



FRAUD RISK MANAGEMENT POLICY

SWA Policy No: 01
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Purpose

The purpose of this policy is:

1. To ensure 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.
2. To provide guidance to staff as to action which should be taken where they suspect any fraudulent activity.
3. To provide a clear statement to staff forbidding any illegal activity, including fraud for the benefit of the organization.
4. To provide assurance that any and all staff suspected of fraudulent activity will be fully investigated.

Policy

- The Board of South West Arts Inc has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.
- The Executive Officer and Finance Administrator must ensure that there are mechanisms in place within their area of control to:
 - (i) assess the risk of fraud
 - (ii) educate employees about fraud prevention and detection
 - (iii) facilitate the reporting of suspected fraudulent activities
- All staff share in the responsibility for the prevention and detection of fraud in their areas of responsibility. All staff has the responsibility to report suspected fraud. Any staff member who suspects fraudulent activity must immediately notify their supervisor or those responsible for investigations. In situations where the supervisor is suspected of involvement in the fraudulent activity, the matter should be notified to the next highest level of supervision.
- Any fraud by any staff member shall constitute grounds for dismissal.

Procedures

- Fraud prevention accounting procedures shall be incorporated in the organisation's policies related to Cash Management, Credit Card Use, Commercial Transactions and Investment.
- All complaints of suspected fraudulent behaviour will be investigated, whilst also providing for the protection of those individuals making the complaint and natural justice to those individuals being the subject of any such complaint.
- Where a prima facie case of fraud has been established the matter shall be referred to the police. Any action taken by police shall be pursued independently of any employment-related investigation by the organization.
- Recruitment strategies shall incorporate fraud prevention:
 - Applicants shall be required to undergo police checks where required by the duties of the position
 - Previous employers and referees shall be contacted
 - Transcripts, qualifications, publications and other certification or documentation shall be validated
- Fraud prevention and detection issues will be included in relevant staff development and induction activities.
- Vendors and contractors shall be asked to agree in writing to abide by these policies and procedures.