



*Learning for life*

# **GEMS GOVERNING BODY FRAUD & CORRUPTION**



# GEMS GOVERNING BODY FRAUD AND CORRUPTION POLICY

<b>Audience:</b>	This <b>GEMS Christian Education Limited (GEMS)</b> Policy applies to: <ul style="list-style-type: none"> <li>• Emerald Christian College</li> <li>• Ontrack College</li> <li>• ECC Little Gems</li> </ul>		
<b>Purpose:</b>	GEMS is committed to establishing and maintaining a culture within the organisation that will ensure that effective fraud and corruption prevention is an integral part of our day to day operations.		
<b>Scope:</b>	This Policy applies to all employees, students, visitors, contracted services, families and volunteers of GEMS.		
<b>Status:</b>	Draft		
<b>References:</b>	<ul style="list-style-type: none"> <li>• Australian Standard AS8001-2003 (2008 edition): Fraud and Corruption Control</li> <li>• Queensland Criminal Code - Section 408C</li> </ul>		
<b>Related Documents:</b>	<ul style="list-style-type: none"> <li>• GEMS Conflict of Interest Policy</li> <li>• GEMS Staff Code of Conduct</li> </ul>		
<b>Supersedes:</b>	N/A		
<b>Authorised by:</b>	GEMS Governing Body Chairperson	<b>Date of Authorisation:</b>	November 2022
<b>Review Period:</b>	Annually	<b>Next Review Date:</b>	November 2023
<b>Policy Owner:</b>	GEMS Governing Body		

## UNDERPINNING POLICY FOUNDATION

GEMS Christian Education Ltd. bases its governance and operations on Biblical truths and the teachings of Jesus Christ.

GEMS Christian Education Ltd. pursues the following strategic intentions towards its core purpose so that:

- Students will embrace the GEMS values of God, Excellence, Members and Service; discover who they are as individuals and pursue God's purpose for their lives.
- Employees will embrace the Core Values and personally display Christ to students by utilising stimulating, creative, innovative curriculum and teaching practices.
- Resource sustainability will continue to provide and maintain an outstanding and inspiring place of teaching and learning within an environment of seeking partnerships with the wider community.
- Culture is Christ-centred, driven by GEMS values and demonstrated by GEMS FACETS of Friendly, Appreciative, Compassionate, Encouraging, Truthful and Self-Controlled.

# GOVERNING BODY FRAUD AND CORRUPTION

## 1. Policy Statement

- 1.1 The purpose of this Policy is to protect GEMS assets and reputation by:
  - a) reinforcing senior management's commitment and responsibility for identifying risk exposures to fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities;
  - b) reinforcing the requirement for all staff and others to refrain from corrupt conduct and fraudulent activities and encourage the reporting of any instance of fraud or corrupt conduct; and
  - c) ensuring that all suspected fraudulent and corrupt activity is dealt with appropriately.
- 1.2 Effective fraud and corruption control require the commitment and involvement of all employees, contractors, customers and external service providers. It is therefore imperative that we are all aware of what within the College is at risk and the types of fraud and corrupt behaviour that can occur.
- 1.3 **Statement of Attitude to Fraud and Corruption**
  - 1.3.1 Consistent with its vision, mission and values, GEMS requires all staff and students at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. GEMS is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.
  - 1.3.2 Any fraud or corruption committed against GEMS is a major concern. Consequently, any case will be thoroughly investigated, and appropriate disciplinary action will be taken against anyone who is found guilty of corrupt conduct. This may include referral to the police.
  - 1.3.3 GEMS has an obligation to report suspected corruption, whether or not it involves a staff member of the College, to the Independent Commission Against Corruption.
  - 1.3.4 The College endeavours to make its staff, students, contractors, suppliers and clients aware of its statement of attitude to fraud and corruption by posting it on the College's website.

## 2. Definitions

### 2.1 Corruption

- 2.1.1 The Australian Standard on Fraud and Corruption Control 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."
- 2.1.2 Examples of corrupt conduct to which GEMS may be subject include:
  - a) payment of secret commissions (bribes) paid in money, or some other value, to a College staff member, which is related to a specific action or decision of the College staff member;
  - b) release of confidential information for a purpose other than proper business, sometimes in exchange for either a financial or non-financial advantage;
  - c) collusive tendering (the act of multiple tenderers for a particular contract colluding in preparation of their bids);
  - d) a College staff member manipulating a tendering process to achieve a desired outcome;
  - e) conflict of interest involving a staff member acting in their own self-interest rather than the interests of the College;
  - f) nepotism and cronyism where the appointee to a College position is inadequately qualified to perform the role to which he or she has been appointed, or not selected on merit; and
  - g) receiving personal benefits in exchange for assisting a consultant to gain work at the College.

## 2.2 Fraud

- 2.2.1 Fraud is recognised as a subset of corruption. The Australian Standard on Fraud and Corruption Control AS8001-2003 defines fraud as:  
“Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and whether or not 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..”
- 2.2.2 This definition provides a good explanation of the concept of fraud. However, for investigation purposes we rely on Section 408C of the Queensland Criminal Code which details the offence of “Fraud”, being: A person who dishonestly:
- a) applies to his or her own use or to the use of another person:
    - i) Property belonging to another; or
    - ii) Property belonging to the person, or which is in the person’s possession, either solely or jointly with another person, subject to a trust, direction or condition or on account of any other person; or
  - b) obtains property from any person; or
  - c) induces any person to deliver property to any person; or
  - d) gains a benefit or advantage, pecuniary or otherwise, for any person; or
  - e) causes a detriment, pecuniary or otherwise, to any person; or
  - f) induces any person to do any act which the person is lawfully entitled to abstain from doing; or
  - g) induces any person to abstain from doing any act which that person is lawfully entitled to do; or
  - h) makes off, knowing that payment on the spot is required or expected for any property lawfully supplied or returned or for any service lawfully provided, without having paid and with intent to avoid payment; commits the crime of fraud.”

## 3. Responsibilities

### 3.1 GEMS Christian Education

Successful implementation of the GEMS Fraud and Corruption Policy requires the recognition and documentation of the roles and accountabilities of staff. GEMS recognises that by embedding these requirements into the day-to-day operations of the College it will reduce the likelihood that it will suffer financial loss or damage to its reputation as a result of misconduct by staff and others.

### 3.2 Executive Principal

The Executive Principal has the ultimate responsibility for the operation of GEMS, including the prevention and detection of fraud and is responsible for ensuring that appropriate and cost-effective internal control systems are in place. The Executive Principal, or the Executive Principal’s duly appointed delegate, has the responsibility of referring to, or notifying, any relevant external agencies of any allegations of fraudulent or corrupt behaviour that have been identified by the College.

### 3.3 Fraud Control Officer

The Fraud Control Officer, is the Business Manager, who will promulgate and update the GEMS Fraud and Corruption Policy and monitor in conjunction with Executive Principal. There may be occasions where the Fraud Control Officer requires the use of external investigators to investigate matters arising from allegations of fraud or corruption. The Fraud Control Officer has the authority to determine the required resources to assist with any investigation.

### 3.4 Senior Management, Heads of Departments, and Managers

All levels of management are responsible for the prevention and detection of fraud and corruption and for the implementation and operation of controls that minimise fraudulent and corrupt activity within their areas of responsibility.

- 3.5 Management may also be called upon to perform the initial enquiries regarding any complaints of fraudulent and corrupt activity, and will assist with any further investigations of fraudulent and corrupt activity. It is the responsibility of all managers, in their day-to-day operations, to ensure that there are mechanisms in place within their areas of control to assist with the:
- a) assessment of the risk of fraudulent and corrupt behaviour through awareness of the risks and exposures inherent in their area of responsibility;
  - b) promotion of staff awareness of ethical principles subscribed to by the College;
  - c) education of staff about fraud prevention and detection;
  - d) promotion of a positive and appropriate attitude towards compliance with laws, rules and regulations; and
  - e) prompt and positive responses to all allegations or indications of fraudulent or corrupt acts.
- 3.6 Importantly, management should establish and maintain adequate internal controls that provide for the security and accountability of College resources and prevent/reduce the opportunity for fraud and corruption to occur. Applicable internal controls include:
- a) suitable recruitment procedures;
  - b) segregation of duties;
  - c) identification and declaration of conflict of interest or stated interests;
  - d) security (physical and information systems);
  - e) supervision and internal checks;
  - f) approvals within delegated authority;
  - g) reconciliations;
  - h) budget control;
  - i) regular review of management reports; and
  - j) clear reporting lines.
- 3.7 Where managers do not have the expertise to evaluate internal controls, they should call on support from the Fraud Control Officer.

#### **4. Principles**

##### **4.1 Fraud Risk Management (Including Fraud Risk Assessment)**

The College will integrate fraud control risk management into its philosophy, practices and business plans and believes risk management should be the business of all staff. Fraud audits of each Department will be undertaken regularly by the Fraud Control Officer.

##### **4.2 Fraud and Corruption Awareness**

One of the most common ways in which fraud and corruption is detected is by observation, investigation and reporting by those who work with, or deal directly with, the perpetrator(s). GEMS aims to provide all staff with a general wareness of fraud and corruption and how they should respond to it if detected or suspected.

##### **4.3 Recovery of the Proceeds of Fraudulent or Corrupt Conduct**

The College may take any necessary legal action to recover losses that are determined to have resulted from fraudulent or corrupt conduct. In most cases this will be where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action. However, this will not preclude any decision to take recovery action.

##### **4.4 Review of Fraud Control Arrangements**

It is expected that College Departments will review the results of fraud risk assessments at least annually to ensure that strategies developed during the course of the most recent fraud risk assessment are reviewed for effectiveness and amended where necessary. The Fraud Control Officer will coordinate the compliance with the annual review of fraud mitigation strategies.

##### **4.5 Conflict of Interest Policy**

- 4.5.1 A conflict of interest is a situation in which the impartiality of an officer in discharging their duties could be called into question because of the potential, perceived or actual influence of personal considerations, whether financial or other. The conflict in question is between official duties and obligations, on the one hand, and private interests on the other.

4.5.2 The College recognises that potential conflicts of interest can arise from personal, professional and social associations of staff both inside and also outside the College. These associations can create conflicts of interest in contracting for services, the procurement process, engaging consultants, academic staff and undertaking consultancies and recruitment.

4.5.3 Dealing with conflict of interest is an integral part of establishing an ethical culture at the College.

4.5.4 Please refer to GEMS Conflict of Interest Policy.

## **5. Disciplinary Procedures**

GEMS may implement disciplinary procedures as an outcome of a Fraud and Corruption Investigation. The actions taken may include but are not limited to admonition, termination, demotion, fining, and reduction in seniority.

**END OF POLICY**

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