

# Policy

(Board Approved)



## Fraud 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 is 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 against Stanwell. To achieve this, we will raise awareness of fraud risks and implement controls aimed at reducing the opportunity to commit fraud and that increase the likelihood of fraud being detected.

### 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 is;
- b) how we prevent the risk of fraud;
- c) how we detect fraud; and
- d) the actions our people should take if they suspect fraudulent activity.

### 4.0 Content

#### What is Fraud?

Fraud is dishonestly obtaining a benefit, or causing a loss, by deception or other means. The term 'fraud' refers to an intentional act by one or more individuals involving the use of deception to obtain an unjust or illegal advantage. The key element of fraud is dishonesty.

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Approved via Board Memorandum Number: BD-16-12-6.2

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For the purposes of this Policy, ‘fraud’ includes attempted fraud 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

- Theft of plant and equipment, inventory or consumables
- 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 statements

- False accounting
- Material and deliberate misstatement of accounting information
- Intentional statements of incorrect or misleading employment history / education qualifications

### How do we Prevent Fraud?

A system of internal control has been implemented to prevent fraud from occurring. Key fraud 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).
- **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 from occurring, Stanwell identifies and evaluates internal and external fraud

threats and implements preventative controls that mitigate or minimise significant fraud risks.

- **Fraud Vulnerability Survey.** At regular intervals, Stanwell undertakes an organisation-wide risk assessment of its operational and strategic fraud risks which provides clarity and understanding around the full spectrum of fraud risks.
- **Review of Fraud Control Plan.** Annually, Stanwell performs a review of its Fraud Control Plan including the confidential strategies with respect to the management of fraud, specific fraud management plans and timetables for ongoing operational and monitoring activities.
- **Managers and Supervisors** employ sound fraud 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 Detected?**

A system of internal control has been implemented to detect fraud 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 prevention and detection controls.

### **Investigation**

An investigation of fraudulent 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 fraudulent activity is to substantiate or refute the claims.

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

If you see or suspect any fraudulent 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 Prevention Procedure to set out the way in which fraud risk will be managed at Stanwell; 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 activity, must report that suspected fraudulent activity immediately;
- c) comply with the Fraud Prevention Policy and Procedure; and
- d) notify their line manager if they do not understand any part of the Fraud Prevention Policy and Procedure.

At any time you are able to report conduct that is fraudulent to the Whistleblower Protection Officer under the Stanwell Whistleblower Protection Policy.

**Managers and Supervisors** must:

- a) promote sound fraud 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 in their area;
- c) make sure their employees and contractors know about the Fraud Prevention Policy and Procedure; and

d) ensure the Policy and Procedures for preventing fraud are complied with.

**Internal Audit** must:

- a) Perform an annual audit of Stanwell’s Fraud Control Plan, including:
  - testing fraud prevention and detection controls;
  - forensic data analysis; and
  - unannounced audits;
- b) Undertake at regular intervals a Fraud 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 Prevention Policy and Procedure and relevant legislation, codes and guidelines.

The **Executive Leadership Team** members must comply with the Fraud Prevention Policy and Procedure and make sure that the policy and procedure are followed.

The **Stanwell Board** has ultimate accountability for the Fraud Prevention 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 TRIM 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)  
 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