



Prevention of Fraud

Australian Education Union ACT Branch Policy

Policy Number	POL031	Version	3.0
Last Reviewed	11 March 2020	Next Review	11 March 2023

INTRODUCTION

Organisations such as Unions are as liable to fraud as commercial organisations, and so effective prevention strategies need to be put in place and monitored to prevent fraud occurring.

Fraud can include a wide range of conduct. Generally, it involves the use of dishonest or deceitful means to obtain some unjust personal advantage.

PURPOSE

The purpose of this policy is to:

- Ensure that all parties are aware of their responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs.
- Provide guidance to employees and Branch Executive as to action which should be taken where they suspect any fraudulent activity.
- Provide a clear statement to employees and Branch Executive forbidding any illegal activity, including fraud.
- Provide assurance that any and all suspected fraudulent activity will be fully investigated.

POLICY

- The Union will not tolerate fraud in any aspect of its operations.
- Fraud prevention accounting procedures will be incorporated into the Union's financial and asset management policies.
- The Union will investigate any suspected acts of fraud, misappropriation or other similar irregularity. An objective and impartial investigation, as deemed necessary, will be conducted regardless of the position, title, and length of service or relationship with the Union of any party who might be the subject of such investigation.
- Any substantiated fraud shall constitute grounds for dismissal. Fair Work Regulation 1.07 includes fraud in the category of serious misconduct. Serious misconduct may amount to summary dismissal.
- All cases of alleged fraud will be reported to the police.
- Any person reporting a fraud, or a suspected fraud, shall suffer no penalty in their employment.

RESPONSIBILITIES

- It is the responsibility of the Branch Executive to oversee the internal control systems of the Union for the prevention and detection of fraud.
- It is the responsibility of the Branch Secretary to ensure that employees and members are aware of this policy and to lead the investigation of fraud reported to them.
- It is the responsibility of all employees and members who suspect fraudulent activity to immediately notify the Branch Secretary or the Branch President (if the suspicion is about the actions of the Branch Secretary).



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PROCEDURES

- Upon notification or discovery of a suspected fraud, the Branch Secretary (or Branch President) will promptly arrange to investigate the fraud. Every effort will be made to keep the investigation confidential; however, it is possible that other employees or members may need to be consulted in conjunction with the investigation.
- Any allegation of fraud against a staff member will be considered an allegation of serious misconduct. Allegations of serious misconduct may result in a suspension of the employee's employment without pay.
- After an initial review and a determination that the suspected fraud warrants additional investigation, the Branch Secretary (or Branch President) shall report the matter to the police for criminal investigation and to the Human Resource Committee for employment-related investigation. Legal representatives may be involved in the process, as deemed appropriate.
- Once a suspected fraud is reported, immediate action will be taken to prevent the theft, alteration, or destruction of relevant records. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records.
- Any action taken by police shall be pursued independent of any employment-related investigation by the Human Resource Committee.
- If a police investigation finds the person to be guilty then Branch Executive shall dismiss or remove them from office on the grounds of serious misconduct.
- If the Human Resource Committee finds the person guilty of misconduct then it will recommend to Branch Executive an appropriate penalty, up to and including dismissal or a charge of gross misconduct.
- The Union will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of the losses from the offender.
- No employee or member of the Union, or person acting on behalf of the Union in attempting to comply with this policy by reporting an incident or participating in an investigation, shall:
 - be dismissed or threatened to be dismissed.
 - be disciplined or suspended or threatened to be disciplined or suspended.
 - be penalised or have any other retribution imposed.
 - be intimidated or coerced.
- If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the originator.

RESOURCES

Operational activities related to this policy are to be delivered within budgeted office resources. If additional resources are required, a funding proposal will be considered by Branch Executive.