



OstaraAustralia

RECRUITMENT. TRANSFORMING LIVES

FRAUD CONTROL & CORRUPTION PREVENTION POLICY

OSTARA AUSTRALIA
8-10 PALMER STREET
PARRAMATTA, NSW 2150
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Purpose

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

This policy is intended as Ostara Australia's appropriate *Fraud Control Plan* as provided by the Commonwealth Fraud Control Framework 2017 and the DES Fraud Control Plan guidelines.

Scope

This policy applies to all entities within Ostara Australia and to all Ostara Australia Board Members (**The Board**), employees, volunteers and consultants in relation to their work with for Ostara Australia.

Policy Statement

Ostara Australia cannot and will not tolerate fraud or corruption.

Every dollar taken by theft or fraud reduces the capacity for Ostara Australia to maintain the same level of frontline services to people in need or will reduce back office support to compensate for the loss. We rely on the support of government to deliver the services we provide to people in need. Reputational damage arising from lax fraud control procedures can lead to a significant decline in confidence of Ostara Australia from government, as well as the general public, and have an adverse impact on Ostara's funding, leading to a greater financial impact on the services we deliver and the back office support we provide than the initial theft.

It is in everyone's interests to prevent fraud and corruption from occurring and to report every suspected incident immediately to the Ostara Australia Chief Executive Officer (**The CEO**) or General Manager DES (**DES Manager**).

Definitions

Terms used in this policy are:

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

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

Corruption- Dishonestly obtain a benefit by misuse of power, position, authority or resources:

Examples include:

1. Bribery, extortion & blackmail;
2. Secretly permitting personal interests to override corporate interests;
3. Secretly giving or accepting gifts & benefits in return for preferential treatment to the giver;
4. Collusion, false quotes, false invoices or price fixing;
5. Manipulating design & specifications or processes for personal gain or to conceal defects;
6. Complicity in excessive billing or submission of false support documents or concealment of documents;
7. Falsifying job qualifications or work or safety certifications;
8. Nepotism (favouring relatives); and

9. Privacy breaches or data manipulation with intent to cause harm.

Summary of fraud risks and vulnerabilities

Origin of potential fraud risk and vulnerability	Outline of the fraud risk and vulnerability	How this risk is to be managed by Ostara Australia
Ostara Australia and its employees	<p>That Ostara Australia employees commit fraud within their role.</p> <p>(This could be any form of dishonestly or fraud where an Ostara employee obtains a benefit for themselves or Ostara Australia to the disadvantage of Ostara Australia or any Government entity)</p>	<p>Continued oversight at all levels.</p> <p>Oversight of the Ostara Australia board to be done by external auditors.</p> <p>Oversight of Ostara General Manager's and the CEO by the Ostara Australia board.</p> <p>Oversight of Ostara Employees by Ostara Australias' General Manager and the CEO.</p>
Clients of Ostara Australia	<p>That Ostara Australia clients commit fraud within their obligations as a client to Ostara Australia.</p> <p>(This could be falsification or forgery of job outcomes on behalf of the client).</p>	<p>Ostara employees in their role as EC's to verify client job outcomes.</p> <p>Ostara employees in their role as compliance coordinators or administrators to verify claim outcomes entered by Ostara employees.</p>
Employers who interact with Ostara Australia	<p>That Ostara Australia Employers commit fraud within their obligations as an employer of Ostara Australia clients.</p> <p>(This could be falsification or forgery of job outcomes on behalf of the client).</p>	<p>Ostara employees in their role as EC's to verify client job outcomes.</p> <p>Ostara employees in their role as compliance coordinators or administrators to verify claim outcomes entered by Ostara employees.</p>
Subcontractors of Ostara Australia	<p>That Ostara Australia subcontractors commit fraud within their role.</p> <p>(This could be any form of dishonestly or fraud where an Ostara Australia Subcontractor obtains a benefit for themselves to the disadvantage of Ostara Australia or any Government entity)</p>	<p>Oversight by the CEO and the DES Manager</p>

Specific roles and responsibilities-Overview

Everyone at Ostara Australia are responsible for fraud control and to prevent corruption. Accordingly, every person must report every suspected incident immediately to both the DES Manager and/or the Chief Executive Officer.

Further specific responsibilities are:

- a) Board - The Board together with executive management sets ethical principles that form the foundation of an ethical anti-fraud culture.
- b) Ostara Australia CEO - Set the ethical 'tone at the top' to flow throughout Ostara Australia to entrench a culture of high ethics and integrity, approve terms of reference for any investigation into fraud or corruption, and approve or endorse final action to be taken in response to actual incidents of fraud or corruption.
- c) DES Manager - Ensure that there are programs and controls in place to address risk including fraud and corruption risk and that those controls are effective.
 - a. Oversee daily operations in which fraud or corruption risks may arise;
 - b. Be actively involved in planning activities to prevent, detect and respond to suspected fraud and corruption incidents;
 - c. Respond to adverse trends identified from the fraud and corruption database. Prepare investigation terms of reference and investigation plans;
 - d. Consult with Executives about the best course of action when suspected fraud or corruption incidents are raised;
 - e. Consult with appropriate site managers and specialist personnel during inquiries or investigation into fraud or corruption;
 - f. Ensure there is a quality internal investigative capability independent of line management;
 - g. Provide notice to external parties of fraud or corruption incidents after approval by the CEO;
 - h. Facilitate fraud and corruption awareness and education;
 - i. Maintain a database of fraud or corruption incidents and provide trend analysis to Executives;
 - j. Maintain the Whistle-blower Policy for receipt of reports of serious wrongdoing;
 - k. Report on status of the fraud control and corruption prevention strategy to the Executive Team and the Board Audit & Risk Committee;
 - l. Review the integrity framework and the fraud control strategy regularly;
 - m. Maintain awareness of the possibility of fraud or corruption during audit work. Provide advice and guidance on internal controls to prevent fraud or corruption.
 - n. Conduct tests of systems to identify possible fraud or corruption.

Other Site Managers

- a) Introduce and maintain controls to prevent incidents of fraud or corruption from arising in their area of responsibility.
- b) Ensure that a fraud or corruption risk assessment has been conducted for their area of responsibility at least once annually.
- c) Immediately notify all suspected fraud or corruption incidents that are detected within their jurisdiction to the Chief Executive Officer or DES Manager.
- d) Respond to the outcomes of any investigation or inquiry into any suspected fraud or corruption incident.

All Workers

(Employees, contractors & consultants regardless of whether working full time, part time, casual etc.)

- a) Be continually alert to the possibility of fraud or corruption incidents and to internal control lapses;
- b) Inform their Site Manager of any suspected control lapses or weaknesses;
- c) Immediately notify their Site Manager or the Chief Executive Officer and/or DES Manager about any suspected incidents of fraud or corruption;
- d) Not engage in any fraudulent or corrupt conduct.

External Audit

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

Ostara responsibilities to report

Ostara Australia is committed to report incidents of suspected and potential fraud against the Commonwealth as soon as reasonably practicable.

Should a suspected or potential fraud occur, the DES Manager is to discuss the incident with the CEO and the Ostara Australia Board within 3-4 business days and to notify the Government within 5 business days. The DES Manager will aim to collect the facts and details of the incident and prepare a report for the parties to analyse the incident and discuss the appropriate response.

If a suspected or potential fraud has been confirmed, the DES Manager is to notify the Government via the DSS Fraud hotline on 1800 133 61 or via email to fraud@dss.gov.au.

Application

Ostara Australia is committed to minimising fraud and corruption and instilling a culture of:

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

Ostara Australia is to notify all current and new staff of its Fraud Control & Corruption Prevention Policy and to ensure that all staff have read and understood the policy. Ostara Australia is to notify all staff of any updates or variations to this policy.

Prevention & Detection

Preventative measures include:

1. Regular review of the integrity framework supporting a culture of integrity and intolerance of fraud or corruption;
2. Awareness training and education;
3. Risk assessments;
4. Continual quality improvement reviews of internal control and compliance measures;
5. Pre-employment screening (where appropriate); and
6. Maintenance of a database for trend analysis to identify early action.

Detection measures include:

1. Fraud & corruption detection programs such as data mining and analysis;
2. Alternative reporting mechanisms;
3. Whistle-blower protection;
4. Discovery during grievance management;
5. Compliance Coordinator and Compliance Administrator awareness during reviews;
6. Internal audit awareness during audits;
7. External audit awareness during audits.

Response

Response measures include:

1. Amendment of the Fraud Control & Corruption Prevention Plan;
2. Revision and refreshment of policies to rectify deficiencies;
3. Maintenance of an internal investigative capability including appointment of an internal solicitor;
4. Internal reporting of outcomes and escalation where appropriate;
5. Review of internal controls after every confirmed incident;
6. Application of disciplinary procedures for detected incidents;
7. Civil action to recover losses where appropriate
8. Maintenance of insurance policies
9. Public reporting of incidents where CEO approves
10. Media management involvement as appropriate
11. Reporting to funding agencies of incidents and rectification measures
12. Referral to external organisations and agencies, such as Police, as appropriate, after CEO approval

Breach

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

Authority This Policy is approved by the Board of Ostara Australia

Related Policies Other organisational policies that should be read in conjunction with this policy and with Ostara Australias’;

- Code of Conduct
- Policies and Procedures
- Whistle Blowers Policy
- Management of Conflicts of Interest
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Vicky Samaras

General Manager DES

DOCUMENT CONTROL

Version	Authorized by	Authorization Date	Sections	Amendment
1	V. Samaras	21.01.2020	All	Creation – Katie Mercieca
2	Michael Wentworth	30.06.2020	All	Overall update-Kurt Willis

Annexure A-Criminal Code Act 1995

Summary of fraud and corruption offences

35.1 General dishonesty

Obtaining a gain

- (1) A person commits an offence if:
- the person does anything with the intention of dishonestly obtaining a gain from another person; and
 - the other person is a Commonwealth entity.

Penalty: Imprisonment for 10 years.

- (2) In a prosecution for an offence against subsection (1), it is not necessary to prove that the defendant knew that the other person was a Commonwealth entity.

Causing a loss

- (3) A person commits an offence if:
- the person does anything with the intention of dishonestly causing a loss to another person; and
 - the other person is a Commonwealth entity.

Penalty: Imprisonment for 10 years.

- (4) In a prosecution for an offence against subsection (3), it is not necessary to prove that the defendant knew that the other person was a Commonwealth entity.

- (5) A person commits an offence if:
- the person dishonestly causes a loss, or dishonestly causes a risk of loss, to another person; and
 - the first-mentioned person knows or believes that the loss will occur or that there is a substantial risk of the loss occurring; and
 - the other person is a Commonwealth entity.

Penalty: Imprisonment for 10 years.

- (6) Absolute liability applies to the paragraph (5)(c) element of the offence.

Influencing a Commonwealth public official

- (7) A person commits an offence if:
- the person does anything with the intention of dishonestly influencing a public official in the exercise of the official's duties as a public official; and
 - the public official is a Commonwealth public official; and
 - the duties are duties as a Commonwealth public official.

Penalty: Imprisonment for 10 years.

- (8) In a prosecution for an offence against subsection (7), it is not necessary to prove that the defendant knew:
- that the official was a Commonwealth public official; or
 - that the duties were duties as a Commonwealth public official.

135.2 Obtaining financial advantage

- (1) A person commits an offence if:

- (a) the person engages in conduct; and
- (aa) as a result of that conduct, the person obtains a financial advantage for himself or herself from another person; and
- (ab) the person knows or believes that he or she is not eligible to receive that financial advantage; and
- (b) the other person is a Commonwealth entity.

Penalty: Imprisonment for 12 months.

(1A) Absolute liability applies to the paragraph (1)(b) element of the offence.

- (2) A person commits an offence if:
 - (a) the person engages in conduct; and
 - (aa) as a result of that conduct, the person obtains a financial advantage for another person from a third person; and
 - (ab) the person knows or believes that the other person is not eligible to receive that financial advantage; and
 - (b) the third person is a Commonwealth entity.

Penalty: Imprisonment for 12 months.

(2A) Absolute liability applies to the paragraph (2)(b) element of the offence.

- (3) For the purposes of subsection (2), a person is taken to have obtained a financial advantage for another person from a Commonwealth entity if the first-mentioned person induces the Commonwealth entity to do something that results in the other person obtaining the financial advantage.
- (4) The definition of *obtaining* in section 130.1 does not apply to this section.

135.4 Conspiracy to defraud

Obtaining a gain

- (1) A person commits an offence if:
 - (a) the person conspires with another person with the intention of dishonestly obtaining a gain from a third person; and
 - (b) the third person is a Commonwealth entity.

Penalty: Imprisonment for 10 years.

- (2) In a prosecution for an offence against subsection (1), it is not necessary to prove that the defendant knew that the third person was a Commonwealth entity.

Causing a loss

- (3) A person commits an offence if:
 - (a) the person conspires with another person with the intention of dishonestly causing a loss to a third person; and
 - (b) the third person is a Commonwealth entity.

Penalty: Imprisonment for 10 years.

- (4) In a prosecution for an offence against subsection (3), it is not necessary to prove that the defendant knew that the third person was a Commonwealth entity.

- (5) A person commits an offence if:
 - (a) the person conspires with another person to dishonestly cause a loss, or to dishonestly cause a risk of loss, to a third person; and

- (b) the first-mentioned person knows or believes that the loss will occur or that there is a substantial risk of the loss occurring; and
- (c) the third person is a Commonwealth entity.

Penalty: Imprisonment for 10 years.

- (6) In a prosecution for an offence against subsection (5), it is not necessary to prove that the defendant knew that the third person was a Commonwealth entity.