**BENDIGO ACADEMY OF SPORT**

**Fraud Policy**

**Rationale:**

This policy covers the prevention, detection and management of fraud and corruption.

It aims to raise the awareness of fraud and its prevention in the sporting environment, including strategies and procedures that address the issue of accountability, efficient and effective administration that focus on improving systems and procedures, changing the attitudes of the Board/staff/coaches/parents and improving the overall integrity and performance of the Bendigo Academy of Sport. It aims to give guidance to both the reporting of suspected fraud and for fair dealing of the investigation of such reported fraud or corruption.

**Aims:**

* To ensure that the Executive Officer is aware of his/her responsibility for identifying exposures to fraudulent and corrupt activities and for establishing controls and procedures for preventing such activity and/or detecting such activity when it occurs;
* To provide guidance to all Board/staff/coaches/parents on action to be taken where they suspect any fraudulent or corrupt activity;
* To provide a clear statement to Board/staff/coaches/parents forbidding any illegal activity, including fraudulent or corrupt activity;
* To provide assurance that all suspected fraudulent and corrupt activity will be fully investigated;
* To provide guidance as to responsibilities for conducting investigations into such activities;
* To provide a suitable environment for Board/staff/coaches/parents to report matters that they suspect may involve fraudulent or corrupt activity, or serious improper conduct; and
* To provide adequate protection to Board/staff/coaches/parents in circumstances where they are victimised as a consequence of reporting, investigating or being witness to, these activities.

**Definition:**

Fraud and corruption involves monetary and materials benefits as well as intangibles such as status and information. This definition is taken from Australian Standards 8001-2003 “Fraud and Corruption Control”.

***Fraud*** - Dishonest activity causes actual or potential financial loss to any person 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 the deliberate falsification concealment, destruction or use of falsified documentation used or intended for the use of normal business purpose or the improper use of information and position.

***Corruption*** - Dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

**Implementation:**

**The Executive Officer is responsible for the prevention, detection and investigation of fraud and corrupt activities and is also responsible for ensuring that appropriate and effective internal control systems are in place.**

It is the responsibility of the Board, Executive Officer, Finance Administrative Officer, to ensure that there are mechanisms in place within their areas of control to :

* Assess the risk of fraudulent and corrupt activities;
* To promote awareness of ethical principles, honest dealings, and understandings as to the role all play as custodians of the Bendigo Academy of Sport and all its assets and reputation.
* Educate Board/staff/coaches/parents about fraud and corruption prevention and detection, to this end
  + Ensure that Board/staff/coaches/parents understand that internal controls are designed and intended to prevent and detect fraudulent and corrupt activities;
  + Encourage Board/staff/coaches/parents to report suspected fraud directly to those responsible for investigation without fear of disclosure or retribution; and
  + Require all Board/staff/coaches/parents to follow the systems and procedures established by the Bendigo Academy of Sport that will be reviewed from time to time.

In addition, all Board members/staff/coaches/parents share responsibility for the prevention and detection of fraud and corruption, and for the implementation of this Policy.

All Board members/staff/coaches/parents are required to abide by the terms of this policy and are responsible for reporting suspected fraudulent and corrupt activities to the Executive Officer. Any Board member/staff/coach/parent who reports fraudulent or corrupt activities will be accorded appropriate confidentiality, recognising that in certain circumstances, the law may require some form of disclosure.

The Bendigo Academy of Sport will undertake an annual audit of financial management and assets to ensure that appropriate and effective internal control systems are in place and act on any recommendations from such audit. Such audit will be conducted by an independent Accounting Firm.

**Accounting Cycle**

This chart outlines the internal control procedures in place to ensure the monies coming into the Bendigo Academy of Sport are appropriately managed. They are characterised by processes which separate responsibilities so that accounting / ordering / authorising / management processes are not all handled by the same person or persons.

|  |  |  |
| --- | --- | --- |
| *Revenue* |  | *Expenditure* |
|  |  |  |
| **Collection of Monies:**   * **Cash** – all cash payments to be made at the office of the Executive Officer. Coaches are not to handle payments. * **Cheque** [posted to PO BOX 2357 BENDIGO 3554] * **Direct credit** [credited to operating acc. Bendigo – Strathdale BSB No 663-000 Acc No 104974720] |  | **Budget allocations** for Administration and sporting programs approved by BAS Finance Committee |
| 🡻 |  | 🡻 |
| **Banking**  all monies to be provided to Finance Officer within 5 working days of receipt by EO and banked by Finance Officer within a further 5 working days. |  | **Delegation of authority** to Executive Officer |
| 🡻 |  | 🡻 |
| **Recording of Revenue** - Finance Officer |  | **Official purchase orders** – EO  Coaches to notify EO in writing of upcoming expenditure within budget to obtain a purchase order number. EO to record details on Purchase Order form. |
| 🡻 |  | 🡻 |
| **Bank reconciliation** – completed by Finance Officer monthly and provided to EO for authorization.  Provided to Finance Committee at monthly meetings and counter-signed. |  | **Authorisation** – sufficient funds -EO |
| 🡻 |  | 🡻 |
| **Budget allocations** in line with cash flow- Finance Officer |  | **Goods received** – checked by EO against Purchase Order No. |
| 🡻 |  | 🡻 |
| **Monitoring of receipts / cash flow** by Finance Officer And EO |  | **Invoices** [stamped date received] checked / approved or disputed. If approved a copy of Purchase Order form attached |
| 🡻 |  | 🡻 |
| **Assessmen**t against budget plans |  | **Approval for payment by EO**, to Finance Officer  Invoiced to be paid within 5 working days of receipt by Finance Officer |
| 🡻 |  | 🡻 |
| **Continuation / modification** depending of circumstances |  | **Payment - Direct Credit /Cheque produced** – co signatories sign [ Finance Officer / EO or nominated Finance Committee member], |
| 🡻 |  | 🡻 |
| **Planning** for next year / sports program based on experience |  | **System reports** produced monthly – monitored EO, Finance Officer, Sports Program, Finance Committee |
|  |  | 🡻 |
|  |  | **Evaluation of budget** expenditure / accountability process |
|  |  | 🡻 |
|  |  | **Review / Preparation** for following year(s) / sporting program based on projected receipts |

This policy was ratified by the Board of the Bendigo Academy of Sport in September 2011