

AFTRS Fraud Control Policy Approved September 2003

In 2002, the Minister for Justice and Customs issued the *Commonwealth Fraud Control Guidelines* (the Guidelines) under Regulation 19 of the *Financial Management and Accountability Regulations 1997*. The AFTRS Fraud Control Policy has been developed to comply with these *Guidelines*.

What is Fraud?

According to the Guidelines, the definition of Fraud is:

Dishonestly obtaining a benefit by deception or other means.

This definition includes:

- theft;
- obtaining property, a financial advantage or any other benefit by deception;
- causing a loss, or avoiding or creating a liability by deception;
- providing false or misleading information to the Commonwealth, or failing to provide information where there is an obligation to do so;
- making, using or possessing forged or falsified documents;
- bribery, corruption or abuse of office;
- unlawful use of Commonwealth computers, vehicles, telephones and other property or services;
- relevant bankruptcy offences; and
- any offences of a like nature to those listed above.

Principles of Fraud Control

AFTRS will establish and maintain practices and procedures for effective fraud control based on the following principles:

- prevention, detection and investigation of fraud;
- prosecution of offenders, including in routine or minor instances of fraud where appropriate;
- application of appropriate civil, administrative or disciplinary penalties;
- recovery of proceeds of fraudulent activity;
- training of all employees in ethics, privacy and fraud awareness activities;
- specialised training of employees involved in fraud control activities;
- external scrutiny of fraud control activities; and
- reporting to Government and accountability to Parliament.

Steps to effective Fraud Control

Implementation of effective fraud control involves:

- fostering an organisational culture which focuses on ethical behaviour, good practices and sound internal controls in accordance with the AFTRS Code of Conduct

- conducting regular training and awareness programs for managers and employees on fraud control, including their rights and obligations, AFTRS procedures and the penalties which can be imposed
- undertaking a Fraud Risk Assessment and reviewing the Fraud Control Plan at least every two years, or following any major structural, functional or directional changes
- implementing fraud control strategies to address risks identified by the Fraud Risk Assessment
- monitoring and reporting on implementation of fraud control strategies on the Fraud Control Plan
- issuing guidelines on the reporting of incidents of suspected fraud
- arranging for the appropriate investigation of incidents of suspected fraud.

Who is responsible for Fraud Control?

The Director is responsible to the Minister for the full and effective implementation of the *Commonwealth Fraud Control Guidelines*.

The Head of Corporate and Student Services for coordinating the implementation of fraud control measures at AFTRS including training, documentation, planning, assessment of risk, monitoring and reviewing strategies.

Head of Technology and Infrastructure is the **security executive** and is responsible for the ongoing development of agency security policy and the oversight of protective security matters within the agency.

Property Service Manger is the **agency security adviser (ASA)** to be responsible for the day-to-day performance of the protective security function within the agency.

Manager, Management information Services is the **information technology security adviser (ITSA)** and is responsible for the security of the agency's electronic communication networks.

Both the ASA and the ITSA report to the security executive.

Branch Heads are responsible for promoting ethical behaviour, identifying potential fraud risks, monitoring and reporting on the effectiveness of fraud strategies and internal controls, ensuring that staff receive appropriate training.

All Employees are expected and required to perform their duties with skill, care, diligence, honesty, integrity, and impartiality and be scrupulous in their use of AFTRS' information, money, property, goods and services. It is the duty of employees to report any corrupt or fraudulent activity coming to their attention.

Finance, Audit Committee and Risk Management Committee will receive and review reports on implementation and incidents of suspected fraud to ensure that appropriate and timely action is taken.



Relevant Documents

Commonwealth Fraud Control Guidelines: issued by the Minister for Justice and Customs as Fraud Control Guidelines under Regulation 19 of the *Financial Management and Accountability Regulations 1997*. May 2002. Available at www.ag.gov.au/fraud

Australian Film Television and Radio School Fraud Control Plan 2002-2004, prepared by Deloitte Touche Tohmatsu, October 2002.

Australian Film Television & Radio School Fraud Risk Assessment 2002-2004, prepared by Deloitte Touche Tohmatsu, October 2002.

Related Policies

AFTRS Code of Conduct. Available at <http://www.aftrs.edu.au/index.cfm?objectid=55DFBB60-D0B7-4CD6-F9E99504F823BD80>

Gifts and Benefits (Emoluments) Policy. Available at <http://www.aftrs.edu.au/index.cfm?objectid=2DBA2B50-D0B7-4CD6-F90C0CF757358DD6>





AFTRS Fraud Control Training Plan

1. Any training plan related to Fraud Control needs to be endorsed by the Director.
2. Training should be mandatory for all staff.
3. Employees who are primarily engaged in preventing, detecting or investigating fraud are required to have the Certificate IV in Government (Fraud control Investigation) qualification and gain the Diploma of Government (Fraud Control Investigation) qualification by 30 June 2004.
4. AFTRS may develop an in-house training program which aims to raise the level of awareness of all employees of fraud issues so that employees can identify, prevent and control fraud.
5. Fraud Awareness Training should cover:

Ethics	Segregation of duties
Identification of fraud	Risk assessment
Prevention	Control
Behavioural characteristics	Detection
Exacerbating factors	Reporting
Project risk management	Obligations
Continuous improvement	Risks and consequences.

- 6.
7. To address the needs of existing staff, short seminars (approximately 90minutes to 2hours in length) should be scheduled as soon as possible. Supporting documentation should be made available both in print and on the web site.
8. Information and training should be provided to new staff as part of their induction package.

Fraud Reporting Procedures Reporting Incidents of Suspected Fraud

The Head of Corporate Services will receive and action in consultation with the Director reports of alleged fraud.

An employee who suspects that a fraudulent activity is occurring should observe the following procedures when making a report to either the Head of Corporate Services or their particular Branch Head:

Note observations

- do not jump to conclusions;
- carefully observe and note the suspected conduct;
- note their own actions, and
- keep any documents as possible evidence and do not alter them eg by marking, and ensure they are stored securely.



- seek appropriate advice from the Head of Corporate Services (maybe Manager Financial Services should be included here) or relevant Branch Head, if necessary, as to what constitutes fraud, and
- report concerns to the Head of Corporate Services.

Inform only those who need to know

- to prevent possible destruction of evidence by those involved in the fraud who are "tipped off";
- as protection against any pressure from those at the centre of the allegations, and
- to protect the rights of people suspected of fraudulent activity that may in fact be innocent.

Reporting Incidents of Suspected Fraud to the Director

An alternate channel exists within the AFTRS in relation to employees reporting suspected fraud. Reports of suspected fraud may be made directly to the Director.