

# Policy (Board Approved)



## Fraud and Corruption Prevention Policy Document Number – GOV-POL-32

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### 1.0 Policy Statement

Stanwell is committed to creating and supporting a workplace culture that promotes fair and just ethical standards as set out within the Stanwell Code of Conduct. Fraud and corruption are incompatible with this culture and presents a risk to the achievement of Stanwell's strategic objectives.

We are committed to preventing, identifying and addressing all acts of fraud and corruption against Stanwell. To achieve this, we will raise awareness of fraud and corruption risks and implement "preventative" controls designed to reduce the opportunity to commit fraudulent and corrupt acts and "reactive controls designed to report, detect and investigate potential fraud and misconduct.

### 2.0 Scope

This Policy applies to Stanwell's directors and employees, and to all contractors working for or at Stanwell (**our people**).

### 3.0 Purpose

This Policy establishes a common understanding of:

- a) what fraud and corruption are;
- b) how we prevent fraudulent and corrupt acts;
- c) how we detect fraud and corruption; and
- d) the actions our people should take if they suspect fraudulent or corrupt activity.

### 4.0 Content

#### What is Fraud?

Fraud is deliberate deception to facilitate or conceal the misappropriation of assets, tangible or intangible<sup>1</sup>.

#### What is Corruption?

Corruption is a breach of trust in the performance of official duties<sup>2</sup>.

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<sup>1</sup> Based on the Queensland Crime and Corruption Commission, *Fraud and Corruption Control Best Practice Guide*

<sup>2</sup> Based on the Queensland Crime and Corruption Commission *Fraud and Corruption Control Best Practice Guide*

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WRITTEN BY: ..... ENDORSED/CHECKED BY: ..... APPROVED BY: ..... DATE: .....  
NAME: P. Tognolini NAME: M. O'Rourke NAME: Board

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Approved via Board Memorandum Number: BD-20-12-6.2

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For the purposes of this Policy, fraud and corruption are treated collectively and includes attempted fraud and corruption and consists of but is not limited to the following:

#### Asset misappropriation - cash

- Theft of cash
- Theft of funds through electronic banking

#### Asset misappropriation – insurance

- False claim for workers compensation
- False claim for accidents or other claims

#### Asset misappropriation – non cash

- Unlawful use of, or unlawful obtaining of plant, equipment, goods or services
- Theft of intellectual property
- Disclosing confidential information to outside parties without authority for personal gain

#### Asset misappropriation – fraudulent disbursements

- Falsifying expense claims
- Corporate credit card misuse
- False invoicing
- Payroll falsification
- Forgery or alteration of any document

#### Corruption

- Overcharging for goods and services
- Recording credits for goods and services provided and refunding for personal benefit
- Secret commissions (kickbacks received by employees)
- Acceptance of goods and services as inducement to giving work to any supplier
- Collusive bidding
- Insider trading

#### Fraudulent and corrupt statements

- False accounting
- Material and deliberate misstatement of accounting information
- Intentional statements of incorrect or misleading employment history / education qualifications
- Providing false or misleading information or failing to provide information when there is an obligation to do so
- Causing a loss, or avoiding and/or creating a liability

### How do we Prevent Fraud and Corruption?

A system of internal control has been implemented to prevent fraud and corruption from occurring. Key fraud and corruption prevention controls include:

- **Upholding the standards of behaviour detailed within Stanwell’s Code of Conduct.** The Code provides a set of guiding principles to help our people make decisions in their day to day work to ensure that they maintain high ethical standards. The Code is supported by a number of more detailed policies that form part of the Stanwell Code of Conduct Framework (of which this Policy is one).
- **Training.** Stanwell will provide training and education programs to help our people build and maintain awareness and understanding of the Fraud and Corruption Prevention Policy.
- **Compliance with the law and Stanwell’s policies and procedures.** Stanwell has designed systems and processes that comply with the law and provides relevant policies and training to help our people achieve this.
- **Stanwell’s risk management process.** Stanwell has adopted the risk management process and principles of ISO 31000 as part of normal business practice. To prevent fraud and corruption from occurring, Stanwell identifies and evaluates internal and external fraud threats and implements preventative controls that mitigate or minimise significant fraud risks.

- **Fraud and Corruption Vulnerability Survey.** At regular intervals, Stanwell undertakes an organisation-wide risk assessment of its operational and strategic fraud and corruption risks which provides clarity and understanding around the full spectrum of fraud risks.
- **Review of Fraud and Corruption Control Plan.** Annually, Stanwell performs a review of its Fraud and Corruption Control Plan including the confidential strategies with respect to prevention, detection, investigation, monitoring and reporting activities.
- **Managers and Supervisors** employ sound fraud and corruption risk management practices within all activities for which they are responsible and ensure the effective operation of the following preventative controls:
  - adequate separation of duties (more than one employee is involved in key tasks);
  - proper authorisation procedures (transactions must be recommended and approved);
  - physical security of attractive items; and
  - independent monitoring and checking of data and documentation (checks and balances).

### **How is Fraud and Corruption Detected?**

A system of internal control has been implemented to detect fraud and corruption as soon as possible after it has occurred. Key fraud detection controls include:

- appropriate approval and authorisation processes;
- independent reconciliations;
- physical checks / stock-takes; and
- analysis of management accounting reports.

On a regular basis, Internal Audit will perform forensic data analysis, unannounced audits and a rolling program of audits focusing on the effectiveness of fraud and corruption prevention, detection and monitoring controls.

### **Investigation**

An investigation of potential fraudulent and corrupt activity will be undertaken by appropriately qualified parties depending on the matter and the content of the disclosure.

The aim of the investigation of the potential fraudulent and corrupt activity is to substantiate or refute the claims.

### **Actions you should take if you suspect Fraudulent and Corrupt Activity**

If you see or suspect any fraudulent and corrupt activity, you must report it immediately to:

- your Manager; or
- the most Senior Human Resources Advisor at your site.

Where this is not appropriate or you wish to remain anonymous, matters may be reported to the Company Secretary (Whistleblower Protection Officer) by the methods listed below:

Phone: 1800 671 902  
 Email: [company.secretary@stanwell.com](mailto:company.secretary@stanwell.com)  
 Mail: C/- Company Secretary  
 GPO Box 800  
 Brisbane QLD 4000

Where a serious allegation has been made that could result in reprisals against the Discloser, the recipient of the information (such as the Manager or Senior HR Advisor) must treat the disclosure confidentially and immediately report the disclosure to the Company Secretary, so that the information can be dealt with under the Protected Disclosure Procedure.

## **Breaches**

We take any failure to comply with this Policy very seriously. In certain circumstances, a breach of this Policy could be referred to an appropriate authority for investigation. A number of consequences could flow from a breach, including termination of employment or contract and prosecution.

To help you comply with this Policy, we will:

- train you about this Policy, the Fraud Prevention Procedure and your obligations under relevant legislation, codes and guidelines;
- maintain a Fraud and Corruption Control Plan that outlines the key fraud and corruption controls in place including all prevention, detection, investigation, monitoring and reporting activities; and
- provide adequate resources to manage and investigate breaches of this Policy.

## **5.0 Responsibilities and Authorities**

**Our people** must:

- a) perform their duties with honesty, integrity and in an ethical manner;
- b) if they see or suspect fraudulent and corrupt activity, must report that suspected fraudulent activity immediately;
- c) comply with the Fraud and Corruption Prevention Policy and the Fraud and Corruption Control Plan; and
- d) complete all required training and education programs to build and maintain their awareness and understanding of the Fraud and Corruption Prevention Policy.

At any time you are able to report fraudulent and corrupt activity to the Whistleblower Protection Officer under the Stanwell Whistleblower Protection Policy.

**Managers and Supervisors** must:

- a) promote sound fraud and corruption risk management practices within all activities for which they are responsible;
- b) ensure the effective operation of preventative and detection controls that minimise the opportunity for fraud and corruption in their area;
- c) make sure their employees and contractors know about the Fraud and Corruption Prevention Policy and Control Plan ; and
- d) ensure the Policy and Control Plan for preventing fraud and corruption are complied with.

**Internal Audit** must:

- a) Perform an annual audit of Stanwell's Fraud and Corruption Control Plan, including:
  - testing fraud prevention, detection and monitoring controls;
  - forensic data analysis; and
  - unannounced audits;
- b) Undertake at regular intervals a Fraud and Corruption Vulnerability Survey; and
- c) Ensure that this Policy is reviewed, as a minimum, every two years.

The **Executive General Manager** Business Services must ensure that our people are trained on the Fraud and Corruption Prevention Policy and Control Plan and relevant legislation, codes and guidelines.

The **Executive Leadership Team** members must comply with the Fraud and Corruption Prevention Policy and Control Plan and make sure that the Policy and Control Plan are followed.

The **Stanwell Board** has ultimate accountability for the Fraud and Corruption Policy.

## 6.0 Review and Consultation (Prior to Approval)

The Executive Leadership Team members and the Stanwell Board of Directors.

This document is required to be reviewed, as a minimum, every two years.

## 7.0 Communication Plan (After Approval)

This Policy is available electronically in Content Manager and is available on GenNet.

## 8.0 Definitions

Our people	Refers to Stanwell directors, employees and all contractors working for or at Stanwell in your capacity of director, employee or contractor
ISO 31000	A family of standards relating to risk management codified by the International Organization for Standardization.
Stanwell' and 'Corporation'	Refers to Stanwell Corporation Limited

## 9.0 References (Including Records Management)

Code of Conduct  
 Corporations Act 2001 (Cth)  
[Crime and Corruption Commission \*Fraud and Corruption Control, Best Practice Guide\*](#) Public  
 Interest Disclosure Act 2010 (Qld)  
 Commonwealth Fraud Control Guidelines  
 Gifts and Benefits Policy  
 Legal and Regulatory Compliance Policy  
 Procurement Policy  
 Protected Disclosure Procedure  
 Whistleblower Protection Policy

## 10.0 Revision History

Rev. No.	Rev. Date	Revision Description	Author	Endorse/Check	Approved By
0	01.03.2012	Created to reflect new Stanwell Corporation Requirements, Replaces GOV-POL-07 and HB560637 from legacy sites.	K.Buckley		Board
1	29.04.2014	Minor amendments made to reflect the 'current' title of the Executive General Manager allocated 'responsibility' under this Policy and to reflect current governance processes	K Buckley		Board
2	20.12.2016	Reviewed	Peter Tognolini	Karesse Biggs	Board
3	5.11.2018	Reviewed – minor changes made	Peter Tognolini	Michael O'Rourke	Board
4	18.11.2020	Minor amendments to align to the Crime and Corruption Commission Fraud and Corruption Control, Best Practice Guide	Peter Tognolini	Michael O'Rourke	Board