

By Law 9

Fraud

1. Ethical Culture

Good ethical culture and practices are the foundation for preventing fraud. Sub Branches are required to create an environment that promotes an appropriate ethical culture. Consistent with this standard the Code of Conduct (By Law 20) requires all members to act with honesty and integrity and to report breaches of the Code. In particular all elected officers should acknowledge the Code annually.

2. Awareness and Control

Sub Branches should establish controls and procedures to monitor all transactions with the aim of identifying potential fraudulent activity. General Ledger and Balance sheets for financial transactions are to be reconciled and reviewed by the committee on a regular basis. Access to systems, information and premises should be limited in accordance with Sub Branch requirements and a review should be conducted periodically.

If fraud is suspected details of the incident should be provided to the State Branch and State President for further action. Great care is to be exercised in the investigative process so as to avoid false allegations or alerting individuals against whom an allegation has been made. Appropriately qualified investigators must be objectively and impartially employed to investigate all incidents. Sub Branch Presidents are not to conduct their own investigations as investigation procedures are designed to:

- Be fair and protect confidentiality (innocent until proven guilty);
- Establish facts and protect evidence and complete investigation according to accepted standards;
- Establish the extent of impact, financial or otherwise;
- Establish if a criminal offence has taken place;
- Investigate appropriate action by law enforcement and disciplinary procedures whilst preventing further loss;
- Maintain investigation documents to expedite prosecution of any claims; and
- Identify internal control deficiencies.

Reporting of Fraud

Suspected or confirmed fraud incidents shall in the first instance be reported to State Branch for consideration of prosecution by law enforcement agencies and authorities.

Review

Fraud Management activities are to be subject to ongoing independent review.