

<b>Policy Title:</b>	Fraud Prevention
<b>Policy Number:</b>	FMP007
<b>Category:</b>	Policy and Procedures
<b>Classification:</b>	Financial Management
<b>Status:</b>	<b>Approved 12<sup>th</sup> August 2014</b>

## Purpose

- Kalano Community Association Inc. (KCA) is committed to protecting its revenue, expenditure and property from any attempt, either by members of the public, contractors, Elected Council members or its own employees, to gain by deceit, financial or other benefits;
- Awareness in preventing fraudulent activities assists in protecting the integrity, security and reputation of KCA and its employees, and in promoting high standards of service delivery to all community members;
- That KCA believes that an emphasis on fraud prevention rather than fraud investigation is a deterrent that leads to fraud reduction; and
- To fulfil the requirement under the AS/NZS ISO 9001:2008

## Scope

This policy applies to all Elected Council Members, employees and contractors.

## Policy

KCA considers fraud to be a serious offence and that all employees and councilors have an obligation to ensure strong and effective fraud control. KCA will strive to:

- Reduce loss through fraud by developing and implementing financial and operating asset protection procedures;
- Foster a working environment which promotes honesty and integrity; and
- Be committed to detecting, investigating and prosecuting individual cases of criminal behavior, including fraud.

Transparency is the basis for public accountability and organizational fraud prevention. The community have a right to expect that KCA employees and councilors conduct business in a fair and honest manner.

## Procedures

Acts of fraud against KCA are unacceptable, may constitute a criminal offence and may be legally prosecuted.

Any breaches demand prompt action to be taken by reporting incidences to the CEO immediately.

KCA Management (CEO, Deputy CEO, Managers, Supervisors) are expected to take a leadership role in promoting fraud prevention and ethical behaviour, and are responsible for:

- Fostering an environment which makes asset protection everyone's responsibility; and
- Ensuring clear standards and developing and implementing procedures to minimize the potential for fraud.

**Promoting Fraud Prevention:**

- Staff awareness sessions;
- Ensure development and implementation of policies and procedures across operational and financial activities of KCA;
- Regular review and promotion of Employee's Code of Conduct;
- Encouragement of anti-fraud reporting; and
- Immediate investigation and/or disciplinary action to be taken on all reported incidences of fraud activities.

**Reporting:**

- Suspected or known fraud to be reported to the CEO;
- The CEO may initiate internal investigation;
- All participants in a fraud investigation must keep all information relating to the fraudulent act, results and actions confidential;
- No person acting on behalf of KCA will dismiss or threaten to dismiss an employee because they have reported suspected fraud. There will be no intimidation whatsoever allowed. Any violation of this section may result in disciplinary action up to and including termination of employment; and
- Reports by the community/public of suspected fraud will be immediately referred to the CEO.

**Authorised delegations:**

- Refer to Financial Management Delegations Policy

**Investigation:**

- CEO has over-riding responsibility for an internal investigation;
- If the activity involves the CEO then Council will manage the investigation; and
- If the investigation shows criminal behavior the appropriate authority will manage the situation.

**Protection of Whistle Blowers:**

- An employee making a report of fraud or suspected fraud shall remain anonymous should he/she require so;
- No-one will suffer any penalty or retribution for reporting in good faith;
- All managers should discourage employees or other parties from making allegations which are false and made with malicious intentions; and
- Deliberate false allegations with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

**Corrective Actions and Discipline:**

- Appropriate and timely action will be taken against those proven to have committed a fraudulent act;
- Action taken will depend on the level and circumstances of each case;
- Action may include, but not be limited to:
  - Disciplinary action;
  - Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law;
  - Forwarding information to the appropriate authorities for criminal prosecution; and
  - Institution of civil action to recover losses.

**Confidentiality:**

All investigations will be conducted in confidence. Names of offender and reporter will only be revealed when required by law in conjunction with the investigation or legal action.

**Police Involvement:**

The Police will be involved in investigating suspected fraud at the discretion of the CEO. However, fraudulent behavior is a criminal act and maybe subject to legal action under the NT Criminal Code.

**Media:**

All media enquiries will be referred to the CEO. At no point is an employee to communicate KCA business with the media unless sanctioned by the CEO.

**Definitions:**

Fraud	The wilful misuse of KCA resources or using one’s position and power for personal gain
Theft	Being dishonest in the appropriation of KCA property with intent to deprive KCA of it permanently

**Relevant Documents**

<i>Related Policies</i>	<ul style="list-style-type: none"><li>• <i>HRP003 – Employee and Contractor Code of Conduct</i></li><li>• <i>CP001 – Members Code of Conduct</i></li><li>• <i>FMP001 - Financial Management Delegation</i></li><li>• </li></ul>
<i>Related Publications</i>	<ul style="list-style-type: none"><li>• <i>NIL</i></li><li>• </li></ul>