

# Fraud Risk Management Policy



Policy number	POL017	Version	A
Drafted by	FOP Australia Board	Approved by Board on	14/09/2020
Responsible person	FOP Australia Board	Scheduled review date	14/09/2023

## INTRODUCTION

Just like commercial organisation's, not-for-profit organisation's may be subject to fraudulent activity and must therefore implement effective prevention strategies to minimise legal and financial exposure.

## PURPOSE

The purpose of this Policy is to:

1. Ensure that all parties are aware of their responsibilities regarding the identification and prevention of fraudulent activity.
2. Ensure that staff/volunteers/contractors understand who to report to in the event that they suspect fraudulent activity.
3. Provide a step-by-step guide to respond to an allegation regarding fraudulent activity.
4. Express a clear statement to staff/volunteers/contractors forbidding fraudulent activity for the benefit of the organisation.

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## POLICY

FOP Australia will not tolerate fraud in any aspect of its operations.

FOP Australia 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, length of service or relationship with the organisation of any party who might be the subject of such investigation.

Any fraud shall constitute grounds for dismissal from the board or a committee and revoking membership. Any serious case of fraud, whether suspected or proven, shall be reported to the relevant and appropriate authorities such as the police and the ombudsman.

Any person who suspects the commission of a fraud, related to the operations of FOP Australia is required to immediately report it to a manager / appropriate person in authority within FOP Australia. Any person reporting a fraud, or a suspected fraud, shall not be penalised for raising a concern of this nature.

## AUTHORISATION

14/09/2020  
FOP Australia

# Fraud Risk Management Procedure



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## RESPONSIBILITIES

The Board of FOP Australia 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.

All directors, members, employees, and volunteers share in the responsibility for the prevention and detection of fraud.

## REPORTING

All directors, members, employees, and volunteers have the responsibility to report suspected fraud.

Any director, member, employee, or volunteer who suspects fraudulent activity must immediately notify the board about the concern.

# Fraud Risk Management Procedure



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## Step-by-step guide: Responding to suspected fraud

1. Upon notification an allegation pertaining to fraud, the CEO (or Chair of the Board) will promptly arrange to carry out an initial review into the allegation.
2. After an initial review and a determination that the suspected fraud warrants additional investigation, the CEO (or Chair of the Board or delegate) shall coordinate the investigation with the appropriate law enforcement officials or external investigator as deemed appropriate. Internal or external legal representatives will be involved in the process, as deemed appropriate.
3. 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 relevant records / information and placing them in a secure location, limiting access to the location where the records / information currently exists, and preventing the individual suspected of committing the fraud from having access to the records / information.
4. If an allegation of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal (or termination of an individual's right to work as a contractor or volunteer), shall be taken by the appropriate level of management.
5. The organisation will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of any losses from the offender.

Where a prima facie case of fraud has been established, the matter shall be referred to the relevant authorities. If an allegation is made in good faith, but it is not substantiated by the investigation, no action will be taken against the complainant.

The organisation will make every effort to keep the investigation confidential; however, members of the management team may need to be consulted to assist with a review/ investigation.

## AUTHORISATION

14/09/2020  
FOP Australia