its prevention in the school environment, including strategies and procedures that address the issue of accountability, efficient and effective administration that focus on improving systems and procedures, changing the attitudes of staff and improving the overall integrity and performance of the school. 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.

Goals:

- To ensure that the Principal is aware of his/her responsibility 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 and reported accordingly
- 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 witness to, these activities.

Definition:
DET's Fraud and Corruption Policy and procedure defines fraud as:
"Dishonest activity causing actual or potential financial loss to DET (including theft of moneys or other property) and where 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 use for a normal business purpose or the improper use of information or position for personal financial benefit."

The Australian Standards in Fraud and Corruption Control (AS8001-2008) defines corruption as: "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 and Guidelines:
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 Learning Areas, Business Manager / HR Executive Assistant and associated staff with responsibility of financial transactions at Maryborough Education Centre to ensure that there are mechanisms in place within their areas of control to:

- Assess the risk of fraudulent and corrupt activities
- To promote staff awareness of ethical principles, honest dealings, and 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
- 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 school that will be reviewed from time to time, along with school policy, and that of the Department of Education and Training
- 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 shares 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 and Training Protected Disclosure Act 2012).
The school will comply with the Department of Education Audit Policy for the conducting of an annual audit (when nominated) of financial management to ensure that appropriate and effective internal control systems are in place and act on any recommendations from such audit.
The school will comply with the Department of Education and Training Accountability requirements and adhere to all disciplinary actions.
Attached to this policy are the current Fraud and Corruption Control framework appendices

This policy will be reviewed as part of Maryborough Education Centre’s annual review cycle.

This policy was last ratified by School Council on Wednesday 27th February 2019

Signed:

[Signature]

Paul Rumpff
School Council President
Resources staff should access:

- www.education.vic.gov.au
- Audit and Risk Division
- School Policy and Advisory Guide
- Victoria Auditor-General’s Office (VAGO)
- Financial Management Act 1994
- Risk Management
- Department of Education and Training - Internal Control for Schools
- Assets Management Policy
- Standing Directions of the Minister for Finance under Financial Management Act
- Financial Reporting for Schools
- CASES 21 Finance Process Guide
- Risk Assessment Policy
- SRP Guide – Current Year
- Protected Disclosure Act 2012
- Making and Handling protected disclosures August, 2013
- Conduct and Ethics Branch
- Fraud and Corruption Control Framework Circular
Appendix A - Reporting fraud and corruption concerns

Report of suspected/actual fraud and/or corruption incidents

Protected Disclosure Co-ordinator via protected disclosure arrangements

Independent Broad-based Anti-corruption Commission (IBAC)

Line Manager

Executive Director, Regional Director or school principal

Director, Audit and Risk Branch
(with the assistance from the Department's Fraud Control Officer)

Responsible for all coordination, response and investigation of fraud and/or corruption concerns

On completion of initial investigation and response, a report on the alleged fraud is provided to the relevant stakeholders, including but not limited to the Secretary and Portfolio Audit and Risk Committee.
Appendix B: Overview of Investigation Process (Excluding Protected Disclosure)

START

Receive incident report

Preliminary assessment and prioritisation

Investigation Plan

- Evaluate and confirm availability of resources
- Consider external resources where necessary
- Assign case to investigation team
- Set investigation objectives
- Document critical events and set performance

Execute plan

- Sourcing of evidence
- Handling of physical exhibits
- Interviewing witnesses
- Interviewing suspects

Investigation report

- Potential outcomes:
  - No action
  - Disciplinary/administrative action by the Department management
  - Civil action by the Department
  - Criminal action by police

Consider issues/recommendations

Brief Portfolio Audit and Risk Committee

Reporting to Minister for Finance and Victorian Auditor General

END

* Reporting to Victoria Police may occur earlier in the process e.g. when there is admission by the perpetrator

** Recipients of investigation report will vary depending on the nature of the fraud or corruption. Persons of interest may be advised of outcomes of investigations where principles of natural justice apply.

*** Depending on the nature of fraud or corruption issues/recommendations from investigation reports are to be considered by one or more of the following:
  - The Secretary/Executive Board
  - Deputy Secretary
  - CFO
  - Executive Director/Regional Director
  - Responsible officers of statutory authorities
  - Manager, Conduct and Ethics
  - School Principal and School Council
Fraud and Corruption Control

Department of Education and Training (DEET) and related statutory authorities have a zero tolerance approach to fraudulent and corrupt conduct.

It is a mandatory requirement under the Standing Directions of the Minister for Finance under the Financial Management Act 1994, that all cases of suspected or actual theft, fraud, damage, arson, impersonality or fraud in connection with the receipt or disposal of money or property of any kind, should be reported to the relevant authorities and action taken (see How to report fraud and corruption below).

The Secretary and senior management of DEET are committed to preventing the risk of fraud and corruption within the organisation and statutory authorities. All employees have an obligation to report all instances of suspected fraud and corrupt conduct through the appropriate channels.

What is Fraud?

DEET’s Fraud and Corruption Policy and Procedure defines fraud as:

“Dishonest activity causing actual or potential loss to the Department (including theft of moneys or other property) by employees or persons external to the Department and where deception is used at the time, immediately before or immediately following the activity”.

What is Corruption?

“Dishonest activity by an employee or contractor of the Department which is contrary to the interest of the Department and abuses his/her position of trust or in order to achieve some personal gain or advantage for him or herself or for another person or entity.”

Where to report?

If you suspect a fraud or corruption has occurred or is occurring involving management, employees, contractors and/or other external parties such as suppliers, you must report the matter as a general report or as a protected disclosure.

General Report

Reporting avenues for general complaints:

- your Manager or Principal, and/or
- Executive Director, Integrity and Assurance Division
- Telephone 9651 3650 or
- email: fraud.control@edumail.vic.gov.au
- or
- Manager, Fraud and Corruption Control
- Telephone: 9637 2919
- email: fraud.control@edumail.vic.gov.au

Protected Disclosure

If you wish to make a protected disclosure about the Department or any of its employees and/or officers you should contact or report to:

- DET Protected Disclosure Coordinator
- Ms Melissa Dwyer
- Telephone: 03 9651 3650 or
- email: dwyer.melissa1@edumail.vic.gov.au
- or
- the Independent Broad-based Anti-corruption Commission (IBAC)
- Telephone: 1300 735 135
- Website: www.ibac.vic.gov.au

For more information about the Protected Disclosure Act see the Department’s guidelines Making and handling protected disclosures (doc - 860.9kb)

DEECD Fraud and Corruption Reporting Procedures

- How to Report Fraud and Corruption

DEECD Fraud and Corruption Control Framework

- Fraud and Corruption Framework
- Fraud and Corruption Control Policy and Procedures
- Making and handling Protected Disclosures - Guidelines

Further Information

Do you want to:

- Email your enquiries to fraud.control@edumail.vic.gov.au
- Speak to someone about fraud control and theft and losses reporting

Fraud control links
Appendix C

Department of Education & Training

How to Report Actual or Suspected Incidents of Fraud or Corruption

Why Report?
The Department of Education and Training (DET) and related statutory authorities have a zero tolerance policy to fraudulent and corrupt conduct. It is a mandatory requirement that all cases of suspected or actual fraud or corrupt conduct be reported and action taken. All employees have an obligation to report all instances of suspected fraud and corrupt conduct through the appropriate channels.

What to Report?
Fraud is defined as dishonest activity causing actual or potential loss to the Department (including theft of moneys or other property) by employees or persons external to the Department and where deception is used at the time, immediately before or immediately following the activity.

Corruption is defined as dishonest activity in which an employee or contractor of the Department acts contrary to the interest of the Department 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.

Where to Report
If you suspect a fraud or corruption has occurred or is occurring involving management, employees, contractors and/or other external parties such as suppliers, you must report the matter as a general report or as a protected disclosure.

<table>
<thead>
<tr>
<th>General Report</th>
<th>Protected Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting avenues for general complaints:</td>
<td>If you wish to make a protected disclosure about the Department or any of its employees and/or officers you should contact or report to:</td>
</tr>
<tr>
<td>* your Manager or Principal; and/or</td>
<td></td>
</tr>
<tr>
<td>* Executive Director, Integrity and Assurance Division</td>
<td>* DET Protected Disclosure Coordinator</td>
</tr>
<tr>
<td>Telephone 9651 3650 or email: <a href="mailto:fraud.control@edumail.vic.gov.au">fraud.control@edumail.vic.gov.au</a></td>
<td>Ms Melissa Dwyer</td>
</tr>
<tr>
<td>or</td>
<td>telephone 03 9651 3650 or email: <a href="mailto:dwyer.melissa1@edumail.vic.gov.au">dwyer.melissa1@edumail.vic.gov.au</a>;</td>
</tr>
<tr>
<td>* Manager, Fraud and Corruption Control</td>
<td>* the Independent Broad-based Anti-corruption Commission (IBAC)</td>
</tr>
<tr>
<td>Telephone: 9637 2919</td>
<td>Level 1, North Tower</td>
</tr>
<tr>
<td>email: <a href="mailto:fraud.control@edumail.vic.gov.au">fraud.control@edumail.vic.gov.au</a></td>
<td>459 Collins Street</td>
</tr>
<tr>
<td></td>
<td>Melbourne Vic 3000</td>
</tr>
<tr>
<td></td>
<td>GPO Box 24234, Melbourne VIC 3001</td>
</tr>
<tr>
<td></td>
<td>Telephone: 1300 735 135</td>
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<tr>
<td></td>
<td>Website: <a href="http://www.ibac.vic.gov.au">www.ibac.vic.gov.au</a></td>
</tr>
</tbody>
</table>

For more information about the Protected Disclosure Act see the Department’s guidelines Making and handling protected disclosures (doc - 650.5kb)

Need Further Information?
For further information please email: fraud.control@edumail.vic.gov.au or visit the fraud and corruption control website at: https://edugate.eduweb.vic.gov.au/Services/Policies/Pages/Fraud.aspx
<table>
<thead>
<tr>
<th>Examples of internal controls and management practices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General</strong></td>
</tr>
<tr>
<td>• Creation of a climate to promote ethical behaviour</td>
</tr>
<tr>
<td><strong>Financial</strong></td>
</tr>
<tr>
<td>• All income is promptly entered in the accounting records</td>
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<tr>
<td>• Immediate endorsement of all cheques</td>
</tr>
<tr>
<td>• Controls which ensure that errors and irregularities become apparent during the processing of accounting information</td>
</tr>
<tr>
<td>• All assets are properly recorded and provision is made for known or expected losses</td>
</tr>
<tr>
<td>• Accounting instructions and financial procedures are available to all staff and are kept up to date</td>
</tr>
<tr>
<td>• Effective segregation of duties exists, particularly in financial, accounting and cash handling areas</td>
</tr>
<tr>
<td>• Maintenance of effective security of physical assets, accountable documents (such as cheque books, order books), information, payment and purchasing systems</td>
</tr>
<tr>
<td>• Reviewing of large and unusual payments</td>
</tr>
<tr>
<td>• Query mutilation of cheque stubs or cancelled cheques</td>
</tr>
<tr>
<td>• Cheque stubs are stored in numerical order</td>
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<tr>
<td>• Developing and routinely reviewing and retesting data processing controls</td>
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<tr>
<td>• Regularly reviewing accounting and administrative controls</td>
</tr>
<tr>
<td>• Issuing accounts payable promptly and following up any non-payments</td>
</tr>
<tr>
<td>• Conducting periodic analytical reviews to highlight variations to norms</td>
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<tr>
<td><strong>Management</strong></td>
</tr>
<tr>
<td>• Acting immediately on internal/external auditors report to rectify control weaknesses</td>
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<tr>
<td>• Rules governing contracts and the supply of goods and services are properly enforced</td>
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<tr>
<td>• A strong internal audit presence</td>
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<tr>
<td>• Management encourages sound working practices</td>
</tr>
<tr>
<td>• Close relatives not working together, particularly in financial, accounting and cash handling areas</td>
</tr>
<tr>
<td>• Setting standards of conduct for suppliers and contractors</td>
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<tr>
<td>• Taking disciplinary action on perpetrators</td>
</tr>
<tr>
<td>• Developing procedures for reporting fraud and corruption, investigating fraud and corruption and dealing with perpetrators</td>
</tr>
<tr>
<td>• Maintaining good physical security of all premises</td>
</tr>
<tr>
<td>• Reviewing work practices open to collusion or manipulation</td>
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<tr>
<td>• Setting achievable targets and budgets, and stringently reviewing results</td>
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<tr>
<td>• Ensuring staff take regular leave</td>
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<tr>
<td>• Rotating staff</td>
</tr>
<tr>
<td>• Ensuring all expenditure is authorised</td>
</tr>
<tr>
<td>• Taking swift and decisive action on all fraud and corruption situations</td>
</tr>
<tr>
<td>• Ensuring staff are fully aware of their rights and obligations in all matters connected with fraud and corruption</td>
</tr>
</tbody>
</table>