

# What is **FRAUD?**



Fraud is dishonest activity causing actual or potential financial loss to any persons 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 deliberate falsification, concealment, destruction or use of falsified documentation use or intended for use for a normal business purpose or for improper use of information or position.

## **Why is fraud a concern?**

Fraud is a criminal offence. Reports of fraud can have a significant impact on the organisation's reputation and our record for delivering our services in an ethical and accountable manner. Reports of fraud can also impact customers' desires to be associated with our business.



### **Examples of Fraud**

**Examples of fraud include, but are not limited to:**

- Using a company vehicle for unauthorised personal use
- Borrowing company funds
- Submitting false receipts
- Falsifying expense claims
- Misrepresenting travel claims
- Manipulating data to falsely present successful organisational outcomes
- Personal expenses paid out of company funds and recorded as company expenses
- Provision of goods and services by friends or family of staff
- Awarding tenders to people who have inside information about other bids or assessment criteria
- The use of the GST exemption to purchase goods or services for use by a person or an organisation for purposes other than for the lawful use
- Over-ordering product, returning the excess and pocketing the refund
- Deliberate failure to record or identify a false statement by a client where the client gains a payment or an advantage from that payment
- Providing inside or confidential information to others outside the company for personal gain



### **Who is responsible for fraud control?**

Fraud control is the responsibility of everyone in the organisation.

### **What can the organisation do to control fraud risk?**

- Provide all employees with regular fraud awareness training
- Encourage employees to report any suspected incidence of fraud
- Develop and implement a Fraud Prevention Policy
- Conduct regular fraud risk assessments, create a risk register and ensure proper risk management controls are in place

### **What should I do if I become aware of a potential fraud risk?**

In almost all cases, the best time to report a suspected fraud or suspicious activity is immediately. Reports of behaviour involving possible fraud must be communicated to your supervisor or the senior management.

### **What happens if fraud is detected?**

If fraud is detected, reported or suspected, the organisation may conduct an investigation or engage an appropriately skilled and experienced independent party. The independent party may include an external law enforcement agency, a manager, or an external consultant.

## **SUMMARY**

### **We recognize that fraud is inherently wrong.**

It is against our values and we intend to work actively to avoid it occurring. All employees are accountable for, and have a role to play in, fraud and corruption control. We encourage a positive culture within our staff to disclose actual or suspected fraudulent activity. We encourage any staff member who suspects that such activity is occurring to bring it to the attention of your supervisor or the senior management.

It is important that all employees have a general awareness of fraud and corruption and they should respond if this type of activity is detected or suspected.



