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Eighty9 Limited and its wholly owned subsidiary  
Status Works Pty Ltd

## **FRAUD CONTROL POLICY AND FRAUD RISK MANAGEMENT PLAN**

*(next review due: August 2025)*

(This plan covers the Organisation's RTO, Disability  
Employment Services Funding Agreement, Workforce  
Australia Transition to Work DEED and the National  
Disability Insurance Scheme)

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## Scope

This policy applies to all Responsible Persons, employees and volunteers of the Organisation, hereinafter referred to as “our people”.

### 1. Why have a Fraud Control Policy and Fraud Risk Management Plan?

Trust is an essential component of our Organisation, but sometimes trust is not enough. Fraud does happen and often when and where it is least expected. Fraud is not only a serious breach of trust, it is also a criminal offence.

Those who commit fraud:

- break the law
- become subject to disciplinary action, including the likelihood of immediate termination of employment
- bring our Organisation into disrepute by tarnishing our reputation as sound managers of our, and the community’s, resources
- create trauma within their own family and circle of friends
- in extreme cases will cause our Organisation to close down.

We rely on the support of government, community and business to do the things we do. The financial assistance we receive from them is dependent on many factors. Two of the most crucial are our reputation and our record for delivering our services in an ethical and accountable manner.

A single instance of fraud will tarnish that good name.

The purpose of this Fraud Control and Management Plan is to ensure processes are in place to prevent fraud or, in the event of an incident being detected, to ensure effective and efficient investigation and response processes are utilised.

### 2. What is fraud?

Australian Standard 8001–2021 defines fraud as:

*‘dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.’*

Note: ‘Property’ includes intellectual property and other intangibles such as information; fraud also includes the deliberate falsification, concealment, destruction or use of falsified documentation; conduct must be dishonest for it to meet the definition of ‘fraud’ but need not necessarily represent breach of criminal law; fraud may involve fraudulent conduct by persons internal to the organisation targeting external parties and or external parties targeting the organisation.

Fraud can occur in a variety of ways and it is important for everyone in our Organisation to have a good understanding of what constitutes fraud so that they can recognise it and take action to prevent it.

The opportunity to commit fraud requires knowledge of our Organisation’s systems, or those of other organisations, combined with the willingness to exploit any weakness in those systems for direct personal benefit or for the benefit of others. It uses deceit, trickery, sharp practice or sometimes simply a belief that the ends justify the means.

There are basically two categories of fraud:

- Fraud which results in the loss of funds, and;
- Fraud which results in the misuse of assets or the loss of an advantage.

Examples of fraud that may occur, include but are not limited to the following:

- Theft
- Discrepancies in the accounting records
- Conflicting or missing evidence and documentation
- Accounting policies that appear to be at variance with industry norms
- Frequent changes in accounting estimates that do not appear to result from changes in circumstances
- Inappropriate use of computers
- Inappropriate use of petty cash
- Inappropriate distribution of bus tickets and petrol cards
- Having family or friends on client caseloads
- Falsification of client records
- Collusion with Work for the Dole hosts, creating bogus activities to collect funds
- Falsification of timesheets
- Making claims to government departments without substantive evidence or falsifying records as evidence to support claims
- Collusion with external stakeholders to manipulate outcome and or financial gain
- Misappropriation of funds
- Purchase petrol for a personal vehicle on the Organisation's account
- Motor vehicle use outside of conditions detailed in the Motor Vehicle Use Policy
- The use of the GST exemption to purchase goods or services for use by a person or an organisation for purposes other than for the lawful use of the Organisation
- Use of an Organisation's training programs for the improvement of personal property or the supply of services to an employee's premises
- Deliberate failure to record or identify a false statement by a client where the client gains a payment or an advantage from that payment
- Providing inside or confidential information to others outside the Organisation for their personal gain
- Deliberately destroying the Organisation's record
- Manipulation of data/manufacturing evidence to falsely present successful Organisation outcomes.

### **3. Our Organisation's policy on fraud**

This Fraud Control Policy and Fraud Risk Management Plan policy covers Eighty9 Limited and its wholly owned subsidiary Status Works Pty Ltd, (collectively and hereinafter referred to as "the Organisation"), and outlines our commitment to minimising the incidence of fraud through the identification of risk and the development, implementation and regular review of a range of fraud prevention and detection strategies.

We aim to foster an organisational culture which will ensure that the effective prevention of fraud and corruption is an integral part of our operating activities. We will identify and promptly investigate any suspicion of fraudulent or related dishonest activities. When appropriate we will pursue legal remedies available under the law.

Our people are accountable for, and have a role to play in, fraud and corruption control. We encourage a positive culture within our Organisation to disclose actual or suspected fraud. We will investigate all reports thoroughly. Where this is the appropriate course of action we will protect the anonymity of anyone reporting these activities. Any of our people who suspects that such activity is occurring is to follow the procedures outlined in the Fraud Code of Conduct and Policy, (Appendix B).

#### **4. What the Fraud Control Policy Plan seeks to do**

The plan aims to put the following principles into practice:

- the prevention, detection and investigation of fraud
- the prosecution of offenders, including those involving routine or minor instances of fraud where appropriate
- the application of appropriate civil, administrative or disciplinary penalties
- the recovery of the proceeds of fraudulent activity
- the training of our people in ethics, privacy and fraud awareness activities
- the specialised training of our people involved in fraud control activities
- the external scrutiny of our fraud control activities.

To do this we have established a number of measures that together constitute our fraud control strategies. We review the various policies and codes of practice we have that relate to fraud and the timelines we establish for carrying out our fraud management processes. Our people undertake internal training for fraud awareness.

#### **5. The role of the Fraud Control Officer**

The Fraud Control Officer is the person who has primary responsibility for overseeing the implementation and review of our Fraud Control Policy and Fraud Risk Management Plan and for ensuring that this is well understood and actively upheld by staff at all levels within our Organisation. The current Fraud Control Officer is Emma Farina. This appointment will be regularly rotated to avoid complacency, however the frequency will not be such that it runs the risk of losing expertise in the identification, conduct and completion of investigations.

#### **6. Who else has responsibilities for fraud control?**

Responsibility for safeguarding against fraudulent and corrupt behaviour and ensuring ethical and law-abiding behaviour within our Organisation rests with all of our people.

The CEO has responsibility for the overall risk management leadership and implementation. The Managing Director, Executive and Senior Management are responsible for fostering the highest standards of ethical behaviour, ensuring that implementation of the Plan is effectively supported mitigating circumstances that may lead to the possibility of fraud.

#### **7. Becoming fraud aware**

It is important that our people have a general awareness of fraud and corruption and how they should respond if this type of activity is detected or suspected.

We will regularly communicate to our people a clear definition of the types of action, particularly those that are specific to our business, that constitute fraudulent or corrupt practice, the fraud detection measures that are in place and an unequivocal statement that fraudulent and corrupt practices will not be tolerated. An awareness of the risk of fraud, control techniques and our attitude to the control of fraud will be fostered by strategies that:

- ensure our people receive training in our code of conduct at induction and are reminded of this throughout the period of their employment
- ensure updates and changes to fraud-related policies, procedures and the code of conduct are effectively communicated to our people
- ensure our people are aware of the alternative ways in which they can report allegations or concerns regarding fraud or unethical conduct
- encourage our people to report any suspected incidence of fraud
- promote fraud awareness and standards of conduct through regular meetings, and through the overt, ongoing commitment demonstrated by senior management in all aspects of their relationships
- ensure that this Fraud Control Policy and Fraud Risk Management Plan is publicly available to all stakeholders via our website raising community awareness of what constitutes fraud and access to Fraud Incident Reporting mechanisms.

## **8. Risk Management**

The purpose of conducting a fraud risk assessment is to assist management to understand the fraud risks, identify internal control gaps or weaknesses, and develop strategies to mitigate those risks.

Management ensures that such assessments are conducted regularly across the entire Organisation, taking into consideration the entity's significant business units, processes and accounts. In addition, Management will build in proactive fraud risk assessment protocols when planning and designing processes and procedures, for example for new projects, initiatives and investments.

The identified fraud risks have been considered in the development of this Fraud Control Plan and included at Appendix A1 – Fraud Risk Assessment.

### Fraud risk assessments

The Fraud Risk Assessment involves: identifying all potential fraud risks; analysing the effectiveness of the internal controls currently in place; rating the risks in terms of likelihood and consequence, and; developing proposed actions aimed to address all risks assessed as outside our Organisation's tolerance.

### Classification of Fraud Risk Assessment rating

Each risk identified in the Fraud Risk Assessment is categorised with a Risk Priority Rating, determining the immediacy of action required.

### Risk Evaluation

Risks are further reviewed to see what current controls exist for managing the risk and are given an initial Risk Management Rating determining whether the risk is being managed in the best possible way or whether there is room for improvement. Where risks are classified at level 3 remedial action needs to be recorded on the Risk Treatment Action Plan.

### Implementation of Risk Treatment Action Plan

For each proposed strategy arising from the Fraud Risk Assessment, our people are delegated responsibility for ensuring that the proposed action is addressed and/or implemented.

Management will conduct an assessment of fraud risk at least every two years for key business processes, or more frequently if there are significant changes in the Organisation's business processes or significant change in market conditions.

The Fraud Control Officer is responsible for monitoring the implementation of fraud risk mitigation strategies and for reporting progress to the Board of Management to ensure that all timetabled strategies are implemented accordingly.

The Fraud Control Officer is responsible for co-ordinating compliance with the annual reviews.

## **9. The Risk Register**

As part of our Fraud Risk Assessment the Organisation has a Risk Register. This clearly lists the identified potential fraud and corruption risks that our Organisation faces, (Appendix A2).

The Organisation has structures in place to:

- provide for the effective communication of directives across the whole Organisation to ensure that appropriate values and ethics are maintained
- identify and control weaknesses to ensure they are addressed immediately once they become known.

As part of the regular audit process our Fraud Control Officer will undertake:

- regular reviews of processes and procedures to mitigate risk
- random site visits and audits of areas of potential risk
- questioning and interviewing our people to ensure their understanding and compliance with fraud control measures specific to site risk
- data analysis to test the integrity of computer-based records and access protocols.

In addition, our Fraud Control Officer is expected to report on situations involving potentially irregular items to the CEO including:

- veracity of site claiming documentary evidence
- petty cash transactions
- adherence to codes of conduct and Organisational policies
- misuse of Organisational assets including tangible and intangible site resources.

## **10. Ensuring regular assessments of fraud risks**

We will carry out a comprehensive Fraud Risk Assessment at a minimum of every two years. The CEO will provide the findings of the assessment to the Board at the first Board meeting after its completion.

The Fraud Risk Assessment will include a review of the following areas:

- Financial accounting process and reporting; including electronic commerce
- Delivery of programs, recording of information and access to funds including electronic service delivery and internet transactions.

- Collusion with third parties; including tendering process and purchasing
- Property and other physical assets
- Information technology and information security

### **11. Ongoing review of the fraud control strategies**

We will review the effectiveness of the various fraud control strategies that make up our Fraud Control Policy and Fraud Risk Management Plan on an ongoing basis, and we will regularly review our internal controls and any instances of fraud or corruption. We will undertake reviews of our Fraud Control Plan every second year and make adjustments as necessary.

The Fraud Control Officer is responsible for coordinating compliance with the annual strategy review and fraud risk assessment.

Ongoing review and improvement of fraud control strategies will come about by our Organisation:

- keeping abreast of best practices
- employing and engaging people who have experience and commitment to the continuous improvement of fraud and corruption control
- encouraging innovation in fraud and corruption control development, procedures and processes.

The Board will also review this Fraud Control and Fraud Risk Management Plan as part of the 6 monthly Quality Management Review Meeting. At these meetings, the Board undertakes a review of our internal and external audit reports, the interpretation of IOR's to ensure continuous improvement, feedback from department and regulatory bodies, policy reviews, staff training requirements, internal capability changes, and infrastructure and work environment needs. Internal and external audit review recommendations are systematically embedded into our practices in accordance with our IOR Registers for each Agreement. Actions are reported at subsequent audit review meetings.

### **12. Detecting fraud**

We aim to detect fraud as soon as possible by:

- conducting internal reviews and site audits on a surprise basis
- the development of specific detection strategies for action by appropriate sectional management
- periodic management reviews instigated by the Organisation's management team.

We will implement a fraud detection system which will include:

- a program for the strategic analysis of management accounts to identify trends that may be indicative of fraudulent conduct
- ongoing assessment of internal risk factors, particularly as these relate to the culture of our Organisation, to the susceptibility of certain assets to misappropriation and to staff internal and external pressures
- a program for post-incident review.

### **13. How and when to report fraud**

The Organisation will raise awareness of the reporting channels available to our people and actively encourage them to report suspected cases of fraud through the appropriate channels

as described in our Fraud Code of Conduct and Policy, (Appendix B). This policy is explained during induction and our people reaffirm their understanding on an annual basis as part of the Organisations' quality assurance process.

#### Protocols when reporting a fraud

When reporting cases of suspected fraud, persons should observe the following guidelines:

- Keep the matter confidential. Inform only those people who have a genuine need to know (for example, the line manager, Fraud Control Officer, CEO). This is to ensure the principles of natural justice are preserved. It is also important to avoid alerting the person alleged to have committed the fraud.
- Maintain documentation (do not write, mark or change any document) and keep it in a safe and secure manner at all times.

#### Protection of person reporting suspected fraud

The Organisation will do everything possible to protect any person who reports a suspicion of fraud in good faith from any form of recrimination or reprisal.

Details of the source of any allegation made against our people or against an external party or details of the source of any information relative to such an allegation must not be disclosed to any person external to the Organisation unless:

- Legally compelled to do so
- Required by the police as a consequence of the matter being reported to them
- The person making the allegation or providing the information has consented to the disclosure of their name.

Any person making allegations or providing information in relation to an alleged fraud or other matter involving improper conduct must be made aware that the information provided will be relied upon and eventually the person concerned may be called upon to give evidence about his or her knowledge of the circumstances.

#### Further reporting requirements and record keeping

The Fraud Control Officer will use a report format (Appendix B) for ensuring that appropriate details are obtained in relation to each incident. This report will be in a form suitable for conveying the details of each incident to the Board and CEO.

The Fraud Control Officer will also be responsible for maintaining an appropriate recording, reporting and analysis system to ensure that all reported instances of suspected fraud are recorded and satisfactorily resolved.

#### Reporting to external parties

Where the Fraud Control Officer becomes aware of a fraud allegation, the Fraud Control Officer will determine, in conjunction with the CEO, what action is required to further investigate the allegation and/or report it to the relevant government departments and/or the Police.

Our people may also contact the Services Australia (Transition to Work) "Tip-Off Line" on 131 524 or the Department of Social Services (Disability Employment Services) Fraud Hotline on 1800 133 611 or [fraud@dss.gov.au](mailto:fraud@dss.gov.au) and National Disability Insurance Scheme Fraud Reporting and Scams Helpline on 1800 650 717 or [fraudreporting@ndis.gov.au](mailto:fraudreporting@ndis.gov.au), directly without the need to consult other independent parties.

#### **14. When there's an investigation**

In the event that fraud is detected, reported or suspected an investigation will be conducted by appropriately skilled and experienced personnel who are independent of the section in which the alleged fraud has occurred.

This independent party may include one or more of the following:

- an external law enforcement agency
- a member of the Board
- a manager or other senior person
- an external consultant operating under the direction of a Director of the Organisation.

The investigation will comply with all relevant legislation. Adequate records must be made of all investigations. These records are to be kept in accordance with legal, best practice and privacy management guidelines.

In conducting an investigation into allegations of fraud we will ensure that information arising from or relevant to, the investigation is not disseminated to any person not required by their position description to receive the information.

An investigation will potentially involve the following investigative activities:

- Interviewing of relevant witnesses, both internal and external, including obtaining statements where appropriate
- Reviewing and collating of documentary evidence
- Forensic examination of computer systems
- Examination of telephone records
- Enquiries with banks and other financial institutions
- Enquiries with other third parties
- Data search and seizure
- Expert witness and specialist testimony
- Tracing funds, assets and or goods
- Preparing briefs of evidence
- Liaison with the police or other law enforcement or regulatory agencies
- Interviewing persons suspected of involvement in fraud and corruption
- Report preparation.

Any investigation into improper conduct will be subject to an appropriate level of supervision having regard to the seriousness of the matter under investigation. In serious cases, it is contemplated that the Board will be the relevant supervisors.

In each instance where fraud is detected the CEO and the Fraud Control Officer should reassess the adequacy of the internal controls (particularly those directly impacting on the fraud incident and potentially allowing it to occur), and amend and improve controls where necessary.

Where improvements are required, these should be implemented as soon as possible and any amendments to internal controls should be effectively communicated to personnel appropriate to their level of responsibility and position description.

#### **15. Making the Fraud Control Plan happen**

Management uses the following methods to also minimise fraud and corruption:

- Adequate segregation of duties and use of verification procedures

- Use of exception reports and the authentication process with respect to the maintenance, adding to or deletion from master files such as clients, suppliers and data address changes
- Establishment of a rotation plan for Finance Division staff with respect to duties within that division
- Review and reinforcement of computer security measures, including requiring user-identification passwords for access to computer systems
- Implementation of secure levels of authority for access and processing in IT systems
- Conduct of internal reviews and branch audits on a surprise basis
- Centralisation of Accounting processes including review of benevolent activity including jobseeker reimbursement at Head Office.

Key features of our Compliance Program include:

- Empower our people through training, recognition and participation
- Regular systems and process reviews by appropriate staff members
- Having appropriate channels for our people to report possible non-compliance or system errors
- Regular audit of the Organisations' overall compliance effort
- Formulation of corrective plans to address any instances of non-compliance
- Pre-employment screening.

## **16. Conclusion**

The Organisation's Fraud Control Policy and Fraud Risk Management Plan is a living document that seeks to protect the interests of the Organisation and all stakeholders, but most importantly our people, from the potential risk of knowingly or unknowingly committing fraud.

**17. Appendices**

# Appendix A1: Fraud Risk Assessment – Fraud Risk Assessment

Refer current Fraud Risk Assessment.

Date: \_\_\_\_\_

## Fraud Control and Management Plan - Fraud Risk Assessment

Ref No.	Identifies Risk What can happen and how the risk can occur	Controls <i>Adequacy</i> Yes No	Likelihood <i>Almost</i> <i>Certain</i> <i>Likely</i> <i>Possible</i> <i>Unlikely</i> <i>Rare</i>	Consequences <i>Insignificant</i> <i>Minor</i> <i>Moderate</i> <i>Major</i> <i>Severe</i>	Risk Priority Rating <i>Very high</i> <i>High</i> <i>Moderate</i> <i>Low</i>	Risk Management Rating <i>1. Sound Practice</i> <i>2. Satisfactory</i> <i>3. Improvement Required</i> <i>4. Insufficient Information</i> <i>5. Unsatisfactory</i>
<b>1. Financial accounting process and reporting; including electronic commerce:</b>						
A	Fraudulent Financial reporting (both internally to the Board & management and/or externally to compliance departments and stakeholders) to misrepresent the current financial viability and liquidity of the organization or department including incorrectly recognising revenue and calculating management fees (raised by BDO during audit), and/or overstating income or expenditure.					
B	Discrepancies or misstatements in the accounting records, conflicting or missing evidence and documentation, incorrect recording or allocation of transactions, use of suspense accounts, use of general journals (raised by BDO during audit) and other opportunities for misdirection.					
C	Management override and single authorisation of expenses and release of funds (raised by BDO during audit).					
D	Incorrect or incomplete calculation of Right of Use assets/ lease liabilities, refurbishments and employer obligations, particularly leave entitlements (raised by BDO during audit).					
E	Misappropriation of funds through unverified suppliers or jobseeker reimbursements, employee reimbursements and inappropriate use or recording of petty cash, sales and/or donation receipts, security of other company resources including vehicles and portable or attractive assets.					
F	Deliberate destruction of Organisation's records.					
G	Payroll administration, falsification of timesheets, creation of false employees/ ghosting.					

2. Delivery of programs, recording of information and access to funds; including electronic service delivery and internet transactions:						
A	Making claims to government departments without substantiate evidence or falsifying record as evidence to support claims					
B	Manipulation of data/manufacturing evidence to falsely present successful Organisation outcomes					
D	Inappropriate distribution of bus tickets and petrol cards					
E	Having family or friends on client caseloads					
F	Falsification of records					
G	Deliberate failure to record or identify a false statement by a client where the client gains a payment or an advantage from that payment					
I	Being alert to the potential for employers to falsify payroll information					
J	Being alert to participants under reporting earnings to Service Australia					
K	Being alert to employers taking advantage of wage subsidy payments by churning staff					

*\* For further details around identified risks refer to the Fraud Control Policy and Management Plan. Review of Fraud Risk Assessment are carried out on an annual basis*

Assessment completed: 04 / 03 / 2024

By: Alexandra Vertue, Julie Hatwell, Anysa Williams, Simone O'Neill, Emma Farina

Assessment Reviewed: / /

By:

## Appendix A2: Fraud Risk Assessment – Classification of fraud risk assessment ratings

The following classifications and definitions are used during the fraud risk assessment.

### Classification of fraud risk assessment ratings

#### Likelihood of occurrence

The table below provides guidance when considering the likelihood of a fraud event occurring.

#### Likelihood Rating

The number of times within a specified period which a risk may occur either as a consequence of business operations or through failure of operating systems, policies or procedures.

Rating	Description	Occurrence
<b>Almost Certain</b>	Expected to occur in most circumstances	Multiple / 12 months
<b>Likely</b>	Will probably occur in most circumstances	Once / 12 months
<b>Possible</b>	Might occur within 1-2 year time period	Once / 12 months - 3 years
<b>Unlikely</b>	Could occur during a specified time period	Once / 3-10 years
<b>Rare</b>	May only occur in exceptional circumstances	Once / > 10 years

#### Impact of risk

The impact selected should be the most likely impact that is expected to occur considering the effectiveness of existing control measures. The table below provides some guidance when considering the impact a fraud event can have.

**Consequence table**

<b>Consequence and Category</b>	<b>Insignificant</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Severe</b>
<b>Impact on Financial (funding)</b>	0.1%-0.5%	0.5%-1%	1%-5%	5%-10%	>10%
<b>Impact on Reputation</b>	Internally contained. Unlikely to lead to a stakeholder complaint	External exposure likely to lead to stakeholder comment No impact on business operations.	Negative impact on stakeholders. Board notification but no intervention.	Major negative impact on stakeholders. Board intervention required. Reputation negatively impacted.	Loss of confidence of stakeholders. Reputation significantly negatively impacted.
<b>Impact on Regulatory Compliance</b>	Breach of internal policy rectified promptly.	Regulatory breach occurs, however reporting to stakeholders not required.	Possible regulatory reporting required to external stakeholders.	Government intervention by an order or audit, and/or major fines or required repayment of fees.	Breach resulting in major Board and Management restructure.
<b>Impact on Business Interruption / Service Delivery</b>	Minimal business disruption to core business process no deprecation in service level.	Business disruption to core business process and there is minor deprecation in service level.	Business disruption to core business function and there is a moderate deprecation in service level.	Business disruption to core business function and there is major deprecation in service level.	Business disruption to core business function and there is severe deprecation in service level.

## Classification of fraud risk assessment ratings

### Risk Priority rating

The table 1 below provides a guide for rating risks.

Table 2 below determines risk priority and immediacy of action required.

**Table 1**

Risk Rating Table		CONSEQUENCES				
		Insignificant	Minor	Moderate	Major	Severe
LIKELIHOOD	Almost Certain	Moderate	Moderate	High	Very High	Very High
	Likely	Moderate	Moderate	High	High	Very High
	Possible	Low	Moderate	Moderate	High	High
	Unlikely	Low	Low	Moderate	Moderate	High
	Rare	Low	Low	Low	Moderate	Moderate

**Table 2**

Risk Priority Rating	Action
1. Very high	Immediate attention required to address this risk
2. High	This risk to be given a high priority
3. Moderate	Risk is of concern but can be addressed following resolution of risks rated either 1 or 2
4. Low	A risk exists, but can be attended to in the medium term

## Risk Evaluation

For each risk identified review what current controls exist for managing the risk and give each risk an initial **Risk Management Rating** and determine whether you are managing the risk in the best possible way or whether there is room for improvement. **Risk Management Rating** is classified as follows:

<b>Level</b>	<b>Risk Management Rating</b>	<b>Measure</b>
1	Sound Practice	Comply with standards, risk is being managed to the optimum
2	Satisfactory	Loss control adequate. Suitable safeguards in place
3	Improvement Required	Current controls need improving
4	Insufficient Information	Cannot determine if suitable controls in place – more information required
5	Unsatisfactory	Inadequate loss control. Risk not acceptable

Where Risk management rating is classified at level 3 or above, remedial action will be recorded on the Risk Treatment Action plan

## Options for Treating Risk

For each risk identified review the treatment options that can be implemented

### 1. Avoid the Risk

If the risk is too great and there are no cost effective means by which it can be handled you should look to remove the risk, or choose an alternative means of action that achieves the same outcome

### 2. Control the Risk

Additional risk control can be implemented to reduce either the likelihood of occurrence or the consequence, or both. The technique to do this may involve strengthening existing controls or introducing new control measures.

### 3. Finance the Risk

The basic alternatives for risk financing are insurance.

Utilising the **Risk Analysis & Action Register**, in order of the **Risk Priority Rating** establish how you plan to deal with the risks you have identified, noting

- The reference number
- The risk - in summary
- Risk treatment options
- Resources required
- Personnel to be involved
- Timing

**Risk Treatment Action Plan**

Ref No.	Risk Rating Priority	Risk Management Rating	Risk Treatment Options	Options Selected	Resources Required	Administration <ul style="list-style-type: none"> <li>• Who is responsible</li> <li>• Timeline</li> </ul>	Completed Yes/No Date
						Responsibility _____ Timeline _____	
						Responsibility _____ Timeline _____	
						Responsibility _____ Timeline _____	
						Responsibility _____ Timeline _____	
						Responsibility _____ Timeline _____	

## Appendix B: Fraud Code of Conduct & Policy (includes Incident Report form)

### Fraud Code of Conduct & Policy

#### Scope

This policy applies to all Responsible Persons, employees and volunteers of the Organisation, hereinafter referred to as “our people”.

Trust is an essential component of our Organisation, but sometimes trust is not enough. Fraud does happen and often when and where it is least expected. Fraud is not only a serious breach of trust, it is also a criminal offence.

Those who commit fraud:

- break the law
- become subject to disciplinary action, including the likelihood of immediate termination of employment
- bring our Organisation into disrepute by tarnishing our reputation as sound managers of our, and the community's, resources
- create trauma within their own family and circle of friends
- in extreme cases will cause our Organisation to close down.

We rely on the support of government, community and business to do the things we do. The financial assistance we receive from them is dependent on many factors. Two of the most crucial are our reputation and our record for delivering our services in an ethical and accountable manner. A single instance of fraud will tarnish that good name.

#### What is Fraud?

Australian Standard 8001–2008 defines fraud as:

*‘dishonest activity causing actual or potential financial loss to any persons or entity including theft of moneys or other property by employees or persons external to the entity and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or for improper use of information or position.’*

Fraud can occur in a variety of ways and it is important for everyone in our Organisation to have a good understanding of what constitutes fraud so that they can recognise it and take action to prevent it.

The opportunity to commit fraud requires knowledge of our Organisation's systems, or those of other organisations, combined with the willingness to exploit any weakness in those systems for direct personal benefit or for the benefit of others. It uses deceit, trickery, sharp practice or sometimes simply a belief that the ends justify the means.

#### Our Policy

Our Organisation is committed to minimising the incidence of fraud through the identification of risk and the development, implementation and regular review of a range of fraud prevention and detection strategies.

We aim to foster an organisational culture which will ensure that the effective prevention of fraud and corruption is an integral part of our operating activities. We will identify and promptly investigate any suspicion of fraudulent or related dishonest activities. When appropriate we will pursue legal remedies available under the law.

Our people are accountable for, and have a role to play in, fraud and corruption control. We encourage a positive culture within our Organisation to disclose actual or suspected fraud. We will

investigate all reports thoroughly. Where this is the appropriate course of action we will protect the anonymity of anyone reporting these activities.

### **How to Report – Our People**

All suspected fraudulent or other improper conduct coming to the attention of any of our people should in the first instance be immediately reported to that person's direct supervisor or manager (if appropriate). The supervisor or manager receiving the report must, as soon as possible, refer the report to the Fraud Control Officer.

If the suspected fraudulent activity relates to the person's immediate supervisor or manager, the matter must be reported to the Fraud Control Officer, the CEO or a member of the Board.

The reporting of fraud is to be actioned using the Fraud Incident Report form and submitted to the Fraud Control Officer.

The information reported should include (if available and without conducting any form of investigation):

- Details and dates of the suspected incident
  - Details of the persons involved (including where relevant, details of the employee, supplier, member of other external party)
  - The estimated value of any loss in respect of the alleged misconduct or fraudulent conduct.
- In the event that fraud is detected, reported or suspected an investigation will be conducted by appropriately skilled and experienced personnel who are independent of the section in which the alleged fraud has occurred.

This independent party may include:

- an external law enforcement agency
- a member of the Board
- a manager or other senior person, or
- an external consultant operating under the direction of a Director of the Organisation

for our people working in the Transition to Work, Disability Employment Services contracts and the National Disability Insurance Scheme, reports highlighting the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or for improper use of information or position, may contact the Services Australia (Transition to Work) "Tip-Off Line" on 131 524 or the Department of Social Services (Disability Employment Services) Fraud Hotline on 1800 133 611 or the National Disability Insurance Scheme (NDIS) Fraud Reporting and Scams Helpline on 1800 650 717 or [fraudreporting@ndis.gov.au](mailto:fraudreporting@ndis.gov.au) , directly without the need to consult other independent parties.

### **Expectations – Our People**

The Organisation expects our people to perform their role with integrity and honesty, adhering to the set procedures and policies that are outlined at induction and throughout the period of their employment, including: Ethical Behaviour Code of Conduct, and; Conflict of Interest Policy.

This expectation extends to detecting and reporting of fraud or the suspicion of fraud to the government agencies by stakeholders including; Employers, Participants and Sub-Contractors. Our people are trained in the potential risk of fraudulent activities that could be perpetrated by stakeholders including, for example: falsification of payroll evidence, under-reporting of income, churning staff for financial gain by accessing multiple wage subsidies.

### **Internal Training – Our People**

All persons commencing employment with the Organisation will receive training about reporting Fraud at their induction and throughout the period of their employment. Training is ongoing throughout duration of employment and may include discussions at Divisional meetings,

counselling and disciplinary meetings, updates and reminders through Corporate communications, external training and successful completion of mandatory government learning modules relevant to employment.

*More information can be found in the 'The Fraud Control Policy and Risk Management Plan' which demonstrates that we are committed to achieving effective fraud control and details the practical steps we regularly undertake to achieve this.*

### **How to Report – Stakeholders**

Stakeholders, including, providers, personnel, employers, participants and subcontractors can access the Organisations' Fraud Control Policy and Risk Management Plan and the Fraud Code of Conduct and Policy online at [www.status.net.au](http://www.status.net.au).

All suspected fraudulent or other improper conduct coming to the attention of any stakeholder must be immediately reported to the Fraud Control Officer.

The reporting of fraud is to be actioned using the Fraud Incident Report form and submitted to the Fraud Control Officer via phone 08 8377 0101 or email address : [raf@status.net.au](mailto:raf@status.net.au)

The information reported should include (if available and without conducting any form of investigation):

- Details and dates of the suspected incident
  - Details of the persons involved (including where relevant, details of the employee, supplier, member of other external party)
  - The estimated value of any loss in respect of the alleged misconduct or fraudulent conduct.
- In the event that fraud is detected, reported or suspected an investigation will be conducted by appropriately skilled and experienced personnel who are independent of the section in which the alleged fraud has occurred.

This independent party may include:

- an external law enforcement agency
- a member of the Board
- a manager or other senior person, or
- an external consultant operating under the direction of a Director of the Organisation
- the Services Australia (Transition to Work) "Tip-Off Line" on 131 524 or the Department of Social Services (Disability Employment Services) Fraud Hotline on 1800 133 611 and National Disability Insurance Scheme Fraud Reporting and Scams Helpline on 1800 650 717 or [fraudreporting@ndis.gov.au](mailto:fraudreporting@ndis.gov.au), may be contacted directly for reports highlighting the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or for improper use of information or position, and without the need to consult other independent parties.

To be completed by the Fraud Control Officer  
 Report No.: \_\_\_\_\_

Fraud Incident Report Form

1. Date of report	
2. Details of person taking this report	
3. Details of person making report	
4. Particulars of the suspected fraud including details of persons suspected of involvement (including position and location if internal), dates of offence, method used to perpetrate the fraud.	
5. Estimated value of any loss (could include cash, asset values, transaction value, etc)	
6. How was the incident detected?	
7. Sources of evidence – witnesses, electronic data, documents.	
8. Date / time and how notified to line manager	
9. Date / time and how notified to the SLG/Board?	
10. How did the incident come to the attention of the Organisation?	
11. Preliminary investigations undertaken and results	

12. Internal control issues contributing to the incident	
13. Action taken in relation to internal control issues	
14. Further investigations proposed	

## Appendix C: Investigative procedures

The following procedures set out the key requirements to be observed once a suspected fraud incident has come to the attention of the Fraud Control Officer. These procedures are not intended to be and should not to be regarded as an investigations “how to” manual.

1. The Fraud Control Officer will inform the CEO of suspected fraud incidents and log the incidents in the fraud risk register, within 24 hours of the suspected fraud being identified.
2. The Fraud Control Officer, in consultation with the Managing Director, will within 7 days assess the incident and make preliminary enquiries to establish whether a basis exists for further action, such as conducting an internal investigation or engaging external investigations professionals.
3. The Fraud Control Officer will conduct or co-ordinate an investigation into the alleged fraudulent conduct, which will commence no later than 14 days from the identification of the suspected fraud. Where sensitivities exist, the Fraud Control Officer will consult the CEO and/or Board.
4. The Fraud Control Officer may assign responsibility for managing an investigation to an appropriate manager with the requisite skills and experience to do so.
5. The investigative procedures will involve consideration of the following:
  - Locating and obtaining all relevant information
  - Considering all possible explanations for the information
  - Specifically considering the information that may be favourable and unfavourable to each person against whom the allegations have been made
  - Procedural fairness afforded to persons who are the subject of disciplinary proceedings.
6. The manager assigned responsibility for conducting or coordinating the investigation is to submit a preliminary written report within 28 days, containing details of the circumstances and recommendations to the:
  - Managing Director;
  - Fraud Control Officer, and if required;
  - Board.
7. The Fraud Control Officer will maintain files of all reports and working papers relating to investigations of incidents of suspected fraud.
8. The Fraud Control Officer will provide a “Fraud Incident Report” to the Board.
9. The CEO in consultation with the Board will instruct the Fraud Control Officer of the required appropriate action to deal with and finalise the incident of fraudulent conduct, at the Board Meeting immediately following the submission of the preliminary report.

Approved by: Gary Hatwell

Signature:



Date: 06/08/25