

# Fraud Control Policy

## Document History

Version	Date	Changed by	Description
0.10	01/11/2020	Shruti S	Updated as per <b>ACFID</b> requirements
			Next review before annual board meeting

If you require further information regarding this document please contact:

[hr@pluseducation.org](mailto:hr@pluseducation.org)

## Purpose

The corporate fraud policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against Plus Education. It is the intent of Plus Education to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

## Scope of Policy

This policy applies to any irregularity, or suspected irregularity, involving employees and Board Members as well as, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Plus Education. This also applies to Plus Education's partners. Any investigative activity required will be conducted without regard to the suspected wrong doer's length of service, position/title, or relationship to the Company.

## Policy

Plus Education promotes a culture of honesty, integrity and trust. We are committed to the prevention of fraud through the promotion of an ethical and transparent environment where all personnel actively participate in responsible stewardship of the organisation's resources and reputation. Plus Education has a zero tolerance approach to fraud.

All Plus Education employees, board members, as well as partners, are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Within Plus



Education each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity.

- The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:
- Any dishonest or fraudulent act.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of company activities.
- Disclosing confidential and proprietary information to outside parties.
- Disclosing to other person's securities activities engaged in or contemplated by the company.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to Plus Education. Exception: Gifts less than AUD \$50 in value.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment.
- Any similar or related irregularity.

All employees, volunteers and Board members have a duty to report concerns they have, or information provided to them, about possible fraudulent activity of any employee, Board member, contractor or consultant, supplier, partner organisation or any other party with an association with Plus Education.

### **Other irregularities**

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by management. If there is any question as to whether an action constitutes fraud, contact the Chairman of the Board of Directors for guidance.

### **Investigation Responsibilities**

The CEO has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the CEO will issue reports to the Board of Directors. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

In the event that the CEO is suspected of fraud the Board will conduct the investigation to remove conflicts of interest.

### **Confidentiality**

The CEO treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CEO immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section below). Investigation results will not be disclosed or discussed with anyone other than those



who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Plus Education from potential civil liability.

### Authorisation for investigating suspected fraud

The CEO will have:

- Free and unrestricted access to all Plus Education records and premises, whether owned or rented.
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

### Reporting procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the CEO immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the CEO. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the CEO.
- In the event that the suspected fraud involves the CEO then reports should be made to the Chairperson of the Board.
- Reports can be made in person, over the phone or by email.

### Fraud prevention procedures

- Risk Assessment*  
Management must assess the vulnerability of each business unit to bribery and corruption risks. Where bribery and corruption risks are identified they should be managed in line with Plus Education's established risk management framework.
- Accurate Books and Record-Keeping*  
Management must ensure that books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each and all underlying transactions.



iii. *Effective Monitoring and Control*

Management must take the necessary steps to maintain an effective system of internal control and monitoring to prevent bribery and corruption. This must include education and training of employees.

Other Plus Education policies work together with this fraud control policy to mitigate the risk of fraud with Plus Education and our partners. They include but are not limited to:

- Anti-Corruption/Bribery Policy
- Counter Terrorism Policy
- Procurement Policy
- HR Policy (recruitment screening, Code of Conduct, obligations of staff and volunteers)
- Whistleblower Policy
- Complaints Policy

### **Termination**

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Board of Directors of Plus Education and, if necessary, by outside counsel, before any such action is taken. The CEO does not have the authority to terminate an employee. The decision to terminate an employee is made by the Board of Directors of Plus Education.

### **Administration**

The CFO/COO is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.