Version number 1.0

21/09/2022

7.3.1 Fraud and Corruption Control Policy

Rationale

Acknowledge Education has a strong reputation as a provider with integrity. This reputation is crucial to safeguarding the confidence and trust our stakeholders place in us. Ensuring we have a robust approach to managing the risks of fraud and corruption is essential in maintaining our reputation.

Scope

This policy applies to

a. All staff, including casual staff, contractors, and volunteers
b. Students or any other party who may receive funding or other material support (travel or other ancillary benefits)

Purpose

The purpose of this policy is to:

a. Outline how AE detects, reports, assesses and deals with possible Fraud and Corruption;

b. Support AE's Code of Conduct (both staff and student) in promoting a fair and honest working and learning environment; and

c. Confirm AE's commitment to identifying and combating Fraud and Corruption.

Regulatory Alignment

- HESF 2021: Domain 6 Governance and Accountability; 7.1 Representation; 7.3 Information Management
- Standards for RTOs: Standard 6, Standard 7, Standard 8

Definitions

For the purpose of this policy:

a. **Corruption** means:

    a. Improper acts or omissions; or

    b. Improper use of influence or position; or

    c. Improper use of information; or

d. Corruption may also include, among other things, fraud, breach of trust, bribery, blackmail, false claims, extortion, obtaining or offering secret commissions, theft, embezzlement, tax evasion, illegal gambling, obtaining financial benefit by vice engaged in by others, company violations, forgery, or violence.

b. **Fraud** is generally regarded as a subset of corruption. The difference is primarily that fraud involves personal gain. For instance, taking a bribe in return for favouring a tender submission could be regarded as fraud. If no bribe was involved, that is if favouritism was given to a tenderer and no personal gain was involved, then this would be regarded as corruption.

RESPONSIBILITIES

AE's Risk and Compliance committee is the primary body responsible for managing risk in the organization. As such, the Risk and Compliance committee is tasked with identifying potential fraud and corruption risks and providing recommendations to mitigate those risks. However, the AE Board holds oversight of this committee and, as such, holds final responsibility for ensuring that fraud and corruption at AE is prevented.

Periodically (at least once per year) the AE Risk and Compliance committee will create a risk assessment matrix focused on fraud and corruption. This will be documented and reported to the Board of Directors. This matrix will evaluate the current anti-fraud programs and controls and determine if they are still fit for purpose as well as consult with staff members and other stakeholders to assess the organizational culture toward fraud and awareness of financial control measures. The risk assessment will allow the committee to identify gaps in the current control measures. These may include gaps in staff knowledge of policies and procedures, particularly around reporting fraud or suspicious activity and conflicts of interest.

Any member of the senior management team who have responsibility for managing any part of AE's budget will ensure that they act ethically and in the best interests of the company. Additionally, Senior Leadership will:

a. Maintain and foster in others a high standard of ethical and professional conduct.

b. Ensure that operational systems have appropriate internal controls in place designed to prevent fraud and corruption.

c. Implement and oversee fraud and corruption detection efforts in their area of responsibility.

d. Review the internal risk control environment after any detected occurrence of fraud or corruption.

All staff members will ensure that their conduct meets the highest probity standards. All staff have a duty to report incidents or suspected incidents of fraudulent or corrupt conduct as soon as possible after becoming aware of them.

Fraud Awareness Training

All staff, as part of their induction process, will be made aware of their obligations concerning fraud and misconduct. Staff play a critical role in preventing, detecting, and deterring fraud. Training for each staff member will be in proportion to their role and risk. For example, a senior member who has access to an Institute credit card will require more detailed training than a student support

officer who has no access to financial records or instruments. All staff carry potential conflicts of interest – this is an area that will be emphasized for all staff members.

Financial reporting

AE conducts annual financial audits that allow for a comprehensive review of all financial activities. These audits may be seen as a final check for fraud and financial misconduct.

Key Potential Risk Areas

Employment of Staff
Preventative measures include:

a. recruiting practices are without discrimination, fair, and support the best interests of the company; while most positions are advertised, from time-to-time staff may be employed based on recommendations of current staff members. Recommended staff will be required to meet the same skill criteria as apply to advertised roles. AE recognizes that this supports the established culture of the organization and does not pose a substantial risk.

b. ensuring working conditions are fair and without favouritism and responsive to the needs of the company; and

c. ensuring remunerations are accurate and appropriate.

Information management systems
Preventative measures include:

d. ensuring confidentiality is maintained and records are controlled and secure; and

e. complying with the Information Technology Condition of use policy

Tenders, contracts, and the purchase of assets.
Preventative measures include:

f. ensuring procedures for tendering are fair;

g. ensuring procedures for purchasing align with the financial delegation of authority and controls are in place to ensure accuracy

h. ensuring the purchase of any assets is to the benefit of the organization

Financial Systems and Procedures
Preventative measures include:

i. ensuring systems cannot be misused e.g. use of AE funds, use of credit cards;

j. ensuring appropriate accountability for expenditure of funding;

k. ensuring security of financial assets.

REPORTING

All staff have a responsibility to report incidents or suspected incidents as soon as possible. Staff should contact the Chief Financial Officer, or the staff member's line manager.

Confidentiality must be maintained throughout any investigative process. Acknowledge Education will ensure protection of those reporting suspected instances of fraud and corruption and will ensure that this policy is well understood by all stakeholders.

The CFO will:

a. Act as AE's central referral point for reported allegations of fraud and corruption and provide advice on the approach to be taken.

b. Advise the Board and/or senior management on appropriate processes and progress with any investigation of alleged incidents of fraud and corruption.

c. Ensure that instances of suspected fraud or corruption are appropriately recorded, investigated, and satisfactorily resolved.

d. Refer instances of fraud or corruption to law enforcement or external agencies as appropriate.

e. Ensure that information about fraud and corruption incidents is collated and available to inform future prevention, detection and response strategies.

f. Ensure that the Board and/or the Risk and Compliance Committee are informed of allegations of fraud or corruption.

Following the detection of fraud, the CEO and/or CFO, in collaboration with the Risk and Compliance committee, will reassess the adequacy of the internal control environment and identify actions to strengthen the controls. Prevention of Fraud and Corruption at Acknowledge Education focuses on continuous improvement.

Document approval

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Related documents: Code of Conduct
Privacy Policy
Responsibilities: Board of Directors, CFO, all staff

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Change Log

Date	Version	Brief Description	By
09 21 2022	1.0	Initial Policy	Dean, TW
08/09/2023	1.1	Changed Branding and added policy register number	Dean, NW.