P 007 Fraud and Corruption Policy

1. PURPOSE

The MTC FutureReady Group Fraud and Corruption Policy provides a framework designed to actively prevent, detect, expose and investigate fraudulent or corrupt practices.

Most of MTC FutureReady's operations are in relation to delivery of services under Commonwealth or NSW Government contracts. In most cases, the records staff create in the fulfilment of these contracts, are considered official Commonwealth or NSW Government records. These include client files, administrative files and records of financial transactions conducted under these contracts.

Service providers to the Commonwealth & NSW Government, such as MTC FutureReady, are bound by the provisions of the Criminal Code Act 1995 (Cth) and the Crimes Act 1914 (Cth) and are obligated to preserve and protect contract data and records, and refrain from obtaining financial advantage by fraud, deception or falsification of documents. Providers are required to take all reasonable steps to prevent fraud including the implementation of an appropriate fraud and corruption control plan.

2. SCOPE

This policy applies to all MTC FutureReady Group, (including MTC Recruitment Limited) staff, volunteers, contractors and the Board of Directors

3. DEFINITIONS

The Australian Standard for Fraud and Corruption Control (AS 8001:2021) defines:

- Fraud as dishonest activity causing actual or potential gain or loss to any person or organization including theft of moneys or other property by employees or persons external to the organization and/or where deception is used at the time, immediately before or immediately following the activity. This may involve theft of money, property, falsifying documentation, misuse of information

- Corruption as dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the organization and abuses their position of trust in order to achieve personal advantage or advantage for another person or organization. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organization, in order to secure some form of improper advantage for the organisation either directly or indirectly.

- Vexatious Claim means a complaint, allegation, report, or claim that is found to be frivolous, malicious, unreasonable, lacking in substance, made in bad faith, or intended to harass, annoy, intimidate, or cause detriment to another person or the organisation. A claim may also be considered vexatious where it is repeatedly raised after the matter has been properly investigated and determined, without any new evidence being provided.

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4. REFERENCES

- AS 8001:2021 "Fraud & Corruption control" Australian standard
- Crimes Act 1914 (Cth)
- Criminal Code Act 1995 (Cth)
- Public Governance, Performance and Accountability Act 2013 (Cth)
- *Commonwealth Fraud Control Framework*
- Public Interest Disclosure Act 2013 (Cth)

5. POLICY

5.1 Policy Statement

MTC FutureReady has zero tolerance towards Fraud and Corruption.

To mitigate the risk of fraud, MTC FutureReady will adopt a group-wide (including MTC Recruitment Limited) fraud and corruption control framework that is consistent with the Australian Standard: AS8001: 2021 Fraud Corruption Control.

As part of this, MTC FutureReady will maintain a documented Fraud and Corruption Control System (FCCS) comprising governance arrangements, risk assessments, prevention controls, detection mechanisms, response protocols, reporting arrangements, assurance activities and continuous improvement processes.
Where a concern relates to a staff member's employment or workplace matters, it should be addressed through the internal Personal Grievance Policy

The MTC FutureReady FCCS will:

- implement internal controls that prevent, detect and respond to fraud and corruption
- assess its fraud and corruption risks as part of the Risk Management Program
- ensure all staff, including contractors, are aware of relevant fraud and corruption risks and are provided training to understand our Code of Conduct, Values and Policies
- report to the Board, through the Audit, Investment and Risk Committee on the status of the fraud and corruption control framework
- treat all complaints about, and instances of, fraud and corruption seriously and confidentially
- ensure the protection of all individuals reporting under this policy and process

5.2 Policy

The Framework to manage the risk of fraud and corruption comprises of:

- Planning and implementing strategies and actions to prevent, detect and report fraud and corruption events;
- Assigning appropriate resourcing and roles and responsibilities and
- Establishing the mechanics of reporting, escalating and investigating fraud and corruption events.

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a. Planning and Resourcing

i. MTC has been guided by the relevant parts of AS 8001:2021 in drafting this Policy.
ii. As part of the Risk Management Framework, the Board has ultimate responsibility for managing the risk of fraud. The Audit, Investment & Risk Committee (AIRC) is a board Sub-committee responsible for assisting the Board in fulfilling its responsibilities as set out in its Charter including overseeing the management and effectiveness of controlling fraud risk.
iii. The Executive Leadership Team (ELT) are responsible for ensuring that this Fraud Control Policy is implemented within the organisation.
iv. The General Manager Governance, Risk and Compliance is the designated Fraud Control Officer.
v. The key responsibilities undertaken to manage the risk of fraud and corruption are shown below:

Board/ AIRC	ELT	Leaders	Staff, incl. Contractors and Volunteers	External Vendors
• Provide oversight • Review management reports • Review risk and audit reports	• Establish a framework to manage fraud risk • Supervise • Manage talent	• Ensure team members complete appropriate training relating to fraud and corruption • Report any anomalies and events	• Abide by this policy and other related policies. • Report any anomalies and events	• Abide by contractual terms including report any fraud and corruption events

vi. Fraud and Corruption Control Plans: MTC FutureReady has a Control Plan for programs through the risk management framework. Providers are required to review and update such Control Plans at least annually over the term of the Grant Agreement; or whenever there is a significant change in the structure or activities of the Provider.

b. Prevention

i. As part of Fraud and Corruption Control, MTC has a Risk Management policy to identify and manage risks. MTC's risk registers, developed in response to the above, include potential fraud and corruption risks, including control mitigation measures by responsible employees, which are monitored and reviewed by senior MTC staff.
ii. Similarly, MTC FutureReady has an ICT Information Security Policy that outlines the key internal processes to detect and manage Information security related fraud risks, such as system access control, personnel and physical security and management of network and communications in accordance with the ISO27001 (Information Security) principles

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iii. Promoting an open and transparent culture could help in timely prevention and detection of fraud and corruption.
iv. MTC will ensure that all staff have a general awareness of fraud and corruption and how they should respond if this type of activity is detected or suspected.
v. Recruitment strategies will incorporate fraud prevention, as detailed in the Staff Selection and Recruitment Policy
vi. Retention and motivation strategies for staff will deter inappropriate behaviour.
vii. System controls will be a key element in preventing opportunities for fraudulent acts.
viii. Actual, potential and perceived conflicts of interest must be disclosed and managed in accordance with the internal Conflict of Interest Policy as a key fraud and corruption control.

c. Detection

i. Detection mechanisms and processes such as reconciliations, using tools and techniques to identify trends and irregularities in data, exception reporting, internal oversight structures, supervision, real-time actions such as monitoring security events, etc will be carried out continually by responsible persons at MTC.
ii. MTC will carry out periodic fraud risk assessments at least once every two years, or sooner where significant changes occur to the business such as systems, key personnel, funding arrangements or program delivery
iii. Fraud detection awareness to be raised during Internal and External audits conducted

d. Response

i. The Fraud Response Plan will ensure protocols are followed in the normal course of investigating and reporting on fraud and corruption events.
ii. Anyone may choose to remain anonymous and protected whilst reporting a matter, which is outlined in the Whistleblower Policy and Whistle Blower procedure. This includes a dedicated hotline that a staff member can access to report
iii. Any confirmed fraudulent activity by any MTC staff member shall constitute grounds for dismissal.
iv. No action will be taken against a person solely because their report is not substantiated. However, a person who knowingly makes a vexatious claim may be subject to disciplinary action.
v. The CEO and Fraud Control officer to determine if reporting to external bodies (such as the relevant Government Department, and/or the Australian Charities and Not-for-profits commission) is required and action accordingly. The Board Chair and AIRC Chair must be notified before any external reporting occurs, unless either Chair is implicated in the matter.

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e. Monitoring and Reviewing

i. The risk of fraud and corruption must be managed continually by the ELT, Fraud and Corruption Control Officer and staff.
ii. The CEO or Fraud and Corruption Control Officer, where necessary, will initiate an independent audit/review of fraud and corruption risk by internal or external auditors.
iii. Fraud and Corruption Control Officer may carry out risk-based testing of controls that are critical to manage the risks.
iv. The effectiveness of the Fraud and Corruption Control System will be periodically assessed by the Fraud and Corruption Control officer (or delegate), through one or more of the following activities:
    - Internal audits
    - Risk based testing of fraud controls
    - Management reviews
    - Incident and corrective actions analysis

    Any major exceptions must be reported to the ELT and AIRC as soon as practical.

This Policy must be reviewed at least once every two years, and endorsed by the CEO and approved by the MTC FutureReady Board