

Policy name	Fraud Control and Corruption Prevention Policy
Policy date	June 2019
Authorisation	Mission Australia Board
Policy owner	General Manager, Enterprise Risk and Assurance
Policy type	Enterprise Policy and Governance
Policy Setting	Ethics

1 Purpose

- 1.1 Ensure that anyone working for or on behalf of Mission Australia are aware of their responsibilities regarding the identification and prevention of fraudulent or corrupt conduct.
- 1.2 Promote a workplace culture where corruption is not acceptable.
- 1.3 Protect the integrity and good reputation of Mission Australia.

2 Scope

- 2.1 This policy applies to all entities within the Mission Australia Group and to all Directors, employees, volunteers, contractors and consultants in relation to their work with/for the Mission Australia Group of entities ('employees').

Definitions

- 2.2 **Fraud** - To dishonestly obtain or arrange a benefit by deception or other means. Examples include:

- Theft such as stealing property, petty cash, gift cards, donations, client funds or corporate assets;
- Falsification of records, accounts or documents to deceive;
- Dishonesty destroying or concealing accounts or records
- Embezzlement or misappropriation of funding or other assets;
- Misuse of assets or property for personal benefit (e.g. vehicles); and
- Forgery or issuing false or misleading statements with intent to obtain financial advantage or deceive

- 2.3 **Corruption** - Dishonestly obtain a benefit by misuse of power, position, authority or resources. Examples include;

- Bribery, extortion & blackmail;

- Secretly giving or accepting gifts & benefits in return for preferential treatment to the giver;
- Collusion, false quotes, false invoices or price fixing;
- Manipulating design & specifications or processes for personal gain or to conceal defects;
- Complicity in excessive billing or submission of false support or documents or concealment of documents;
- Falsifying job qualifications or work or safety certifications;
- Nepotism (favouring relatives); and
- Privacy breaches or data manipulation with intent to cause harm

3 Policy

- 3.1 Mission Australia has no tolerance for fraud or corruption including the associated reputational impact.
- 3.2 Every dollar taken by theft or fraud reduces the Mission Australia Group of entities' capacity to maintain the same level of frontline services to people in need or will reduce back office support to compensate for the loss.
- 3.3 We rely on the support of government, business and the community to deliver the services we provide to people in need. Reputational damage arising from poor fraud control procedures can lead to a significant decline in confidence in the Mission Australia Group of entities and have an adverse impact on donations and funding, leading to a more severe impact on the services we deliver and back office support than the initial theft.
- 3.4 It is in everyone's interests to prevent fraud and corruption from occurring and to speak up if they suspect fraudulent or corrupt behaviour.
- 3.5 Incidences of suspected fraud or corruption must be reported immediately to the General Manager, Enterprise Risk & Assurance and their supervisor (except where their supervisor may be involved in the fraud or corruption event).
- 3.6 The *Whistle-blower Policy* provides an alternative reporting mechanisms and protective arrangements to encourage people who work for or with Mission Australia to speak up about possible wrong doing for early resolution.
- 3.7 Mission Australia will inquire and investigate all suspected fraud and corruption tip-offs regardless of source or if made anonymously
- 3.8 Mission Australia will seek to recover losses sustained through acts of fraud or corruption through all available avenues
- 3.9 All incidents of fraud and corruption will be reported to external parties, where appropriate.

3.10 Prevention

- 3.10.1 Preventative measures include:

- Regular review of the integrity framework supporting a culture of integrity and intolerance of fraud or corruption
- Awareness training and education
- Continual quality improvement reviews of internal control and compliance measures
- Pre-employment screening (including volunteers, contractors and consultants, where appropriate)
- Maintenance of a database for trend analysis to identify early action

3.11 Detection

3.11.1 Detective measures include:

- Fraud & corruption detection programs such as data mining and analysis
- Alternative reporting mechanisms such as the Speak Up Integrity Line
- Whistle-blower protection
- Internal audit awareness during audits
- External audit awareness during audits

3.12 Response

3.12.1 Response measures include:

- Revision and refreshment of policies to rectify deficiencies
- Maintenance of an internal investigative capability
- Internal notification, escalation and investigation of fraud and corruption (or allegations of) incidents as per the *Enterprise Incident Management Policy and Procedure*.
- Internal reporting of investigation outcomes and escalation where appropriate
- Review of internal controls after every confirmed incident
- Application of disciplinary procedures for detected incidents
- Civil action to recover losses where appropriate
- Mission Australia insurance program
- Public reporting of incidents where CEO approves
- Media management involvement as appropriate
- Reporting to funding agencies of incidents and rectification measures
- Referral to external organisations and agencies, such as Police, as appropriate, after CEO approval

4 Responsibilities

4.1 All Mission Australia Directors, Employees, Volunteers and Contractors

- 4.1.1 Everyone in the Mission Australia Group of entities is responsible for fraud control and corruption prevention. Every person must take responsibility to understand the Code of Conduct and to report suspected incidents immediately.

4.2 Board

- 4.2.1 The Board together with executive management sets ethical principles that form the foundation of an ethical anti-fraud culture.

4.3 Board Audit & Risk Committee

- 4.3.1 Reviewing and monitoring policies for preventing and detecting fraud,
- 4.3.2 Reviewing fraud reports from management and auditors.

4.4 CEO

- 4.4.1 Set the ethical 'tone at the top' to flow throughout Mission Australia group of entities to entrench a culture of high ethics and integrity,
- 4.4.2 Approve terms of reference for any investigation into fraud or corruption, and
- 4.4.3 Approve or endorse final action to be taken in response to actual incidents of fraud or corruption.

4.5 Executives

- 4.5.1 Ensure that there are programs and controls in place to address risk including fraud and corruption risk and that those controls are effective.
- 4.5.2 Oversee daily operations in which fraud or corruption risks may arise,
- 4.5.3 Be actively involved in planning activities to prevent, detect and respond to suspected fraud and corruption incidents.
- 4.5.4 Respond to adverse trends identified from the fraud and corruption database.

4.6 Managers

- 4.6.1 Understand potential fraud exposures relevant to business operations and implement measures to manage and monitor.
- 4.6.2 Introduce and maintain controls to prevent incidents of fraud or corruption from arising in their area of responsibility.
- 4.6.3 Ensure that a fraud or corruption risk assessment has been conducted for their area of responsibility at least once annually.

- 4.6.4 Immediately notify all suspected fraud or corruption incidents that are detected within their jurisdiction to the General Manager, Enterprise Risk and Assurance.
- 4.6.5 Respond to the outcomes of any investigation or inquiry into any suspected fraud or corruption incident.

4.7 All Employees Workers (Directors, executives, managers, employees, volunteers, contractors & consultants regardless of whether working full time, part time, casual etc.)

- 4.7.1 Be continually alert to the possibility of fraud or corruption incidents and to internal control lapses.
- 4.7.2 Inform their manager (or their manager's supervisor) of any suspected incidents or control lapses or weaknesses.
- 4.7.3 Notify the General Manager, Enterprise Risk & Assurance about any suspected incidents.
- 4.7.4 Alternatively, where reporting by normal channels is restricted, refer to the *Whistleblower Policy* for reporting through the Integrity line (1800 021 673) or email integrity@missionaustralia.com.au.
- 4.7.5 Not engage in any fraudulent or corrupt conduct.

4.8 General Manager, Enterprise Risk & Assurance

- 4.8.1 Prepare investigation terms of reference and investigation plans.
- 4.8.2 Consult with Executives about the best course of action when suspected fraud or corruption incidents are raised.
- 4.8.3 Consult with appropriate line managers and specialist personnel during inquiries or investigation into fraud or corruption.
- 4.8.4 Ensure there is a quality internal investigative capability independent of line management.
- 4.8.5 Provide notice to external parties of fraud or corruption incidents after consultation with the relevant Executive or CEO.
- 4.8.6 Facilitate fraud and corruption awareness and education.
- 4.8.7 Maintain a database of fraud or corruption incidents and provide trend analysis to Executives.
- 4.8.8 Maintain the Whistle-blower Policy and the Integrity Line for receipt of reports of serious wrongdoing.
- 4.8.9 Report on status of the fraud control and corruption prevention strategy to the Executive Team and the Board Audit & Risk Committee.
- 4.8.10 Review the integrity framework and the fraud control strategy regularly.

4.9 Internal Audit

- 4.9.1 Maintain awareness of the possibility of fraud or corruption during audit work.
- 4.9.2 Provide advice and guidance on internal controls to prevent fraud or corruption.

4.9.3 Conduct tests of systems to identify possible fraud or corruption.

4.9.4 Provide specialist investigatory expertise where needed.

4.10 External Audit

4.10.1 Maintain awareness of the possibility of fraud or corruption during audit work.