

# Fraud & Mismanagement Procedure

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## 1. Purpose

1.1 This procedure outlines the process for preventing fraud and mismanagement and provides guidance for staff if fraud or mismanagement is suspected.

## 2. Scope

2.1 This procedure applies to all staff of Perth Bible College.

## 3. Responsibility

3.1 It is the responsibility of the Principal for the implementation of this procedure.

## 4. Definitions

<p><b><i>Corrupt Conduct</i></b></p>	<p>Corrupt Conduct includes:</p> <ul style="list-style-type: none"> <li>• An employee or other person acting in a dishonest or improperly partial manner in relation to the affairs of Perth Bible College,</li> <li>• The misuse of information that may become accessible through employment, attendance or other engagement at the College, whether the information is of an academic or non-academic nature,</li> <li>• Intentional failure to disclose a conflict or a potential conflict of interest, and</li> </ul> <p>A conspiracy or an attempt to commit fraud or act corruptly.</p>
<p><b><i>Fraud</i></b></p>	<p>An act of deliberate deception, misinterpretation or omission committed with the intention of gaining an unjust advantage or to cause an unjust loss or disadvantage. This includes fraudulent or corrupt conduct by any person, including theft of tangible or intangible assets.</p> <p>Fraud includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>• Breaches and attempted breaches of the law in relation to anything tangible or intangible,</li> <li>• Misappropriation of the tangible or intangible assets of the College,</li> <li>• Inappropriate reimbursement of expenses or unauthorised payments to third parties,</li> </ul>

	<ul style="list-style-type: none"> <li>• Theft, including theft or misuse of intellectual property, and/or</li> </ul> <p>Inappropriate exertion of influence or coercion to act in a manner that is not in the College's best interest.</p>
<b><i>Improper Conduct</i></b>	<p>Improper conduct is conduct that is corrupt, including:</p> <ul style="list-style-type: none"> <li>• the substantial mismanagement of resources, or</li> <li>• conduct involving substantial risk to the health or safety of others or to the environment, or</li> <li>• conduct inappropriate for a Christian (see Professional ethics section of the Staff and Faculty Manual, and guidelines in the Students Handbook).</li> </ul> <p>The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.</p>

## 5. Procedure

### Preventing Fraud and Mismanagement

- 5.1 The Fraud and Mismanagement Policy is to be published on the College's website and made available to all employees.
- 5.2 All employees are responsible to report suspected fraudulent, corrupt or improper behaviour.
- 5.3 The College recognises the importance of its employees in upholding its standards practices and believes that all employees have a strong obligation to support its efforts in fraud prevention.
- 5.4 The following controls are established to prevent or reduce the opportunity of fraudulent activities and/or detecting such fraudulent activities. These include:
  - 5.4.1 all sensitive electronic files and records shall be password protected allowing access and/or editing rights to only authorised persons. Non-electronic records shall be securely stored in lockable cabinets or otherwise securely stored;
  - 5.4.2 the Conferral of Qualifications is prepared and proposed by the Dean of Studies, recommended to the Board of Management by the Academic Dean with the Teaching and Learning Committee, and Ratified by the Board of Management;
  - 5.4.3 the Financial Budget for each financial year shall be approved by the Board of Management at a duly constituted meeting. Expenditure and purchases included in the operating budget do

not need special Board authorisation and may be affected subject to the provisions, limitations and operating protocols contained in the Financial Management Policy and accompanying procedure and the Delegation of Authority Policy. Employees shall seek the approval of the College Administrator prior to incurring expenditure or committing the College to such expenditure. The College Administrator shall advise the Principal who will seek approval for expenditure or purchases which are not included in the approved budget in accordance with the parameters set out in the Financial Management Policy; and

- 5.4.4 written authorisation shall be required before an employee, student or other person removes College property from the premises, whether removal temporary or otherwise. The written record shall state the purpose and duration of the removal and be kept by the College Administrator to support such removal.

### Detection Controls

- 5.5 The Board accepts ultimate responsibility for the prevention and detection of fraud. Periodic fraud, corruption risk assessments and internal audits may be conducted by the Board of Management.
- 5.6 All staff members are required to remain vigilant to the possibility of fraud, corruption and improper conduct.
- 5.7 Staff members who become aware or have reasonable grounds to suspect fraud, corruption and improper conduct, are required to report such behaviour at the earliest opportunity.
- 5.8 Staff members are required to report areas where they believe the College may be vulnerable to fraud, corruption or improper conduct. Such vulnerabilities should be reported to at the earliest opportunity so an assessment and action may be taken where deemed appropriate.
- 5.9 The College shall ensure that "whistle-blowers" will not be victimised and recognise their protection is also legislated under the Corporations Act.
- 5.10 The Board accepts ultimate responsibility for ensuring the veracity of the financial accounts. It may conduct an internal audit from time to time and requires that a financial audit is conducted by a qualified and independent auditor at least once per year.
- 5.11 Financial reports shall be presented at each meeting of the Board to report the current Financial Performance and Financial Position of the College. The financial reports shall also include a report of performance against the budget approved by the Board.

- 5.12 The Board is required to be alert for activities that may be indicative of fraud and shall take action to investigate further where suspected.
- 5.13 The Board shall ensure the accuracy of academic records by requiring all official records are issued and signed by the duly authorised officer/s on authorised stationery designed to restrict fraud or amendment. Only Academic Parchments and Transcripts issued to prevent unauthorised copies or amendments shall be deemed to be authentic.
- 5.14 Any officer or employee of the College found guilty of fraud, corruption or improper behaviour or is complicit in such behaviour shall be the subject of discipline and may be summarily dismissed or liable to legal or police action. Such discipline may be limited or guided by current legislation.

### **Reporting and Procedure**

- 5.15 Where reasonable grounds exist, the reporting of suspected fraud, corruption or improper behaviour is mandatory and shall be directed in the first instance to the Principal. Where feasible allegations should be supported by some evidence or explanation to give credence to the report.
- 5.16 A detailed written record of the information reported shall be created and verified by the reporter.
- 5.17 Suspected fraud, corruption or improper behaviour which may implicate the Principal should be reported to the Chair of the Board of Management or another Board member. The Board shall then be responsible for the investigation.
- 5.18 Immediately an investigation shall be initiated to collect evidence and verify or disprove the allegations. The investigation shall endeavour to discover if an offence has been committed and/or identify vulnerabilities. Depending on the nature of the report this may require the involvement of internal or external personnel.
- 5.19 Where evidence of possible fraud, corruption or improper behaviour is detected the evidence must be identified, recorded and preserved. It is an offence to destroy such evidence.
- 5.20 A detailed report of the outcome of the investigation shall be recorded and kept either with the Principal or the Chair of the Board of Management. After the investigation, if the allegation is disproved, the College Administrator or Principal shall provide feedback to the reporter who is entitled to take further action.

5.21 If an allegation is proved, the Principal is required to take appropriate disciplinary and/or corrective action. Such action may include immediate dismissal from employment/enrolment and/or making a report to police or other statutory body. If deemed appropriate the Principal may seek advice from the Board.

## 6. Procedure Information

Date first approved: 28/03/2014	Date of effect: 01/12/2019	Date last amended: 23/09/2019	Date of next review: Sep 2022
Approved by		Board of Management	
Authorised Officer		Principal	
Supporting documents, policies & forms of this procedure		<i>Fraud and Mismanagement Policy</i>	
Related Legislation and Codes of Practice		<a href="#">Higher Education Standards Framework 2015, Part A: Standard 6</a> <a href="#">Tertiary Education Quality and Standards Agency (TEQSA) Act 2011</a>	
Audience		Public	

## 7. Version History

Review Table			
Date	Review Type <ul style="list-style-type: none"> <li>Scheduled</li> <li>Policy amendment</li> <li>Admin update</li> </ul>	Summary of Changes	Review person/group
28/3/14	Initial Issue		Adam Niven, David Smith, BoM
14/2/18	Scheduled	Minor language and number level adjustments to ensure clarity	David Smith, Hanlie van Rooyen
05/08/2019	Policy amendment	New template and amendments made.	Natalie Tierney Capital Review Group consultant