Australian Institute for Teaching and School Leadership Limited

Fraud and Corruption Risk Control Plan

Fraud and Corruption Risk Control Framework, Policy, and Reporting Procedures

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1. Introduction

AITSL is subject to the risk of fraud and corruption occurring—either internally by staff or externally by third parties such as contractors—and requires a strong framework to prevent, detect, and respond to fraud and corruption. The **AITSL Fraud and Corruption Risk Control Plan** documents the strategic and operational approach to controlling fraud and corruption within AITSL and is an integral part of AITSL's Governance Framework.

This plan represents AITSL's commitment to fraud and corruption control and aims to minimise the potential for fraud and corruption enacted on company programs or activities by all employees (including but not limited to temporary employees, contractors, independent members, and Board Directors) or people outside the company.

It provides an overview of how fraud and corruption risks will be managed and was designed with reference to the:

- Section 10, *Public Governance, Performance and Accountability Rule 2014*
- *National Anti-Corruption Commission Act 2022* (Cth)
- *Crimes Legislation Amendment (Combatting Foreign Bribery) Act 2024* (Cth)
- *Criminal Code Act 1995* (Cth)
- AS/NZ 8001-2021: Fraud and Corruption Control
- Commonwealth Fraud and Corruption Control Framework 2024
- Commonwealth Fraud Risk Assessment Leading Practice Guidance
- Resource Management Guide No. 201 – Preventing, Detecting, and Dealing with Fraud.

The Fraud and Corruption Risk Control Plan is comprised of the following three interrelated documents:

- **Fraud and Corruption Risk Control Framework**, which sets out key definitions as well as strategies for monitoring, preventing and detecting, evaluating and investigating, and reporting fraud and corruption.
- **Fraud and Corruption Risk Control Policy**, which outlines AITSL's policy on fraud and corruption and the guiding principles on fraud and corruption control and risk assessment that govern AITSL's staff and activities.
- **Reporting Fraud and Corruption Procedures**, which set out the procedure for reporting and investigating fraud and corruption.

This plan also informs the **AITSL Fraud and Corruption Strategy Statement**, which is a public statement on AITSL's position on fraud and corruption and is available on the AITSL website **here**.

2. Fraud and Corruption Risk Control Framework

2.1 Purpose

The purpose of the Fraud and Corruption Risk Control Framework (the Framework) is to operationalise the Fraud and Corruption Control Policy. The Framework aligns with key standards, policies, and strategies of the Commonwealth Fraud Prevention Centre.

AITSL takes all allegations of fraud and corruption seriously and undertakes to ensure, to the best of its ability, that allegations against the company and/or its programs and services are investigated in accordance with the Commonwealth Fraud and Corruption Control Framework 2024 and Australian Government Investigation Standards (AGIS) as provided under section 10 of the *Public Governance, Performance and Accountability Rule 2014* (the **Fraud and Corruption Rule**). The Fraud and Corruption Rule, which is not mandatory for AITSL, encourages Commonwealth companies to take reasonable and appropriate measures to prevent, detect, and deal with fraud and corruption.

2.2 Application

This framework applies to all AITSL programs, projects, and activities conducted by employees (including but not limited to temporary employees, contractors, independent members, and Board Directors) and external stakeholders and suppliers of goods and/or services contracted by AITSL.

Fraud and corruption can be committed by an AITSL employee (internal fraud and corruption) or by persons external to the company (external fraud and corruption). It may also be committed jointly between an employee and outside party. Offences of fraud and corruption against the Commonwealth may be prosecuted under a number of different Commonwealth laws.

The term **fraud** when used throughout the Fraud and Corruption Risk Control Plan is defined in accordance with the Commonwealth Fraud and Corruption Control Framework 2024:

> **Dishonestly obtaining (including attempting to obtain) a gain or benefit, or causing a loss, by deception or other means. The conduct does not need to represent a breach of criminal law.**
>
> **A benefit or loss is not restricted to a material benefit or loss and may be tangible or intangible. A benefit may also be obtained by a third party.**

It is important to note that **fraud requires intent**. It requires more than carelessness, accident, or error. When intent cannot be shown, an incident may be non-compliance rather than fraud or.

A benefit is not restricted to a material benefit, and may be tangible or intangible, including information. A benefit may also be obtained by a third party. It may also include lost access rights, opportunities for employment, or harm to others.

Similarly, a loss is not limited to only meaning a financial or tangible loss. It may also include lost access rights, opportunities for employment, or harm to others. Fraud can also include some forms of corruption, particularly where a party obtains a benefit or the Commonwealth incurs a loss, for example, collusion between a Commonwealth official and a contractor.

The term **corruption** when used through the Fraud and Corruption Risk Control Plan is defined in accordance with the *National Anti-Corruption Commission Act 2022* (NACC Act) as corrupt conduct:

- any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly:
  - the honest or impartial exercise of any public official's powers as a public official; or
  - the honest or impartial performance of any public official's functions or duties as a public official;
- any conduct of a public official that constitutes or involves a breach of public trust;
- any conduct of a public official that constitutes, involves or is engaged in for the purpose of abuse of the person's office as a public official;
- any conduct of a public official, or former public official, that constitutes or involves the misuse of information or documents acquired in the person's capacity as a public official.

For the purposes of the Fraud and Corruption Rule, corruption is any conduct that does or could compromise the integrity, accountability, or probity of an entity or official. This includes:

- conduct by any person that adversely affects the proper exercise of an official function, power, or duty by an entity or employee, including conduct that does or could, affect the honesty or impartiality of an employee; and/or
- an employee breaching public trust; and/or
- abuse of an employee's position; and/or
- misusing official information.

In accordance with the NACC Act, corrupt conduct or corruption may be criminal or non-criminal in nature and may affect any aspect of an entity, for example, an employee being offered or accepting a bribe, or engaging in fraud against the entity.

2.3 Objectives

AITSL is committed to reducing fraud and corruption risks by complying with the requirements of the Commonwealth Fraud Control Framework through:

- implementing the AITSL Fraud and Corruption Risk Control Plan
- training employees in ethics, privacy, fraud, and corruption awareness
- working to monitor, prevent and detect, report, and evaluate and investigate fraud and corruption, and to deter fraud and corruption against AITSL, including by prosecuting offenders in appropriate circumstances
- applying disciplinary sanctions where appropriate
- recovering proceeds of fraudulent and corrupt activity
- a rolling program of fraud and corruption related risk assessments
- implementing an integrated system of appropriate and effective controls.

AITSL recognises that fraudulent and corruption activity may attract a range of criminal, civil, administrative, and disciplinary remedies reported under the:

- *Public Governance, Performance and Accountability Act 2013*
- *National Anti-Corruption Commission Act 2022*
- *Criminal Code Act 1995*
- *Crimes Act 1914*.

2.4 Examples of Fraud and Corruption

There are a range of activities that fall broadly under the definition of fraud and corruption.

Fraud

Examples of the types of conduct that would fall within AITSL's definition of fraud include (but are not limited to):

- theft
- misuse of company credit cards
- accounting fraud (false invoices, misappropriation etc.)
- unlawful use of, or obtaining property, equipment, material, or services
- causing a loss, or avoiding and/or creating a liability
- misuse of company assets, equipment, or facilities
- making, or using false, forged, or falsified documents
- disclosure of confidential or sensitive information
- wrongfully using Commonwealth information or intellectual property.

A benefit is not restricted to monetary or material benefits, and can be either tangible or intangible, including the unauthorised provision of, access to, or disclosure of information. Fraud can take many forms and may target:

- revenue (e.g. income tax, GST fraud, customs duties)
- property (e.g. cash, computers, other portable and attractive items, stationery)
- information and intelligence (e.g. personal information or classified material)
- program funding and grants
- entitlements (e.g. expenses, leave travel, travel allowances, attendance records)
- facilities (e.g. unauthorised use of information technology and telecommunication systems)
- money or property held in trust or confiscated.

Corruption

The following list provides examples of types of behaviour that, if serious enough, may amount to corruption:

- bribery, domestic or foreign; obtaining, offering, or soliciting secret commissions; kickbacks or gratuities
- fraud, forgery, embezzlement
- theft or misappropriation of official assets
- nepotism—preferential treatment of family members
- release of confidential information for other than a proper business purpose
- acting (or failing to act) in the presence of a conflict of interest
- unlawful disclosure of government information
- blackmail
- perverting the course of justice

- manipulation of the procurement process by selectively providing information to some bidders and not to others
- insider trading—misusing official information to gain an unfair private, commercial or market advantage for self or others
- green-lighting—making official decisions that improperly favour a person or company, or disadvantage another.

Complex fraud, which may also constitute corrupt conduct, can include instances where an employee of group of employees are targeted and succumb to exploitation by external parties, or initiate the misconduct. Corrupt conduct that is considered to be serious or systemic must be reported to the NACC. Whether or not something involves 'serious corrupt conduct' or 'systemic corrupt conduct' will depend on a range of factors specific to the circumstances. The term **serious** generally means weighty or important. Examples of 'serious' corrupt conduct can involve any of the following:

- a criminal offence, and the seriousness of the offence and maximum penalty if a person is found guilty
- a financial gain or loss, and the amount of money gained or lost
- another benefit or detriment, and the significance of that benefit or detriment
- misuse of information and, if so, the sensitivity of the information and potential harm from a misuse of that information
- a person holding a senior or trusted role, the seniority of the person, the level of trust they exercise in their role, and whether the person should have understood their responsibilities and duties in that role
- a person trying to cause a public official to act dishonestly or in a biased way, and the significance if the public official did behave dishonestly or in a biased way.

The term **systemic** generally means affecting an organisation or system as a whole or involving a pattern of similar kinds of (corrupt) conduct is formed in an organisation.[1]

Bribery

The Framework 2024 defines bribery to include conduct covered by the *Criminal Code Act 1995* (Criminal Code) sections 141.1, 142.1 and 70.2 (domestic and foreign bribery).

Domestic

- Section 141.1 and 142.1 of the Criminal Code make it an offence to:
  - give a bribe to a Commonwealth public official
  - give or receive a corrupting benefit
  - abuse of public office or previous public office.
- To establish the bribery offence, it must be established that:
  - the person provided or caused a benefit to be provided to a public official, or the person offered or promised to provide a benefit to a public official, or the person caused an offer or provision of a benefit to be made to a public official,
  - the person did so dishonestly,

    the receipt of the benefit or the expectation of its receipt would tend to influence a public official in the exercise of their duties, and

[1] Mandatory referrals: Commonwealth agency heads, Australian Government Attorney-General's Department, May 2023

- the duties were those of a Commonwealth public official.[2].

- The maximum penalty for such domestic bribery offences is 5 years in prison.

Foreign

- Section 70.2 of the Criminal Code has been amended by the *Crimes Legislation Amendment (Combatting Foreign Bribery) Act 2024* (Foreign Bribery Act) effective as of **8 September 2024**, It is now an offence under the Criminal Code for a corporate entity such as AITSL to bribe a foreign public official

- Foreign bribery is seen to be a corporate offence under the Criminal Code where:
  - a person bribes a foreign public official by providing or causing a benefit, or
  - offers or causes an offer or promises to provide a benefit or causes an offer,
  - with the intention of improperly influencing a foreign public official in order to obtain or retain a business or personal advantage (whether or not it is for the person committing the offence).[3]

- The corporate entity does not need to intend to influence the foreign public official or obtain or retain particular business and/or personal advantage nor does the business and/or personal advantage need to be obtained or retained (s70.2).[4]

- A new indictable corporate offence under the Criminal Code makes a corporation, such as AITSL, accountable for failing to prevent foreign bribery acts carried out by its associates (includes officers, employees, agents or contractor of the other person to the associate). Such liability is absolute, that is, it does not matter that the company was unaware of the acts of the associate(s). Corporations can rely on a statutory defence against such indictable corporate offences being committed by establishing it has implemented 'adequate procedures' to prevent such instances of foreign bribery by the associate(s).

- The maximum penalty is no more than the greater of 100,000 penalty units or three times the assessed value of benefit obtained by the offending corporate entity (if determinable), or 10% of the corporate entity's annual turnover for the 12-month period ending at the end of the month in which the corporate entity committed or began committing the offence (ss70.5A(6)).

Conflict of Interest

A conflict of interest is a circumstance that places an employee in a position where their personal interests (including those of their immediate family, to the extent known) could compromise their independence. Apparent (or perceived) conflicts of interest may be as important as actual conflicts.

AITSL's Conflict of Interest Policy and Procedures provide a reporting framework that enables employees to disclose, and take reasonable steps to avoid, any conflicts of interest in connection with their employment. These processes are also built into AITSL procedures, including procurement.

The Board of Directors is also required to disclose conflicts in accordance with the Board Directors Conflict of Interest Policy and Procedures.

Cyber and Digital Awareness

All employees and guests of AITSL have a shared responsibility for ensuring good security practices. There is a critical need to protect AITSL's ICT facilities and resources, and to retain the confidence of AITSL's stakeholders and clients who entrust sensitive information to the company. This includes

[2] https://www.sydneycriminallawyers.com.au/criminal/legislation/criminal-code-act/corrupt-benefits-by-or-to-commonwealth-public-official/
[3] Section 6, *Crimes Legislation Amendment (Combatting Foreign Bribery) Act 2024*
[4] Section 6, *Crimes Legislation Amendment (Combatting Foreign Bribery) Act 2024*

against the risk of fraud and/or corruption. These can take place in many forms, including phishing attacks, malware and viruses, identity theft, blackmail, and money laundering.

AITSL maintains a comprehensive Cyber Security Policy, which all staff and visitors accessing the network must comply with.

2.5 Fraud and Corruption Control Strategies and Responsibilities

AITSL implements the following strategies to manage and mitigate fraud and corruption risks:

- Assurance and Governance
- Awareness
- Monitoring
- Prevention and Detection
- Reporting
- Evaluation and Investigation
- Prosecution
- Resolution.

All staff have a vital role in the prevention and detection of fraud and corruption as part of their normal responsibilities. All staff are responsible for identifying potential fraud and considering fraud and corruption control in business-as-usual activities as well as at all stages of a program's lifecycle—from procurement to implementation.

Areas and Strategies	Actions	Responsibility
Assurance and governance		
Identification of roles and responsibilities	• Strong leadership with regards to dealing with fraud and corruption will foster greater transparency and accountability • Establishing clear roles, responsibilities and governance structures will encourage the development of pro-integrity culture, as modelled in industry standard AS8001.	General Managers
Internal governance processes for countering fraud and corruption	• Fraud and corruption risk assessment included as part of business risk management processes for the following core areas: – IT and information management – procurement and tender processes – finance including grant funding and revenue collection – use of company credit cards – travel allowances – recruitment process.	General Counsel

Areas and Strategies	Actions	Responsibility
Awareness		
Maintenance of an ongoing fraud and corruption awareness program	• Ensure employee induction includes fraud awareness information so that employees are aware and understand the Fraud and Corruption Risk Control Plan. • Ensure employees primarily engaged in fraud or corruption control activities possess or attain relevant qualifications or training to effectively carry out their duties. • Ensure appropriate fraud and corruption awareness training is provided to employees annually and, where appropriate, such as following a fraud or corruption incident. • Disseminate the Fraud and Corruption Risk Control Plan to employees and ensure it is readily accessible to employees.	General Manager, Legal and Governance People and Culture
Communication to all employees of their responsibilities for preventing, detecting, and reporting fraud and corruption	• Ensure updates and changes to AITSL's fraud and corruption control policies and instructions are advised to all employees	General Manager, Legal and Governance
Fostering an environment that promotes the highest standards of ethical behaviour	• Ensure employees are aware of expectations for standards of conduct and exhibiting the AITSL values.	Board of Directors Senior Executive Team
Monitoring		
Review, collection, and collation of the controls that are in place (or that are proposed) to mitigate identified high-level fraud and corruption risk.	• A formal review of these controls can be undertaken on an as necessary basis to ensure it remains current or as part of the routine fraud and corruption risk assessment activities to ensure that control measures remain effective.	General Manager, Legal and Governance
Monitoring the veracity of decision-making at the Board and Executive level	• Report any suspected incidents of fraud or corruption to the Internal Auditors	Chair, Risk, Audit and Finance Committee
Prevention and Detection		
Implementation of a fraud and corruption risk assessment program	• Update the Fraud and Corruption and Risk Control Plan where required and/or following significant changes in operations/operational structure or occurrences of fraud or corruption. • Provide six-monthly fraud and corruption risk reports to the Risk, Audit and Finance Committee	General Manager, Legal and Governance

Areas and Strategies	Actions	Responsibility
Implementation of strategies to reduce/prevent fraud or corruption risk (refer to Section 2.6)	• As part of the Risk Management Strategy, review fraud or corruption risks regularly and develop cost-effective strategies to reduce risk to acceptable levels. • Consider fraud and corruption when developing polices and work programs.	Senior Executive Team General Manager, Legal and Governance
Maintenance of AITSL management reporting regimes to assist in fraud and corruption control within AITSL	• Ensure management systems and reports enable effective management and monitoring of fraud and corruption risk, including government reporting requirements, exception reporting, and incorporation of relevant audit findings into the Fraud and Corruption Risk Control Plan.	General Manager, Legal and Governance
Reporting		
Maintenance of confidential reporting mechanisms for external parties to report fraud and/or corruption at AITSL	• External parties to report allegations of fraud or corruption by recipients of funding administered by AITSL, or allegations of unlawful conduct by staff (or its contractors).	General Manager, Legal and Governance
Maintenance of confidential reporting mechanisms for internal staff to report fraud and/or corruption at AITSL	• AITSL staff to report suspected incidents of fraud or corruption as per the Reporting Fraud and Corruption Procedures.	General Manager, Legal and Governance
Fostering a pro-reporting culture that encourages staff to report any suspected incidents of fraud and corruption and ensure confidentiality and protection for staff submitting the report	• AITSL Leadership Team to maintain confidentiality and accountability of their own behaviour at all time. • All report suspected incidents of fraud or corruption to be managed as per the Reporting Fraud and Corruption Procedures.	Senior Executive Team AITSL Leadership Team
Receiving reports of suspected incidents of fraud and corruption at the Board and Executive level	• All suspected incidents of fraud and corruption at the Board and Executive level to be reported to the Chair, Risk, Audit and Finance Committee to progress to the Internal Auditors	Chair, Risk, Audit and Finance Committee
Mandatory reporting to the NACC of corrupt conduct considered serious or systemic	• In accordance with the requirements of the NACC Act, corrupt conduct considered to be serious or systemic must be referred to the NACC by the Chief Executive Officer (CEO)	CEO
Annual reporting to the Australian Institute of Criminology	• Requirement for annual reporting of fraud and corruption data to the Australian Institute of Criminology	General Counsel

Areas and Strategies	Actions	Responsibility
	• Collection of fraud and corruption data will ensure a solid evidence base to assess effectiveness and support future reform	
Evaluation and Investigation		
Evaluation of suspected incidents of fraud and corruption to determine the appropriate course of action	• Assess the allegation/s of fraud or corruption and determine if it should be referred to the CEO or Internal Auditors. – All allegations of fraud or corruption, whether internal or external, which would amount to a value of over $1,000 must be instantly referred to the internal auditors. – All allegations of fraud or corruption not managed by the CEO, whether internal or external, are to be immediately referred to AITSL's internal auditors as qualified investigators for confidential assessment with the aim of proving or disproving the allegations. – In the case of allegations of corruption, all corruption conduct considered serious or systemic must be referred by the CEO to the NACC as part of its mandatory referrals.	Manager, Legal and Governance
Conduction of investigations	• Maintain and review documentation procedures and criteria for making decisions at critical stages in managing a suspected fraud or corruption incident. • Appropriately document decisions to use civil, administrative, or disciplinary procedures, or to take no further action in response to a suspected fraud or corruption incident. • Manage the appropriate conduct of investigations into suspected fraudulent or corruption activity and provide a recommendation to the Chair of the Risk, Audit and Finance Committee on the outcome ensuring compliance with the Australian Government Investigations Standards – Serious and complex cases of fraud may be referred to the Australian Federal Police (AFP). Occasionally, matters may also be referred to any of the State and Territory Police Services. – Serious or systemic cases of corruption **must** be referred to the NACC under its mandatory referral requirements. It is up to the NACC to decide how the corruption	Internal Auditors General Manager, Legal and Governance

Areas and Strategies	Actions	Responsibility
	conduct will be dealt with, including further investigation, seizing of records, and recommendations for further actions to be undertaken. • AITSL to work with Internal Auditors to develop a communication strategy to address potential internal/external reputational damage.	
Prosecution		
Prosecution action if there is a reasonable prospect of a conviction being secured	• Ensure investigators make a recommendation to Chair of the Risk, Audit and Finance Committee whether to refer a matter to the Commonwealth Director of Public Prosecutions, which makes the final determination on legal action. • Ensure the CEO refers any serious or systemic corruption issues to the NACC for their determination. • Where a referral is declined or determined unnecessary, the matter must be resolved in accordance with relevant internal policies.	General Manager, Legal and Governance
Resolution		
Review of Systems and Procedures (post fraud or corruption)	• Review systems controls to identify potential improvements.	General Manager, Legal and Governance
Recovery of money/property lost through fraud or corruption	• Subject to the outcome of NACC investigations regarding corrupt conduct, actively pursue the recovery of lost money or property if deemed cost effective.	General Manager, Legal and Governance

2.6 Fraud and Corruption Prevention Strategies

AITSL has implemented a number of prevention strategies which are outlined below.

Fraud and Corruption Awareness Training

AITSL provides formal fraud and corruption control awareness training and ensures that all updates and changes to fraud- and corruption-related policies, procedures, codes of conduct etc. are circulated to staff and consultants/contractors in a timely manner.

In addition, training participation records are maintained, and feedback surveys are used to establish the effectiveness of training sessions.

Employment Screening

AITSL undertakes a criminal history check as part of its recruitment policy for all prospective employees.

Leave Policy

Improper claims (either accidental or deliberate) on, or approving of, timesheets, leave entitlement, or benefits can result in employees receiving benefits to which they are not entitled. As a Commonwealth company, AITSL has access to public funds, which means that it must take care to ensure that resources such as overtime, shift penalties, leave, and other entitlements are not improperly claimed.

AITSL's Leave Policy details effective monitoring and administrative processes which minimise the potential misuse of public sector resources and is applicable to all staff. Each year, managers will be advised of employees with more than 25 days accumulated recreation leave credits at the end of each month. Employees will be required to develop a plan with their manager to have their recreation leave credits at no more than 40 days.

Declaration of Interest

AITSL ensures that its employees, Board of Directors, and members of its committees and advisory groups understand the detrimental impact of conflicts of interest and insider trading to the company.

AITSL Management and persons of influence at the company as well as AITSL Board Directors are required to complete Private Interest Declaration forms on an annual basis between 1 April and 30 June each year.

All employees and Board Directors are required to declare a conflict of interest as soon as it arises or when participating in a procurement or attending a meeting with a salient agenda item.

It is incumbent on AITSL Management to be alert to the potential for fraud and corruption and to take active steps to detect any fraud or corruption that occurs.

The Fraud Control Officer works with line management and internal audit in applying AITSL's findings from fraud and corruption risk assessments to formulate effective detection systems/processes.

2.7 Fraud and Corruption Risk Assessment

Central to AITSL's fraud and corruption prevention strategy is the identification of current and emerging fraud or corruption risks through an ongoing risk assessment program.

Fraud and corruption risks are actively monitored, and suspected incidents of fraud or corruption are reported and evaluated through the appropriate channels.

Risk Management Framework

Fraud and corruption risk assessment is an integral part of AITSL's risk management and governance frameworks. AITSL's Risk Management Framework sets out a systematic approach to guide how risk management is embedded across AITSL for all business operations and staff at all levels. Specifically:

- the definition of risk management
- the value of risk management
- how risk management is embedded in the company
- the risk culture that the company aspires to
- the company's risk appetite
- the company's tolerance levels, risk profiles, and risk assessment process
- the company's approach to embedding risk management
- tools and resources to support risk management
- the roles and responsibilities for managing risks

- risk capability and continuous improvement.

The framework is designed in accordance with:

- international risk management standard – principles and guidelines (ISO 31000:2009)
- the *Public Governance, Performance and Accountability Act 2013*
- the *Public Governance, Performance and Accountability Rule 2014*
- the Commonwealth Risk Management Policy.

Fraud and Corruption Risk Assessment Process

AITSL's Risk Management Framework and Risk Management Policy aligns with the Commonwealth's Fraud Risk Assessment Leading Practice Guidance and the NACC Act.

As part of AITSL's annual strategic risk assessment, the Senior Executive Team and the AITSL Board conduct a concurrent process to assess fraud and corruption risks. This involves risk identification, analysis, evaluation, and treatment.

AITSL conducts these risk assessments across all areas of the company. They are conducted face to face to enable staff to raise any concerns directly with the Fraud and Corruption Control Officer to ensure clarity and accuracy in compiling the assessment.

To maximise the effectiveness of the fraud and corruption risk assessment process, risks are:

- identified through a comprehensive assessment of all potential fraud or corruption risks in all areas of the company
- analysed using the Inherent Risk Matrix and the Control Matrix as outlined in the Risk Management Framework
- evaluated by assessing the Residual Risk Rating against acceptable tolerance levels
- treated through a Risk Treatment Plan when classified as requiring 'Active Management'.

The Senior Executive Team is responsible for ensuring that the Risk Treatment Plans developed during the course of a fraud and corruption risk assessment process are reviewed every six months, or as required, and provided to the Risk, Audit and Finance Committee and AITSL Board.

Fraud and Corruption Risk Register

Fraud and corruption risks that are profiled through the assessment process are then summarised and recorded in the Fraud and Corruption Risk Register.

AITSL's Fraud and Corruption Risk Register is housed in the AITSL Risk Universe database, along with the Strategic Risk Register and the ICT Risk Register. It has been developed in accordance with AITSL's Risk Management Framework and the Commonwealth's Fraud Risk Assessment Leading Practice Guidance as well as the NACC Act.

The Fraud and Corruption Control Officer is responsible for the maintenance and review of the Register.

2.8 Internal Controls

AITSL has a strong system of internal controls, including governance, risk management, and policy frameworks. These controls are operationalised by a range of functions across the company, ensuring that fraud and corruption risks are considered in business-as-usual activities.

Internal Audit

Internal Audit is an independent function within the company that reports directly to the Risk, Audit and Finance Committee. It conducts better practice assurance activities, audits, and assurance

advisory services that assist in the development of efficient and effective systems of internal control, risk management, and corporate governance.

The results of the most recent fraud or corruption risk assessment will be considered when developing or reviewing the Annual Audit Plan. This is also developed with a view to the company's stated risk appetite for fraud and corruption to ensure that areas with the highest areas of risk are considered.

Risk, Audit and Finance Committee

The Risk, Audit and Finance Committee is responsible for the oversight of AITSL's fraud and corruption control arrangements and ensuring that the company has appropriate processes and systems in place to monitor, prevent, detect, and report fraud and corruption.

The objectives of the Committee are to review the appropriateness of:

- financial reporting
- performance reporting
- system of risk oversight and management
- system of internal control.

Via the Risk, Audit and Finance Committee, AITSL also undertakes targeted internal audits of the company where there is a high level of risk or a perceived risk of fraud or corruption.

The Chair of the Risk, Audit and Finance Committee is responsible for monitoring the decision-making of the Board and Executive and receiving any reports of suspected fraud or corruption by the Board and Executive and progressing them to the Internal Auditors for evaluation and investigation.

Senior Executive Team

The AITSL Senior Executive Team provides senior leadership and strategic direction, makes key decisions, and reviews fraud and corruption risks for the company. Its primary focus is strategic planning, performance monitoring, and resource allocation. It also regularly reviews organisational health based on a range of indicators, including financial performance, internal stakeholder relationship management, human resources, and ICT capability. In addition to this, the Executive and AITSL Management set the 'tone at the top' by creating an ethical culture where staff are encouraged to identify and manage potential fraud or corruption risks.

Operations Board

The Operations Board provides the Senior Executive Team with assurance in relation to programs within its remit. The Operations Board supports accountable program officers in driving excellence in design and delivery by providing an open forum for exchanging and sharing ideas. The Operations Board also facilitates peer learning, financial management, and risk evaluation planning for AITSL's programs of work. As the direct reporting line for all projects, and thus most likely to be exposed to areas of fraud or corruption risk within the organisation, the Operations Board should be focused on improving the culture behind the project delivery environment within AITSL.

Fraud Control Officer

The General Manager of Legal and Governance is AITSL's Fraud and Corruption Control Officer and is accountable as outlined in Section 2.5.

3. Fraud and Corruption Risk Control Policy

3.1 Purpose

The purpose of the Fraud and Corruption Risk Control Policy is to ensure that AITSL staff adhere to the internal control mechanisms to monitor, prevent, investigate, and report fraud and corruption in accordance with the Commonwealth Fraud Control Framework and the NACC.

3.2 Policy Statement

AITSL does not tolerate dishonest, fraudulent or corrupt behaviour and is committed to deterring and preventing such behaviour in the performance of its business operations. Fraud and corruption undermines the ability of AITSL to achieve its objectives.

Fraud and corruption prevention is the responsibility of all AITSL employees, contractors, and third-party organisations engaged to provide or deliver services on behalf of AITSL. All have an essential part in reducing the AITSL's exposure to fraudulent or corrupt activity by behaving in an ethical way consistent with AITSL's values and reporting any incidents of suspected fraud and corruption as per the Reporting Fraud and Corruption Procedures.

2.3 Application

The Fraud and Corruption Control Policy is underpinned by the Fraud and Corruption Risk Assessment and the Reporting Fraud and Corruption Procedures, which with the Policy, comprise the Fraud and Corruption Risk Control Plan.

The Fraud and Corruption Risk Control Plan is approved by the Risk, Audit and Finance Committee.

3.4 Fraud and Corruption Control Principles

AITSL considers all fraud and corruption as a serious matter, and in this regard:

- maintains a 'zero tolerance' attitude towards fraud and corruption and requires that any case of suspected fraud and corruption is reported immediately and, dealt with appropriately
- creates and maintains an ethical culture in the workplace that supports vigilance, diligence, ethics, and the courage to report fraud- and corruption-related concerns
- provides mechanisms for reporting allegations of internal and external fraud or corruption
- adopts a risk-management approach to determine appropriate fraud or corruption control strategies.

To support these principles, AITSL will:

- ensure the Fraud and Corruption Risk Control Plan is published and maintained in accordance with the Commonwealth Fraud Control Framework and available to employees at all times
- conduct fraud and corruption risk assessments every six months or when there are significant changes to the structure and/or function of the company

- increase awareness of the risks of fraud or corruption by providing compulsory fraud and corruption awareness training to new staff at induction and through online training and mandatory refresher courses once a year
- provide periodic fraud and corruption awareness training to ongoing staff and contractors that is designed to target a variety of audiences including high risk areas
- require professional and ethical practice by staff, consultants/contractors, and those who do business with AITSL
- provide easily accessible mechanisms for reporting allegations of internal and external fraud or corruption
- maintain a Fraud and Corruption Control Officer to provide oversight of all fraud control measures established by AITSL
- use all lawful avenues to recover money or property lost through fraudulent or corrupt activity (subject to any recommendations by NACC investigations in the case of corrupt conduct that is serious or systemic)
- refer all allegations of fraud or corruption against AITSL whether internal or external, to the internal auditors for investigation
- refer all allegations of corrupt conduct considered serious or systemic to the NACC as part of its mandatory referral requirements
- ensure all aspects of fraud and corruption control are continuously monitored, reported, and reviewed.

3.5 Monitoring and Review

The General Manager, Legal and Governance is responsible for the monitoring and administration of this policy.

To ensure internal and external fraud or corruption controls, the Fraud and Corruption Risk Control Plan is subject to regular monitoring and review, including:

- providing six-monthly fraud and corruption risk reports to the Risk, Audit and Finance Committee
- reporting fraud or corruption risks to the Risk, Audit and Finance Committee in the event of a major change—including operational, personnel, program—and updating the Fraud and Corruption Risk Register
- reviewing and refining fraud and corruption risk strategies on an ongoing basis considering experience with continuing or emerging fraud vulnerabilities
- considering the outcomes of the fraud or corruption risk assessment in the development of the annual audit work program
- providing annual assurance to the Risk, Audit and Finance Committee that AITSL has a contemporary Fraud and Corruption Risk Control Plan in place and is compliance with the Commonwealth Fraud Control Framework.

4. Reporting Fraud and Corruption Procedures

4.1 Purpose

The purpose of the Reporting Fraud and Corruption Procedures is to outline internal and external reporting procedures for suspected incidents of fraudulent or corrupt activity, how these suspected incidents will be assessed and investigated, and potential criminal, civil, and internal disciplinary actions.

4.2 Application

The reporting procedures align with AITSL's Fraud and Corruption Risk Control Policy and Framework.

All AITSL staff are expected to comply with the Reporting Fraud and Corruption Procedures. Parties external to AITSL wishing to report a potential incident of fraud or corruption can find information on how to report fraud on AITSL's website.

The Fraud and Corruption Control Officer is responsible for the monitoring and administration of the Reporting Fraud and Corruption Procedures.

4.3 How To Report Fraud or Corruption

AITSL accepts reports of suspected fraud or corruption from internal and external parties and ensures the confidentiality of the information received from any party wishing to report a suspected case of fraud or corruption.

The Fraud and Corruption Control Officer has the authority to provide confidential and independent advice to staff and management in relation to concerns around suspected fraud or corruption.

Staff and managers are to be guided by the advice of the Fraud and Corruption Control Officer and are to refrain from any action that might contaminate potential evidence or jeopardise the success of an investigation.

The Fraud and Corruption Control Officer is also responsible for maintaining an appropriate recording, reporting, and analysis system to ensure that all instances of suspected fraud or corruption are satisfactorily resolved. All reported incidents are recorded, documented, and reported in accordance with Commonwealth requirements.

Internal Reporting

All staff are expected to play a part in the detecting and reporting of instances or events of suspected fraud. Allegations or suspicions of fraudulent or corrupt activity or unethical behaviour must be reported.

The best way to report a potential incident of fraud or corruption is to complete the **Fraud or Corruption Incident Report Form** and submit it along with any supporting documentation to **speakup@aitsl.edu.au**.

A report can also be made:

- in person to the Fraud and Corruption Control Officer or the Chief Executive Officer
- in writing to the Fraud and Corruption Control Officer or the Chief Executive Officer
- by email to **speakup@aitsl.edu.au**

The information provided to the Fraud and Corruption Control Officer should include:

- details and dates of the suspected fraud or corrupt conduct
- details of any staff involved (name and location)
- the value of the alleged fraudulent or corrupt conduct
- details of any clients or outside parties involved (name, description, and address)
- potential sources of additional information about the matter in question, such as people and files.

External Reporting

As outlined on the AITSL Website, parties external to AITSL can report a potential incident of fraud or corruption by completing the Fraud or Corruption Incident Report Form and emailing it to **speakup@aitsl.edu.au** along with any other supporting documentation.

4.4 Fraud and Corruption Investigations

AITSL refers all investigations into suspected fraud or corruption against its programs and services to its internal auditors for consideration and investigation. Internal Fraud or corruption is committed by staff or contractors of AITSL in operational and corporate areas. External Fraud or corruption is committed by persons external to AITSL including contractors, providers of goods and services, and recipients of benefits and funding.

All allegations of fraud or corruption against AITSL, whether internal or external, are assessed by the Internal Auditors, and where appropriate, investigated with the aim of proving or disproving the allegations to the criminal standard of proof unless corrupt conduct is considered to be serious or systemic, then the corrupt matter must be referred to the NACC under mandatory referral obligations.

AITSL also works closely with other Australian Government agencies responsible for fraud and corruption prevention and response to allegations of fraud or corruption.

Role of the Australian Federal Police

The Australian Federal Policy (AFP) is the Commonwealth's primary law enforcement agency and protects Commonwealth and national interests from crime in Australia and overseas. The AFP is Australia's international law enforcement and policing representative, and a chief source of advice to the Australian Government on law enforcement issues. The AFP is the lead agency in the investigation of serious or complex fraud against Australian Government programs and systems. In cases of fraud against AITSL resources, information and expertise may be shared with the AFP to assist in investigations considered by the AFP. The Fraud and Corruption Control Officer is responsible for identifying and referring matters to the AFP for its consideration in accordance with AFP protocols.

Role of the Commonwealth Director of Public Prosecutions

The Commonwealth Director of Public Prosecutions (CDPP) is an independent prosecution service established by the Parliament of Australia to prosecute criminal offences against the Commonwealth. The CDPP determines whether to commence prosecution action in accordance with the Prosecution Policy of the Commonwealth. The CDPP is also available to provide advice on questions of evidence and/or other legal issues that arise during an investigation.

Liaison between AITSL and the relevant offices of the CDPP will be conducted in accordance with the principles identified in the Prosecution Policy of the Commonwealth.

Role of the National Anti-Corruption Commissioner

Where corrupt conduct is considered by AITSL as serious or systemic, whether it has been determined by the CEO or the internal auditor, it must be referred to the NACC within 28 days of its disclosure under mandatory reporting requirements. The NACC will then determine if it is serious or systemic corrupt conduct and make recommendations for action accordingly.

4.5 What to Expect When You Report Fraud or Corruption

AITSL takes all allegations of fraud and corruption seriously.

All allegations of fraud and corruption will be provided to AITSL's Internal Auditors for assessment and investigation, if required. Should informants choose to provide personal details when making an allegation, an investigator may be in contact to obtain further information. They should also be aware they may be asked to provide a witness statement and give evidence in court.

Due to privacy restrictions and the integrity of the investigative process, you may not be provided with information regarding the progress of the investigation. Similarly, unless you agree to provide a statement and attend court, the fact that you have made the complaint will not be divulged by investigators.

Protection of Employees Reporting Suspected Fraud and Corruption

AITSL will, in accordance with relevant policies and procedures, including the Public Interest Disclosure Policy, protect any person who has made an allegation against another member of staff or against an external party whether the allegation has been made with full disclosure of the informant's identity or anonymously.

Public Interest Disclosure

The Public Interest Disclosure (PID) scheme, established by the *Public Interest Disclosure Act 2013*, came into effect on 15 January 2014. The PID scheme replaces the former whistleblowing provisions within the *Public Service Act 1999* and provides a new legislative framework for the disclosure and investigation of serious wrongdoing within the Commonwealth public sector. AITSL must comply with the PID Scheme.

The PID scheme does not replace the other avenues available for the reporting of suspected wrongdoing within AITSL (such as reporting to a Fraud and Corruption Control Officer) but instead the PID scheme supplements these.

All AITSL staff and contractors are encouraged to report suspected wrongdoing within the workplace utilising our existing mechanisms and PID scheme where applicable. AITSL is committed to ensuring that suspected wrongdoing covered by the PID scheme, such as corruption, breaches of law and maladministration, is appropriately investigated and addressed. AITSL is also committed to ensuring that those individuals who make disclosures under the PID scheme are supported and protected from reprisals.

AITSL has established a PID Policy and Procedure which outlines the way in which the PID scheme will operate within the company. The PID Policy and Procedure are available on AITSL's website.

Anonymity

AITSL accepts anonymous reports of suspected fraud or corruption. Informants are not required to provide contact details if they do not wish to do so.

Privacy

Personal information is protected in accordance with the *Privacy Act 1988*. Any personal information collected will only be used for the purposes connected to the investigation of the allegation.

4.6 Disciplinary Action

The internal auditors may determine through the course of their investigation that it is not appropriate to refer an incident of fraud to the police. In circumstances like these, where an incident does not warrant police investigation, AITSL may pursue a range of remedies including dismissal, demotion, or reprimand.

AITSL has adopted a policy wherein it will actively pursue the recovery of any money or property lost through fraud, provided there is a strong prospect of a net benefit to the company from such action.

5. Governance

5.1 Legislative Context

The Fraud and Corruption Risk Control Plan has been developed in accordance with the Commonwealth Fraud and Corruption Control Guidelines 2024 (the Guidelines), section 10 of the *Public Governance, Performance and Accountability Rule 2014* and the *National Anti-Corrupt Commission Act 2022*. Breaches of the Guidelines may attract a range of criminal, civil, administrative, and disciplinary remedies, including under the *Criminal Code* and the *Crimes Act 1914*.

Consistent with AITSL's Strategic Risk Management Plan, the Fraud and Corruption Control Framework applies the risk management principles outlined in:

- the AS/NZS ISO 31000:2009 - Risk Management – Principles and guidelines
- the Australian National Audit Office (ANAO) Better Practice Guide for Fraud Control in Australian Government Entities (March 2011)
- the Australian Standard AS8001:2021 for Fraud and Corruption Control
- the Australian Government Investigation Standards (AGIS).

The AITSL Board and Chief Executive Officer are required to assess the risk of fraud, develop, and implement fraud control strategies and review the effectiveness of these strategies for their agency.

5.2 Related Documents

- AITSL Behaviours and Values
- Commonwealth Fraud and Corruption Control Framework 2024
- Commonwealth Fraud and Corruption Control Guidelines 2024
- Conflict of Interest Policy | AITSL Staff
- Conflict of Interest Policy | Board Directors
- Cyber Security Policy
- Public Information Disclosure Policy
- Procurement Policy
- Prosecution Policy of the Commonwealth
- Risk Management Policy
- Risk Management Framework
- Risk Management Procedure
- Strategic Risk Management Plan

5.3 Version Control and Approval

Version	Approver	Date approved	Reason for update	Date of next review
Version 1	Audit and Risk Committee	7 February 2012	Update to reflect 2011 Commonwealth Fraud	February 2014
Version 2	Audit and Risk Committee	11 June 2014	Update, reformat and combine the Fraud Control Policy and the Fraud Control Plan	June 2016
Version 3	Audit and Risk Committee	6 October 2017	Update, reformat and combine the Fraud Control Policy and the Fraud Control Plan	October 2019
Version 4	Audit and Risk Committee	4 February 2020	Update to include whistleblower protections	February 2022
Version 5	Audit and Risk Committee	9 June 2020	Update to respond to internal audit recommendations	June 2022
Version 6	Risk, Audit and Finance Committee	15 June 2021	Restructure of information, update of Fraud Risk Assessment process	June 2022
Version 7	Risk, Audit and Finance Committee	7 June 2022	Minor updates to further clarify fraud and corruption policy	June 2023
Version 8	Risk, Audit and Finance Committee	22 August 2023	Updates as a result of the *National Anti-Corruption Commission Act 2022*	July 2024
Version 9	Risk, Audit and Finance Committee	11 June 2024	Updates regarding the *Crimes Legislation Amendment (Combatting Foreign Bribery) Act 2024* (Cth)	June 2025

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