

FRAUD CONTROL & CORRUPTION PREVENTION POLICY

Policy owner: National Joblink
Policy date: November 2017

1. PURPOSE

The objective of this policy is to protect against, detect and respond to fraud and corruption in order to protect the interests of clients, workers and other stakeholders while retaining a high ethical standing within the community for National Joblink.

2. SCOPE

This policy applies to all entities within National Joblink and to all Directors, employees, volunteers, contractors and consultants in relation to their work with/for National Joblink.

3. POLICY STATEMENT

National Joblink cannot and will not tolerate fraud or corruption.

Every dollar taken by theft or fraud reduces National Joblink's capacity to maintain the same level of frontline services to people in need or will reduce back office support to compensate for the loss.

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 lax fraud control procedures can lead to a significant decline in confidence in National Joblink 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.

It is in everyone's interests to prevent fraud and corruption from occurring and to report every suspected incident immediately to the head of risk management and their supervisor (except where their supervisor may be involved in the fraud or corruption event).

4. DEFINITIONS

Fraud

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;
- Dishonestly 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.

Corruption

Dishonestly obtain a benefit by misuse of power, position, authority or resources.

Examples include:

- Bribery, extortion & blackmail;
- Secretly permitting personal interests to override corporate interests;
- 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 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.

5. RESPONSIBILITIES

Everyone in National Joblink is responsible for fraud control and corruption prevention. Accordingly, every person must report every suspected incident immediately to both the head of risk management and to their supervisor (except where their supervisor may be involved in the fraud or corruption event in which case they report it to their supervisor's supervisor).

Further specific responsibilities are:

Board

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

Board Audit & Risk Committee

- Reviewing and monitoring policies for preventing and detecting fraud;
- Reviewing fraud reports from management and auditors.

CEO

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

Executives

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

Managers

- Introduce and maintain controls to prevent incidents of fraud or corruption from arising in their area of responsibility.
- Ensure that a fraud or corruption risk assessment has been conducted for their area of responsibility as least once annually.
- Immediately notify all suspected fraud or corruption incidents that are detected within their jurisdiction to the head of risk management.
- Respond to the outcomes of any investigation or inquiry into any suspected fraud or corruption incident.

All Workers

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

- Be continually alert to the possibility of fraud or corruption incidents and to internal control lapses.
- Inform their manager (or their manager's supervisor) of any suspected incidents or control lapses or weaknesses.
- Notify the head of risk management about any suspected incidents.
- Not engage in any fraudulent or corrupt conduct.

Head of Risk Management

- Prepare investigation terms of reference and investigation plans.
- Consult with Executives about the best course of action when suspected fraud or corruption incidents are raised.
- Consult with appropriate line managers and specialist personnel during inquiries or investigation into fraud or corruption.
- Ensure there is a quality internal investigative capability independent of line management.
- Provide notice to external parties of fraud or corruption incidents after approval by the CEO.
- Facilitate fraud and corruption awareness and education.
- Maintain a database of fraud or corruption incidents and provide trend analysis to Executives.
- Report on status of the fraud control and corruption prevention strategy to the Executive Team and the Board Audit & Risk Committee.
- Review the integrity framework and the fraud control strategy regularly.

Internal Audit

- Maintain awareness of the possibility of fraud or corruption during audit work.
- Provide advice and guidance on internal controls to prevent fraud and corruption.
- Conduct tests of systems to identify possible fraud or corruption.
- Provide specialist investigatory expertise where needed and maintain a manual of investigatory procedures.

External Audit

- Maintain awareness of the possibility of fraud or corruption during audit work.
- Notify the Board if incidents of fraud or corruption are identified.

6. **APPLICATION**

National Joblink is committed to minimising fraud and corruption and instilling a culture of:

- 'Zero tolerance' of fraudulent and corrupt behaviour;
- Inquiring and investigating all suspected fraud and corruption tip-offs regardless of source or if made anonymously;
- Recovery of losses sustained through acts of fraud or corruption through all available avenues;
- Reporting all incidents of fraud or corruption to external parties as appropriate.

a) Prevention

Preventative measures include:

- Regular review of the integrity framework supporting a culture of integrity and intolerance of fraud or corruption.
- Awareness training and education.
- Risk assessments as part of annual project risk assessments.
- 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.
- Annual update of fraud control and corruption prevention plans for resolution of shortfalls in any of these preventative measures.

b) Detection

Detective measures include:

- Fraud & corruption detection programs such as data mining and analysis
- Alternative reporting mechanisms such as the Speak Up Integrity Line
- Discovery during grievance management
- Quality assurance officer and compliance officer awareness during reviews
- Internal audit awareness during audits
- External audit awareness during audits

c) Responses

Response measures include:

- Review of the Fraud Control & Corruption Prevention Plan and related policies
- Maintenance of an internal investigative capability including qualified investigator and up-to-date investigation manual
- Internal reporting of 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
- Maintenance of insurance policies
- 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.

7. BREACH

A breach of this Policy may result in disciplinary action that may involve severance from the organisation.

8. AUTHORITY

This Policy is approved by the Executive Leadership Team and was reviewed by the Board