

# Fraud Control Plan

## 2020-2022



## Fraud Control Plan 2020-2022

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## 1. Purpose

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) establishes a framework for the accountable authority of a Commonwealth entity to govern the entity in a way that promotes the proper use and management of public resources for which the authority is responsible, the achievement of the purposes of the entity and the financial sustainability of the entity.

A rule has been established for fraud risk management and controls for Commonwealth entities to support sections 15 and 16 of the PGPA Act, the rule articulates the key elements required for the establishment and maintenance of fraud risk management and control systems, including assessment and control plans, education and training, prevention, detection, investigation, response and reporting relating to fraud. These elements, implemented with regard to guidance on fraud control issued by the Minister for Justice<sup>1</sup>, articulate a flexible framework for fraud control that can be tailored to the circumstances and needs of different entities while providing coherent, consistent, transparent and accountable requirements.

This Fraud Control Plan documents the Corporation's approach to controlling fraud, encompassing prevention, detection, reporting and investigation measures. The Fraud Control Plan will be distributed widely in the Corporation to raise the awareness and profile of fraud issues to staff so they can consider fraud in the context of their daily functions and processes at the Corporation. Managing fraud is a natural and embedded part of doing business at the Corporation.

## 2. Background

The Corporation is a statutory corporation formed under the *Primary Industries Research and Development Act 1989* (PIRD Act). It was established by the Australian Government to work closely with rural industries on the organisation and funding of their research, development and extension needs.

The Corporation's vision is enhanced prosperity for Australian rural industries and their communities, and the goals are to:

- a. promote leadership and innovation in the rural sector;
- b. increase profit and productivity in rural industries; and
- c. enhance sustainability across the rural sector.

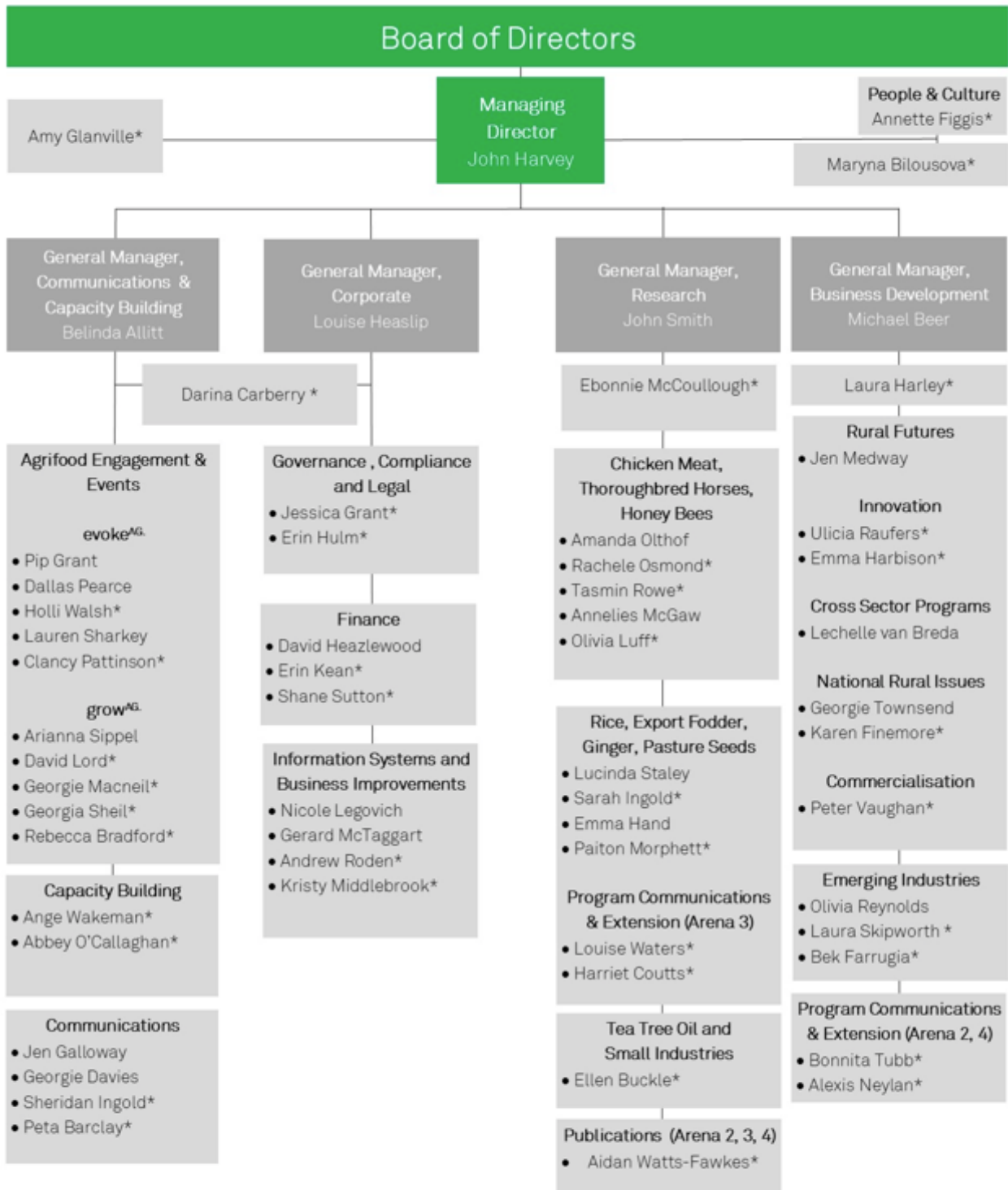
The Corporation is fully committed to governance systems that enhance performance and compliance. The Corporation Board monitors the review of policies and processes concerning all major areas of operations within the Corporation. The Corporation has an obligation to manage its risks, including fraud, under the PGPA Act.

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<sup>1</sup> Currently the Commonwealth Fraud Control Framework 2017.

### 3. Organisational Structure

An outline of the organisational structure is provided in the diagram below:



Update as of 17 January 2022

\* denotes third-party employee, not a part of the ASL cap

#### 4. What is Fraud?

The Commonwealth Fraud Control Framework (the Framework) defines fraud as ‘Dishonestly obtaining a benefit, or causing a loss, by deception or other means’. The Framework acknowledges that there is ‘a mental or fault element to fraud; it requires more than carelessness, accident or error’.

This definition includes (but is not limited to):

- a. theft;
- b. accounting fraud (false invoices, misappropriation etc.);
- c. unlawful use of, or obtaining property, equipment, material or services;
- d. causing a loss, or avoiding and/or creating a liability;
- e. providing false or misleading information to the Commonwealth, or failing to provide it where there is an obligation to do so;
- f. misuse of Commonwealth assets, equipment or facilities;
- g. making, or using false, forged or falsified documents; and
- h. wrongfully using Commonwealth information or intellectual property.

A benefit is not restricted to monetary or material benefits, and may be tangible or intangible, including the unauthorised provision of access to or disclosure of information. A benefit may also be obtained by a third party rather than, or in addition to, the perpetrator of the fraud.

Fraud against the Commonwealth can take many forms, and may target:

- a. revenue;
- b. property (e.g. cash, computers, other portable and attractive items, stationery);
- c. information and intelligence (e.g. personal information or classified material);
- d. Commonwealth program funding and grants (e.g. education, childcare, employment);
- e. entitlements (e.g. expenses, leave, travel allowances, attendance records);
- f. facilities (e.g. unauthorised use of vehicles, information technology and telecommunication systems); and
- g. money or property held in trust or confiscated.

The risk of fraud can come from inside an agency, that is, from its employees or contractors. This is known as internal fraud. External fraud, on the other hand, is where the risk of fraud comes from outside the agency, that is, from external parties, such as clients, service providers or other members of the public.

Staff should also be alert to the risk of complex fraud involving collusion between staff and external parties. Complex fraud, which may also constitute corrupt conduct, can include instances where an employee or group of employees:

- a. are targeted and succumb to exploitation by external parties (bribery, extortion, grooming for favours or promises); or
- b. initiate the misconduct (including through infiltration of an agency by an external party).

Note that some forms of corrupt conduct, such as soliciting for bribes or secret commissions, may not cause a direct loss to the Commonwealth, but may distort the market for fair provision of services or inflate prices.

Fraud includes the emerging area of Identity Fraud defined by the Australian National Audit Office as *'the gaining of money, goods, services or other benefits or the avoidance of obligations through the use of a fabricated identity, a manipulated identity, or a stolen / assumed identity'*.

## 5. The Corporation's Fraud Control Policy

The Corporation's Fraud Control Policy is issued in accordance with the Commonwealth Fraud Control Framework 2017, and seeks to assist employees, contractors and the public understand what fraud is and encourage employees at all levels to participate in protecting public resources. Whilst key principles are communicated through this policy and plan, more detailed information is available via the source sections of the Commonwealth Fraud Control Framework 2017.

The Corporation's Fraud Control Policy is provided at Attachment 1 to this document.

## 6. Indicators of Fraud

Managers and staff should be alert to the common signs of fraud. Signals for potential fraud include:

- a. illogical excuses and reasons for unusual events or actions;
- b. senior staff involved in routine process work such as purchasing, ordering and receiving of goods;
- c. staff evidently living beyond their means, who have access to funds or control or influence over service providers;
- d. excessive staff turnover;
- e. staff who do not take holidays for extended periods;
- f. potential conflicts of interest not declared;
- g. excessive number of duties (e.g. both processing and approving the same transaction) residing with one person;
- h. undue secrecy, or excluding people from available information;
- i. staff who treat controls and standard practice as challenges to be overcome or defied;
- j. evidence of failure to conduct reference checks on staff prior to employment;
- k. unauthorised changes to systems or work practices;
- l. missing documentation relating to client or agency financial transactions;
- m. "Blind approval," where the person signing does not sight supporting documentation;
- n. duplicate invoices; and
- o. alterations of documents.

## 7. Roles and responsibilities

The Corporation's Board has primary responsibility for fraud control across the organisation, with key Management being delegated specific fraud control responsibilities. Roles and responsibilities relating to Fraud Control within the Corporation are outlined in the table below:

Role	Responsibilities
<b>Managing Director</b>	The Managing Director has principal responsibility for fraud control in the Corporation and for ensuring that the Corporation complies with the Commonwealth Fraud Control Framework 2017. The Managing Director is the primary contact point for fraud allegations and is the responsible officer for appointing Investigation Officers and making decisions in circumstances involving reported or suspected fraud.
<b>Audit Committee</b>	The Chair of the Audit Committee is the responsible officer for appointing an Investigation Officer and making decisions where the Managing Director is the subject of reported or suspected fraud. The Audit Committee evaluates the Corporation's fraud risk assessments and monitors the adequacy of its Fraud Control Plan.
<b>General Manager Corporate</b>	The General Manager Corporate is the responsible officer for fraud control policy and the collection of data on fraud and fraud control activities within the Corporation.
<b>General Managers / Senior Managers / Managers</b>	Managers are required to manage the risks that fall within their area of responsibility and promote a corporate culture that fosters ethical behaviour and accountability. It is important to identify, assess, prevent and treat fraud risks as part of overall risk management and business planning strategies. However, fraud risks should be highlighted to enable these risks to be identified and reported on separately in accordance with Commonwealth Government reporting requirements. Managers also must ensure there is a high level of fraud awareness amongst their staff and contractors.
<b>All staff, third-party employees and contractors</b>	Staff, third-party employees and contractors should take into account the need to prevent and detect fraud as part of their normal responsibilities. They should participate in risk management exercises and assist with the development of fraud control measures. They must provide assistance and co-operate fully with any fraud investigations, and report all instances of suspected fraud.

In case of uncertainty, all questions in relation to roles and responsibilities should be directed to the General Manager, Corporate.

## 8. Components of the Corporation's Fraud Control Plan

The Corporation's fraud control plan is structured around four key fraud control activities:

Activity	Description
<b>Prevention</b>	Providing a summary of the identified internal and external fraud risks or vulnerabilities associated with the Corporation. Identification of the treatment strategies or controls (including policies, governance and other structures, and procedures) put in place to mitigate the identified risks of fraud or attempted fraud. Strategies for ensuring that the Corporation meets its training requirements.
<b>Detection</b>	Identification of information about implementation and detection such as identifying positions responsible for implementation, timeframes, monitoring arrangements, and channels and processes for employees, contractors or members of the public to report fraud or suspected fraud.
<b>Reporting</b>	Establishing mechanisms for collecting, analysing and reporting the number and nature of incidents of fraud or alleged fraud within or against the Corporation.
<b>Initial Assessment and Investigation</b>	Establishing protocols setting out how the agency will handle allegations/suspicions of fraud, including assessment of allegations, establishment of investigations and options for resolution of incidents (such as referral to the AFP / DPP and when/how to initiate recovery action).

The Corporation may utilise the services of contractors or consultants to assist with fraud control activities, including Prevention and Detection. Qualifications outlined in the Framework are relevant for Corporation staff directly involved in fraud control activities, including Prevention or Detection. Corporation Management will assign fraud control activities based on experience and qualifications.

The Corporation's approach to meeting the requirements of each of these activities is discussed below.

### 8.1. Prevention

Effective fraud prevention relies upon a strong fraud risk assessment process. Under this plan, and in accordance with the Framework, the Corporation identifies potential risks and implements appropriate treatments to minimise the risk. This process is undertaken in a manner consistent with the Australian/New Zealand Standard AS/NZ ISO 31000-2009 Risk Management – Principles and Guidelines. The steps taken to determine risks which should be subject to treatment are as follows:

- a. establish the likelihood and consequence of each risk;
- b. establish the current controls;
- c. assess whether the current level of risk should be accepted in the context of current processes and controls; or, whether current controls could be strengthened – in both the context of reducing fraud risk and improving overall processes within the organisation; and
- d. determine the treatment where the current risk level was deemed unacceptable.



**In accordance with the Framework:**

- a. the Corporation conducts a risk assessment, including fraud risks, at least once every two years, or more often if necessary. This risk assessment process is conducted as part of the Corporation's organisational risk assessment process, and results in a risk based approach to fraud management cognisant of likelihood and consequence. This process provides an opportunity for risks and related strategies to be refined progressively.
- b. this risk assessment process is subject to the direct oversight and supervision of the General Manager Corporate.
- c. this risk assessment process is compliant with both Australian/New Zealand Standard AS/NZ ISO 31000-2018 Risk Management – Principles and Guidelines and Australian Standard AS 8001-2008 Fraud Corruption and Control.
- d. risk assessments consider internal and external fraud risks.
- e. risk assessments include the careful assessment of likelihood and consequence of fraud.
- f. where the Corporation undergoes a substantial change in structure, function, or where there is a significant transfer in function, the Corporation must undertake another fraud risk assessment in relation to changed functions.
- g. risk assessment strategies documented in formal risk treatment plans are reviewed and refined on an on-going basis in light of experience with continuing or emerging fraud vulnerabilities. These treatment plans document the nature of the treatment, the positions responsible, time frames and provide a monitoring mechanism for evaluating the treatment of risks.
- h. the Corporation's Board, the Audit Committee, management and staff are responsible for the ongoing implementation of the Plan and will do so by:
  - i. treating or managing each risk through the implementation of risk treatment plans;
  - ii. incorporating risk management strategies, detailed in this Plan, into the Corporation's broader business planning processes;
  - iii. annually reviewing and updating the Plan to account for changes in risks; and
  - iv. the Corporation conducts annual training in fraud awareness raising and prevention for all employees and designated contractors.
- i. the outcomes of fraud risk assessments are provided to the Corporation's internal audit function, for consideration in the annual audit work program.
- j. the Corporation provides a copy of this Fraud Control Policy and Plan to designated consultants and contractors.
- k. additional information regarding the Corporation's zero tolerance to fraud, fraud reporting templates and guidelines are available to key Third Party Providers via the Corporation's website and the AgriFutures Program Management System.

The detailed treatment plans and outcome of the risk assessment process are provided at Attachment 2.

The fraud risk assessment methodology is based on the Corporation's standard risk assessment methodology. The effectiveness of this risk assessment and related fraud control activities is monitored and managed through the 'Assurance Map' which is reported quarterly to the Corporation's Audit Committee as part of the standard risk management process.

## 8.2. Detection

### General principles:

The Corporation relies upon the following techniques for detecting fraud:

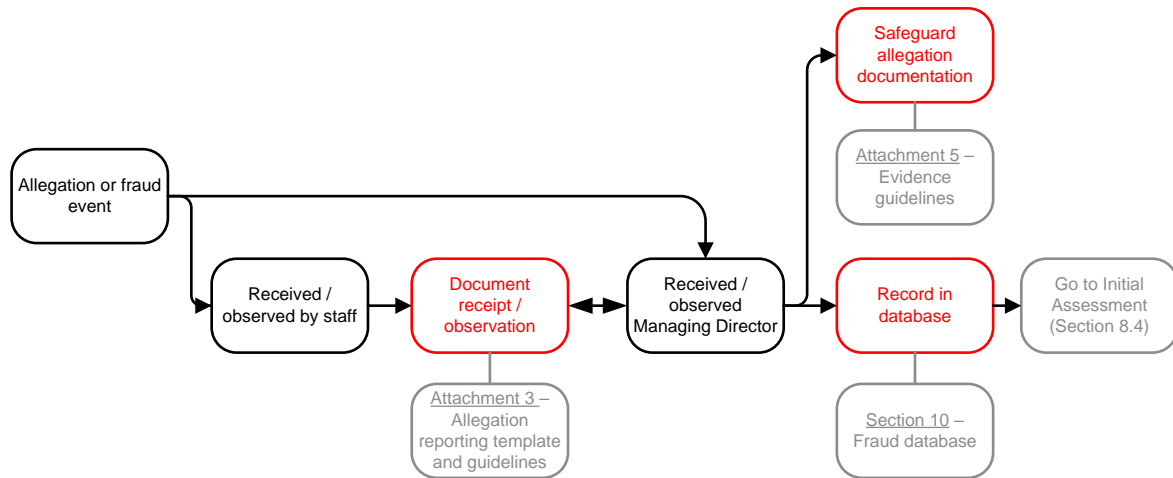
- a. identification of a key contact point for the reporting of fraud, being the Managing Director. Circumstances involving the Managing Director should be reported to the Chair of the Audit Committee;
- b. management of high risk fraud areas through a formal ‘assurance map’, identifying for each high risk the proposed methods of assurance implemented to detect and protect against fraud;
- c. encouragement of the reporting of suspected fraud from staff, stakeholders, partners, suppliers and members of the public through confidential reporting mechanisms;
- d. conducting annual reviews of the Corporation’s control environment; and
- e. the Corporation has established effective accounting and system controls (including audit logging) that minimise the risk of fraud, and maximise the chances of early detection should it occur.

### Specific directions:

Fraud detection within the Corporation is not a passive process. Specific guidance for staff and contractors relating to the detection of fraud is outlined in the table below:

Activity	Description	Procedural Guidance
Reporting fraud	Staff and contractors are encouraged to report any instances of fraud to the Managing Director or Chair of the Audit Committee (as appropriate).	
Receiving an allegation from other staff, stakeholders, partners, suppliers or members of the public	In the event that staff or contractors receive an allegation (verbally or in writing), the Corporation has developed procedural guidance to ensure allegations are appropriately documented and actioned. All staff and contractors are required to follow this guidance.	<b>Attachment 3</b> - Allegation reporting template and guidelines
Receipt of allegation	Following the receipt of an allegation, the Corporation has a formal process for reviewing the allegation and determining an appropriate outcome.	Refer Section 8.4
Record allegation in fraud database	All allegations received by the Managing Director (or Chair of the Audit Committee) will be recorded in the Corporation’s fraud database.	Refer Section 10 – Fraud database
Safeguard evidence / information	All information collected as a result of the allegation is to be safeguarded in accordance with the Corporation’s evidence guidelines.	<b>Attachment 5</b> – Evidence guidelines

This process is outlined in the flowchart below:  
Figure 1.0



In the case of any uncertainty, staff and contractors are encouraged to consult directly with the General Manager Corporate.

**In accordance with the Framework:**

- a. the Corporation has appropriate systems in place to ensure fraud (internal or external) is detected;
- b. the Corporation has in place appropriate channels for staff and members of the public to confidentially report fraud;
- c. the Corporation appropriately records, analyses and monitors instances of fraud; and
- d. the Corporation has established an appropriate framework to encourage and support reporting of suspected fraud.

**8.3. Reporting**

The Corporation’s Board is required to keep the Minister informed of all relevant fraud control initiatives undertaken by the Corporation through the Annual Report including:

- a. fraud prevention initiatives undertaken by the agency in the reporting period, including an evaluation of their effectiveness;
- b. planned fraud prevention initiatives not yet in place;
- c. information regarding significant fraud risks for the agency; and
- d. significant fraud incidents which occurred during the reporting period.

The Board is required to certify to the Minister in the Corporation’s Annual Report that it is satisfied the Corporation has:

- a. prepared a fraud risk assessment and a Fraud Control Plan;
- b. has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes; and
- c. that the Corporation has taken all reasonable measures to minimise the incidence of fraud in their agency and to investigate and recover the proceeds of fraud against their agency.

The Corporation must complete the Fraud against the Commonwealth Annual Survey by 30 September each year and provide this to the Attorney General’s Department (through the Australian Institute of Criminology). The Corporation monitoring and reporting procedures for risks, including fraud is on a monthly, quarterly, and annual reporting cycle:

- a. monthly and quarterly reporting to the Board through Management on changes to the fraud risk ratings and controls and progress on the risk treatment plan; and
- b. annual reporting through the Audit Committee to the Board on the overall implementation of the Fraud Control Plan and changes to the controls and progress on the risk treatment plan.

The collection and analysis of fraud incidents (including alleged fraud) will be the responsibility of the Managing Director and reported to the Corporation Board.

The Chair of the Audit Committee will appoint an Investigation Officer and make decisions where the Managing Director is the subject of reported or suspected fraud.

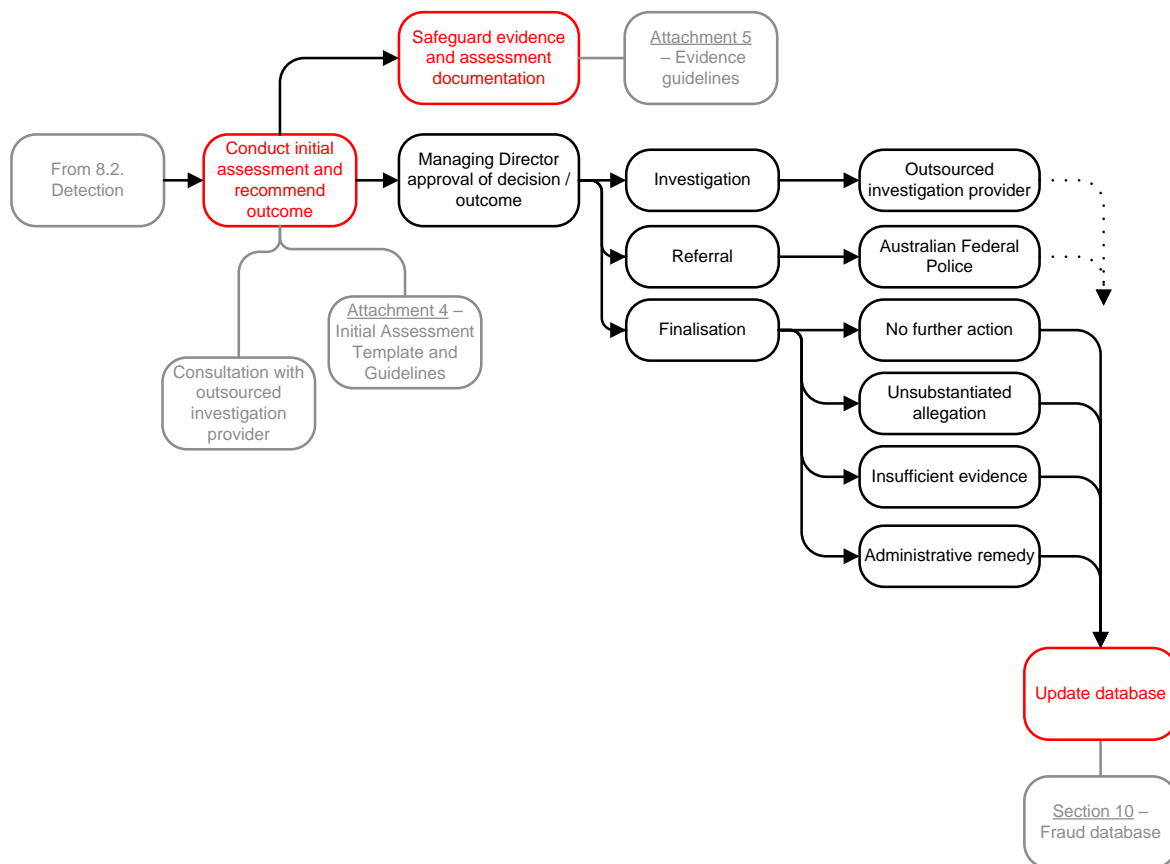
**8.4. Initial Assessment and Investigation**

**Specific directions:**

Following receipt of an allegation by the Managing Director (or Chair of the Audit Committee), the allegation will be subject to an initial assessment process by the Managing Director (or Chair of the Audit Committee). The initial assessment process will be conducted in compliance with the following procedural guidance:

Activity	Description	Procedural Guidance
<b>Conduct initial assessment</b>	Following the recording of the allegation, the allegation will be subject to an initial assessment process to determine the most appropriate course of action (i.e. investigation, referral to the AFP/DPP or finalisation).	<b>Attachment 4 – Initial Assessment Template and guidelines</b>
<b>Safeguard evidence / information</b>	All information collected as a result of the allegation is to be safeguarded in accordance with the Corporation’s evidence guidelines.	<b>Attachment 5 – Evidence guidelines</b>
<b>Update fraud database with process outcomes</b>	The outcome of the initial assessment process and any following investigations are to be recorded in the fraud database. Where a decision is taken to use civil, administrative or disciplinary penalties or to take no further action, the Managing Director (or Chair of the Audit Committee) is to document the reasons in writing.	<b>Section 10 – Fraud database</b>

This process is outlined in the flowchart below:  
Figure 2.0



### Requirements relating to investigations:

In the event that the initial assessment process determines that an investigation is required, all investigation activities are to be conducted in compliance with the Fraud Control Guidelines. Specifically:

- a. the Managing Director (or Chair of the Audit Committee) shall appoint an Investigation Body in circumstances where fraud is reported or suspected.
- b. investigation Bodies must be, and be seen to be, objective and free of actual and potential conflict of interest.
- c. Investigations shall be carried out by Investigating Bodies to a standard consistent with the Australian Government Investigation Standards (AGIS). Investigations shall observe natural justice principles, which means people subject to reported or suspected fraud:
  - i. are presumed to be innocent until proven guilty; and
  - ii. have a right to respond to allegations and to be represented during any formal disciplinary proceedings.
- d. investigating Bodies must undertake fraud investigations subject to the requirements of Commonwealth Fraud Control Framework.
- e. while investigations are taking place, all parties involved are to be treated fairly, without pressure, prejudice or penalty and due respect to privacy and natural justice is to be maintained at all times.

- f. all corporation staff and/or outsourced service providers involved in detecting or investigating fraud meet the requisite qualification requirements outlined in the Framework and AGIS
- g. the Corporation refers all instances of serious or complex fraud to the Australian Federal Police (AFP). Criteria for determining whether an identified fraud is serious or complex may include:
  - i. a serious breach of trust by a Commonwealth employee or contractor of a Commonwealth agency;
  - ii. use of sophisticated techniques or technology to avoid detection where investigation of the matter requires specialised skills and technology;
  - iii. elements of a criminal conspiracy;
  - iv. known or suspected criminal activity against more than one Commonwealth agency;
  - v. activities which could affect wider aspects of Commonwealth law enforcement (e.g. illegal immigration, money laundering);
  - vi. the possibility of action being taken under the *Proceeds of Crime Act 2002*; or
  - vii. conflicts of interest and/or politically sensitive matters.
- h. the Managing Director (or Chair of the Audit Committee) shall receive the report and decide on action to be taken;
- i. prosecution should be considered in appropriate circumstances, in accordance with the Prosecution Policy of the Commonwealth. Criminal prosecutions are vital to deterring future instances of fraud and to educating the public generally about the seriousness of fraud; and
- j. the Managing Director (or Chair of the Audit Committee) will document decisions on whether administrative, disciplinary or civil sanction or other action (such as a decision to take no further action) will be made. Where required, a brief of evidence will be prepared for the Director of Public Prosecutions in accordance with Attachment 5.

#### **Post investigation requirements:**

- a. once a suspected instance of fraud has been appropriately investigated and it has been determined there exists a specific instance or evidence of a systemic problem then, without necessarily naming areas or personnel specifically, the General Manager Corporate will arrange for all relevant Managers and, in appropriate instances, all relevant staff, to be informed of the incident, with a view to the sharing of information, building of better practices and prevention of recurrence.
- b. following the detection of fraud, the General Manager Corporate will assess the adequacy or otherwise of the internal control environment. The General Manager Corporate will provide a summary of the need or otherwise to modify the internal control environment as a consequence of the fraud, ordinarily to the Audit Committee.

### **9. Fraud Education, Awareness and Training**

The Corporation recognises the primary purpose of employees ongoing education and training in the area of fraud is to contribute to the prevention and control of fraud by raising the level of awareness amongst employees, and to make it clear that fraudulent practices within the Corporation must be stopped, investigated and reported. This is achieved through a range of training and document dissemination programs, including:

- a. ensuring all new employees receive induction training that includes fraud awareness and AgriFutures Code of Conduct awareness;
- b. ensuring all employees receive fraud awareness update training; and
- c. ensuring all updates and changes to fraud-related policies, procedures, and the AgriFutures Code of Conduct, are notified to all employees.

## **10. Fraud Database**

A database of fraud allegations is maintained by the General Manager Corporate

## **11. AgriFutures Risk Management Framework**

Fraud Risk Assessments are undertaken with reference to the AgriFutures Risk Management Framework, with details provided within the AgriFutures Risk Management Plan and Framework, located at on the Intranet, within the Governance Policy Handbook.

## **12. Associated Documents**

The following associated documents form part of the AgriFutures Fraud Control Framework:

- a. Key Fraud Risk Register; and
- b. Fraud Database.

The associated documents are the responsibility of and maintained by the General Manager, Corporate.

## Attachment 1 - Fraud Control Policy

This policy is issued in accordance with the Commonwealth Fraud Control Framework 2017, and seeks to assist employees, contractors and the public understand what fraud is and encourage employees at all levels to participate in protecting public resources. Whilst key principles are communicated through this policy, more detailed information is available in the Corporation's Fraud Control Plan or via reference to the source sections of the Commonwealth Fraud Control Framework 2017.

### 1. Fraud Defined

#### *Additional Information<sup>2</sup>*

The Commonwealth Fraud Control Framework (the Framework) defines fraud as 'Dishonestly obtaining a benefit, or causing a loss, by deception or other means'.

*Part 4*

The Framework acknowledges that there is 'a mental or fault element to fraud; it requires more than carelessness, accident or error'.

*Part 4*

Fraud includes the emerging area of Identity Fraud defined by the Australian National Audit Office as 'the gaining of money, goods, services or other benefits or the avoidance of obligations through the use of a fabricated identity, a manipulated identity, or a stolen / assumed identity'.

*Fraud Control in  
Australian  
Government Entities  
– ANAO Better  
Practice Guide March  
2011 p83.*

### 2. The Corporation's position on fraud

The Corporation maintains a 'zero tolerance' attitude towards fraud. In this regard, the Corporation will investigate all allegations of fraud, and will prosecute or apply other appropriate sanctions against those who have committed fraud.

Target risks rated as Significant, High or Extreme require a fraud treatment plan. Specific fraud control treatment plans have been developed for the risks that meet these criteria.

The detailed fraud risk assessment is available on request from the General Manager Corporate. Owing to the sensitive nature of this information, access to the full fraud risk assessment and associated risk register is generally restricted to staff who have a genuine requirement to access this information.

Key fraud risks are managed at the Executive and Board level through the Corporation's Risk Assurance Map.

### 3. Employee and Contractor responsibilities

Effective fraud control requires the commitment of all employees, contractors and third party providers. As such, all Corporation employees and contractors must take into account the need to prevent and detect fraud as part of their normal responsibilities.

*Section 5.1,  
8.3*

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<sup>2</sup> Additional information from the *Commonwealth Fraud Control Framework 201-7*



#### **4. Reporting Fraud**

Contact the Managing Director (or Chair of the Audit Committee) to report any suspected or detected fraud in relation to the Corporation.

Any suspected or detected instances of fraud can also be reported through the Public Interest Disclosures process outlined on the AgriFutures website.

##### **Managing Director**

AgriFutures Australia

Building 007

Tooma Way

Charles Sturt University

Locked Bag 588

Wagga Wagga NSW 2650

Ph.: 02 6923 6900

##### **Chair of Audit Committee**

C/- AgriFutures Australia

Building 007

Tooma Way

Charles Sturt University

Locked Bag 588

Wagga Wagga NSW 2650

Ph.: 02 6923 6900

Information on the identity of someone reporting fraud is strictly confidential and will not be released to other Corporation staff without the consent of the complainant.

#### **5. Consequences of acting fraudulently**

The Corporation will seek to recover losses caused by illegal activity through proceeds of crime and civil recovery processes. In the absence of criminal prosecution, the Corporation will apply appropriate civil, administrative or disciplinary penalties including termination of employment if warranted.

#### **6. Effectiveness of this Policy**

The Corporation Audit Committee supervises and monitors the implementation and effectiveness of the Fraud Control Plan and reports to the Board where required.

The Managing Director is responsible to the Audit Committee and the Board for the implementation and ongoing effectiveness of this Plan.

#### **7. Further information**

Further information is available from the Commonwealth Fraud Control Framework 2017, the Australian National Audit Office Better Practice Guide '*Fraud Control in Australian Government Entities*', or by contacting the General Manager Corporate.

## Attachment 2 – Fraud Control Treatment Plan 2020-2022

This table documents the Corporations key risk treatments for the 2020-2022 period. Treatments are designed to enhance general fraud control, or to specifically respond to a fraud risk are identified through the Fraud Risk Assessment process.

Fraud Risk Treatment	Treatment description	Linkage to Fraud Risk	Responsible Party	Date
F1	Annual Fraud Awareness training to all staff.	F1, F3,F4, F5, F6	GM Corporate	Annually by 30 June
F2	R&D Management Framework developed that incorporates all key research policies, business processes and new legislative requirements from PIRD Act and PGPA Act.	F1	GM Research /GM Corporate	Annually by 30 June
F3	All new employees and contractors receive induction training that includes; fraud awareness, conflict of interest, AgriFutures Ethical Decision making and Code of Conduct.	F1	GM, Corporate	On Commencement
F4	Highlight on AgriFutures website the organisation's zero tolerance on fraud with a procedure for informing AgriFutures of potential fraud by clients.	F1	GM Corporate	Ongoing
F5	Staff awareness session on procurement and related internal policies	F1,F2,F3	GM Corporate	Annually by 30 June
F6	Remind Research Organisations and Industries of AgriFutures Fraud Policies when all contracts are signed.	F2	GM Corporate	Ongoing
F7	Remind staff in awareness training requirements for using credit cards and cabcharge vouchers and refer staff to internal policies on Intranet.	F4	GM Corporate	Annually by 30 June
F8	Internal Audit spot checks including credit cards	F5	GM Corporate	Ongoing
F9	Annual awareness training for all staff on appropriate use of confidential or sensitive information.	F6,F7	GM Corporate	Annually by 30 June
F10	Monitor application of the Recruitment Policy including ensuring rigorous pre-employment checks are undertaken.	F7	GM Corporate	Annually by 30 June

## Attachment 3 – Allegation Reporting Template and Guidelines

Receipt of Verbal Allegations / Observation of Potential Fraud Incidents				
<i>In the event that corruption or misconduct has been verbally alleged to, or observed by, a staff member or contractor of AgriFutures which is an allegation against a member of the Corporation, the recipient of the allegation, or the observer, must complete the following report.</i>				
Particulars of the alleged incident				
What is the allegation	<i>e.g. Staff bypassing controls and procedures to gain a financial or other benefit.</i>			
Who is the allegation against?	<i>e.g. The Deputy Chief Finance Officer.</i>			
When did the incident occur?	Date	<i>xx/xx/xxxx</i>	Time AM/PM	<i>xx:xx.</i>
Where did the incident occur?	<i>e.g. The Corporation's Wagga Offices</i>			
Personal details of the complainant				
Name	<i>e.g. Jane Doe.</i>	Email address	<i>e.g. jane.doe@xyz.com.au.</i>	
Phone	<i>e.g. 0404 040 404.</i>	State	<i>e.g. ACT.</i>	
Particulars of the allegation				
Where was the allegation made?	<i>e.g. Gus' Café, via a RIRDC telephone, via a personal telephone, etc.</i>			
When was the allegation made?	Date	<i>xx/xx/xxxx.</i>	Time AM/PM	<i>xx:xx.</i>
Detail any evidence supporting the allegation				
Is there any evidence supporting the allegation? <sup>3</sup>	<i>e.g. Yes - A set of photocopied bank statements was provided.</i>			
Other Information				
Is there any other information you would like to disclose?	<i>e.g. The complainant's demeanour was ...</i>			

Receipt of Written Allegations				
<i>In the event that a written allegation of corruption or misconduct is provided to a staff member or contractor of AgriFutures which is an allegation against a member of the Corporation, the recipient of the allegation must complete the following report.</i>				
Particulars of the written allegation				
What is the form of documentation received?	<i>e.g. email, mail, fax, etc.</i>		Was the documentation date stamped upon receipt?	<i>e.g. Yes.</i>
When was the documentation received?	Date	<i>xx/xx/xxxx.</i>	Time AM/PM	<i>xx:xx.</i>

<sup>3</sup> Handling of any evidence received with an allegation must be in accordance with Attachment 5 – Evidence Guidelines.

How was the documentation received?	<i>e.g. The letter was received in the daily mail.</i>		
<b>Personal details of the complainant</b>			
Name	<i>e.g. John Doe.</i>	Email address	<i>e.g. john.doe@abc.com.au.</i>
Phone	<i>e.g. 0303 030 303.</i>	State	<i>e.g. NSW.</i>
<b>Other Information</b>			
Is there any other information you would like to disclose? <sup>1</sup>	<i>e.g. Photographic evidence was attached to the written allegation.</i>		

<b>Allegation Recipient</b>		<b>Date</b>	
<b>Signature</b>		<b>Time</b>	

When completed, this document and any supporting information must be forwarded to the Managing Director (or Chair of the Audit Committee).

## Guidelines for completing the Allegation Reporting Template (Fraud Incident Report)

These guidelines outline the responsibilities of AgriFutures staff and contractors who receipt verbal or written allegations of fraud or who observe potential instances of fraud.

Key requirements in relation to the allegation reporting template are outlined in the table below:

Guideline	Requirement
<b>Allegation reporting template</b>	<ul style="list-style-type: none"> <li>• In the event that a AgriFutures staff member or contractor receives an allegation of fraud (either verbally or in writing), or observes a potentially fraudulent incident, the staff member or contractor must immediately complete a Fraud Incident Report.</li> <li>• Once the Fraud Incident Report has been completed and signed, the Managing Director must be immediately contacted on (02) 6923 6900 for instructions on how to transfer the document into his/her possession. In the event that the Managing Director cannot be contacted, the completed Fraud Incident Report must be immediately scanned and emailed to the Managing Director.</li> <li>• In the event that an allegation involves the Managing Director, the allegation should be directly reported to the Chair of the AgriFutures Audit Committee.</li> <li>• Information relating to the receipt of the allegation, the complainant and the recipient of the allegation must be kept confidential at all times, unless disclosure is required as part of the consideration and investigation of the allegation.</li> <li>• Where the complainant requests evidence that the allegation has been received, the recipient must notify the complainant in writing within one business day that the allegation has been received.</li> </ul>

## Attachment 4 – Initial Assessment Template and Guidelines

Initial Assessment of Fraud Allegation			
In the event that an allegation of fraud is received by the General Manager Corporate, the General Manager Corporate must complete the following report within five business days.			
Particulars of the alleged incident			
Fraud Database ID No.	<i>e.g. 3.</i>		
What is the allegation	<i>e.g. Staff bypassing controls and procedures to gain a financial or other benefit.</i>		
Who is the allegation against?	<i>e.g. The Deputy Chief Finance Officer.</i>		
When did the incident occur?	<i>Date</i>	<i>xx/xx/xxxx.</i>	<i>Time AM/PM</i> <i>xx:xx.</i>
Where did the incident occur?	<i>e.g. The Corporation's Canberra Offices.</i>		
Factors to be considered when performing the Initial Assessment			
Nature of the alleged offence.	<i>e.g. Financial Collusion.</i>		
Seriousness of the alleged offence.	<i>e.g. Extreme.</i>	Level of criminality.	<i>e.g. Moderate.</i>
Threat to Corporation systems.	<i>e.g. Low.</i>	Effect on Corporation programs.	<i>e.g. n/a.</i>
Initial Assessment decision			
What is the decision?	<i>e.g. Outsource investigation, refer to AFP, finalise, etc.</i>		
Who will action the decision?	<i>e.g. The AFP.</i>		
What is the urgency of the decision?	<i>e.g. The decision must be actioned as soon as possible (i.e. within 1 month).</i>		
What is the reason for the decision?	<i>e.g. The allegation relates to a potentially complex instance of fraud.</i>		
What material was considered?	<i>e.g. The Fraud Incident Report, General Ledger reports, etc.</i>		

Other relevant information supporting the Initial Assessment decision	
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<b>Name</b>		<b>Date</b>	
<b>Signature</b>		<b>Time</b>	

In completing this Initial Assessment, reference should be made to the AFP's Case Categorisation and Prioritisation Model and the Prosecution Policy of the Commonwealth.

## Guidelines for completing the Initial Assessment Template

These guidelines outline the responsibilities of the Managing Director when completing an Initial Assessment after an allegation of fraud has been received.

Guideline	Requirement
<p style="text-align: center;"><b>Initial Assessment Template</b></p>	<ul style="list-style-type: none"> <li>• Upon the receipt of an allegation of fraud, the Managing Director (or Chair of the Audit Committee) must record the details of the allegation in the Fraud Database. Any evidence supporting the allegation which is handled by the Managing Director (or Chair of the Audit Committee) must be handled in accordance with Attachment 5 – Evidence Guidelines.</li> <li>• Once the Fraud Database has been updated with the details of the fraud allegation, the Managing Director (or Chair of the Audit Committee) must complete an Initial Assessment Report. The Initial Assessment Report must be completed within five business days of the receipt of the allegation.</li> <li>• In order to make an informed decision when completing the Initial Assessment, the Managing Director (or Chair of the Audit Committee) may choose to obtain information from within the Corporation. Evidence must not be collected where it may jeopardise future investigations or alert the suspect to the allegation. Evidence must be collected in accordance with relevant legislative and organisational standards (e.g. Attachment 5 – Evidence Guidelines).</li> <li>• Where the Managing Director (or Chair of the Audit Committee) is considering finalising the allegation, it can be on the basis that:             <ul style="list-style-type: none"> <li>○ No further action is required;</li> <li>○ The allegation is unsubstantiated;</li> <li>○ There is insufficient evidence; or</li> <li>○ An administrative remedy would be sufficient.</li> </ul> </li> <li>• Where the Managing Director (or Chair of the Audit Committee) is considering performing an in-house investigation, the following factors should be considered:             <ul style="list-style-type: none"> <li>○ Ability and capacity of the Corporation to undertake the investigation (considering demands of other investigations already commenced);</li> <li>○ Corporation investigative priorities;</li> <li>○ Legislative requirements;</li> <li>○ Scope and size of the investigation; and</li> <li>○ Whether an investigation would result in a conflict of interest if undertaken by the Corporation itself.</li> </ul> </li> <li>• If the Managing Director (or Chair of the Audit Committee) is considering referring the matter to the Australian Federal Police, the AFP's Case Categorisation and Prioritisation Model should be used to assist the consideration of the various issues which lead to the acceptance, rejection, termination, finalisation or resourcing of operational investigation matters by the AFP.</li> <li>• The Fraud Database must be updated to reflect the results of the Managing Director's (or Chair of the Audit Committees) Initial Assessment.</li> </ul>

## Attachment 5 – Evidence guidelines

These guidelines provide guidance in relation to the receipt and handling of evidence relating to allegations of fraud. During the initial assessment and/or investigations process, staff may be required to collect, store and dispose of information and evidence in a manner that is lawful, appropriate in the circumstances and ethical. Failure to do this could result in the evidence being rendered useless or it could even provide an opportunity for legal or disciplinary action to be taken.

Key requirements for receipt, maintenance and storage of evidence are outlined in the table below:

Guideline	Requirement
<b>Receipt of evidence</b>	<p>Following receipt of evidence, the following procedures must occur at the earliest opportunity:</p> <ul style="list-style-type: none"> <li>• The evidence should be recorded in an Evidence Register (unique to each investigation) and allocated an Evidence number.</li> <li>• The following information is to be recorded for each item of evidence:               <ul style="list-style-type: none"> <li>○ Date, time, place of seizure (or possession);</li> <li>○ Name of person providing the item;</li> <li>○ Name of owner;</li> <li>○ Name of person and taking possession of the item;</li> <li>○ Full description of the item; and</li> <li>○ Full description of the location.</li> </ul> </li> <li>• Any subsequent movements of the evidence should be recorded in the Evidence Register. This must include the date, the name and signature of the person taking the exhibit, the reason and the destination.</li> </ul>
<b>Maintenance of evidence</b>	<p>The Managing Director is responsible for monitoring and maintaining the Evidence Register and associated storage arrangements.</p> <p>Original evidence should not be attached to witness statements or provided to CDDP. Once obtained it is the responsibility of the Corporation to maintain evidence until required at court, returned to the owner, or lawfully destroyed.</p>
<b>Storage of evidence</b>	<p>Evidence should be stored in a locked, secure area that has restricted or limited access.</p> <p>Evidence must be stored in a manner to prevent loss, theft, damage, destruction or cross contamination.</p>