

Fraud, Bribery and Corruption Policy.

INTERNAL STAFF POLICY

Table of Contents.

1. Introduction	3
2. Purpose	3
3. Scope	3
4. Policy Statement	3
5. Specific Fraud Control Strategies	3
5.1 Pre-Employment Screening	3
5.2 Financial Screening	4
5.3 Fraud Awareness	4
6. Whistleblower's Protection Procedures	4
6.1 Reporting	4
6.2 Whistleblower protection	4
7. Procedures for Receiving and Investigating Allegations of Fraud and Corruption	5
8. Risk Management and Internal Controls	6
9. Reporting – Internal	6
10. Reporting – External	7
10.1 Investigation	7
10.2 Fraud Register	7
10.3 Specific Risk Mitigation Measures	7
11. Roles and Responsibilities	7
11.1 The Chief Executive Officer	7
11.2 The Chief Financial Officer	7
11.3 The Fraud Team	7
11.4 Directors	7
11.5 Managers Receiving Reports	8
11.6 All Staff	8
12. Definitions	8
12.1 Fraud	8
12.2 Bribery	8
12.3 Facilitation Payment	8
12.4 Corruption	8
12.5 Conflict of Interest	8
Annexure 1 – Receiving Allegations Form	
Annexure 2 – Fraud Register	
Annexure 3 – Gifts and Hospitality Register	

1. Introduction

McInnes Wilson Lawyers (the Firm) complies with applicable legislation, including the regulatory requirements.

The Firm is committed to conducting business fairly, openly and honestly and in accordance with the highest ethical and legal standards.

2. Purpose

The purpose of this policy is to set out the Firm's stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

3. Scope

This policy applies to the Firm, including its affiliated offices and all separate legal entities owned and controlled by the Firm.

This policy is applicable to, and must be followed by, all staff including consultants and contractors. Failure to comply could result in disciplinary action, including dismissal.

The Firm requires all those receiving company funds or representing the Firm, including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy.

4. Policy Statement

The Firm has a 'zero tolerance' policy towards fraud, bribery and corruption. This means the Firm:

- a. does not accept any level of fraud, bribery or corruption within the organisation or by any other individual or organisation receiving Company funds or representing the Firm; and
- b. will always seek to take disciplinary and/or legal action against those found to have perpetrated, be involved in, or assisted with fraudulent or other improper activities in any of its operations.

The Firm is committed to developing an anti-fraud culture and keeping the opportunities for fraud, bribery and corruption to the absolute minimum.

The Firm requires all staff to act honestly and with integrity at all times and to safeguard the resources for which they are responsible.

5. Specific Fraud Control Strategies

5.1 Pre-Employment Screening

The Firm conducts pre-employment screening for all new employees. Screening checks undertaken prior to employment of a permanent member of staff include:

- a. Verification of identity (birth certificate, driver's license);
- b. At least two reference checks; and
- c. Verification of formal qualifications claimed.

For prospective employees being considered for sensitive positions (e.g. where position includes a significant financial delegation), police background checks may also be performed (at the discretion of the Chief Executive Officer).

5.2 Financial Screening

In order to ensure the Firm reduces the risk of fraud to an acceptable level we conduct the following procedures:

- a. Supplier bank verification. For all new vendors/suppliers that are setup, the Firm contacts the supplier directly, via telephone, to confirm their bank details. This goes for all amendments to bank details too.
- b. For all commercial transactions the Firm contacts relevant parties to the transaction to confirm their bank details.
- c. The Firm conducts internal audits on matter related payments.
- d. The Firm's Chief Financial Officer reviews all matter related costs on a daily basis.
- e. The Firm engages high-quality external auditors to review the Firm's purchase to payables process as part of the annual audit procedures.

5.3 Fraud Awareness

The new hire on-boarding process requires that all new staff read and acknowledge the requirements of key policies. These include the Code of Conduct, Conflict of Interest, Staff responsibilities set out in firm policies, which together set out the key requirements with regard to the protection of the firm's assets, interest and reputation. Any misbehavior of a kind that involved an act of fraud and or corruption would breach one or more of these policies.

Staff awareness programs have been developed and are undertaken periodically to raise awareness and ensure that all staff understand their role and responsibilities and staff are aware of how they might report potential fraud and corruption. These programs will continue to be run on a periodic basis and the results analysed to assess the improvement in the level of awareness over time.

6. Whistleblower's Protection procedures

In keeping with the policy of maintaining the highest standards of conduct and ethics, the Firm will investigate any suspected fraudulent or dishonest use or misuse of the Firm's resources or property by all staff including consultants and contractors. Staff are encouraged to report suspected fraudulent or dishonest conduct (i.e., to act as "whistleblower"), as per the procedures set out below.

6.1 Reporting

A person's concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to the Chief Executive Officer or Chief Financial Officer. Alternatively, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to the Staff Principal (as described in the reporting section and Annexure 1 of this policy).

6.2 Whistleblower protection

The Firm procedures have been established for the protection of people who make disclosures that reveal conduct that is corrupt, involves substantial mismanagement of firm resources, or involves a substantial risk to health and safety or the environment from any detrimental action in reprisal for making the disclosure when made in good faith or against any employee who cooperates with inquiries.

The Firm will use its best efforts to protect whistleblowers against retaliation. Whistleblowing complaints will be handled with sensitivity, discretion, and confidentiality to the extent allowed by the circumstances and the law. Generally, this means whistleblower complaints will only be shared with those who have a need to know so the Firm can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should

disciplinary or legal action be taken against a person or persons as a result of a whistleblower complaint, such persons may also have the right to know the identity of the whistleblower.)

Employees, consultants, and contractors of the Firm may not retaliate against a whistleblower for informing management about an activity which that person believes in good faith to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistleblower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees. Whistleblowers who believe they have been retaliated against may file a written complaint with the Chief Executive Officer. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

Whistleblowers must be cautious to avoid baseless allegations (as described in the definitions section of this policy). Allegations that are baseless and not made in good faith may result in disciplinary action.

7. Procedures for Receiving and Investigation Allegations of Fraud and Corruption

1. Receive Allegations

- Allegations may be received or may need to be dealt with in accordance with the Firm's Whistleblower's Protection procedures
- Document the particulars of an allegation using the "Receiving Allegations Form" (**Annexure 1**)

2. Day 1

- For serious matters advise the Chief Executive Officer of the nature of the allegation(s)
- For criminal matters determine how and when to engage the relevant authorities
- Establish Fraud Team to oversee the formal investigations by the Chief Executive Officer
- The composition of the Fraud Team is dependent upon the nature of the allegations made and the position of the person against who the allegation has been made
- Document the investigation strategy and plan

3. Conduct of investigation

- The issues involved in the investigating "criminal" misconduct with the firm are complex
- Such investigations should only be conducted by the police or a specialist external organisation nominated by the Chief Executive Officer

4. Assess Results

- Conclude & recommend: actions that address identified internal control and/or policy weakness
- Disciplinary sanctions
- Other actions considered necessary

5. Reporting & record keeping

- Update Fraud register (annexure 2)
- Reporting
 - Executive Committee
 - Legal Services Commission

8. Risk Management and Internal Controls

1. The Firm will seek to assess the nature and extent of its exposure to the risks of internal and external fraud, bribery and corruption. It will regularly review these risks, using information on actual or suspected instances of fraud, bribery and corruption to inform its review.
2. The Firm will seek to put in place efficient and effective systems, procedures and internal controls to: encourage an anti-fraud culture; prevent and detect fraud, bribery and corruption; and reduce the risks to an acceptable level.
3. The Firm will seek to equip its staff with the skills, knowledge and expertise to manage its fraud risk effectively. It will provide adequate training to make staff aware of the risks of fraud, bribery and corruption, and of their responsibilities in preventing, detecting, and reporting it.
4. The Firm will make all those receiving company funds or representing the Firm, including its suppliers, grant recipients, partners, contractors and agents aware of this policy.
5. The Firm will work with relevant stakeholders, including comparable organisations, relevant regulators and government organisations to tackle fraud.
6. The Firm will regularly review and evaluate the effectiveness of its systems, procedures and internal controls for managing the risk of fraud. It will do this through risk management and assurance processes and audit arrangements.

9. Reporting – Internal

1. All staff must immediately report any suspected or actual instances of fraud, bribery or corruption. This includes offers to pay bribes, solicitation of bribes and demands to make facilitation payments. Failure to report could result in disciplinary action.
2. Reports should be made to the Chief Executive Officer or Chief Financial Officer. If staff are not comfortable reporting their concerns to these people, reporting can be directed confidentially or anonymously to the Staff Principal.
3. The Firm also requires all those receiving company funds or representing the Firm, including its suppliers, grant recipients, partners, contractors and agents, to report to any suspected or actual instances of fraud, bribery or corruption involving company assets or staff. Reports should be made to the Chief Executive Officer.
4. The Firm will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.
5. The Firm will maintain a system for recording: all reports of actual or suspected fraud, bribery and corruption; the action taken; and the outcome of any investigation. It will use this information to inform its review of the risks and the effectiveness of its controls.

10. Reporting – External

The Firm will fully meet its obligations to report fraud, bribery and corruption to third parties. The Fraud Response Plan sets out: the parties that suspected or actual fraud, bribery or corruption must be reported to; the nature and timing of the disclosure required; and who is responsible for making the report.

10.1 Investigation

The Firm will take all reports of actual or suspected fraud, bribery and corruption seriously, and investigate proportionately and appropriately as set out in this policy and the Fraud Response Plan.

The Fraud Response Plan sets out responsibilities for investigating fraud, bribery and corruption, the procedures for investigating, action to be taken and external reporting.

The Firm will always seek to take disciplinary and/or legal action against those found to have perpetrated or assisted with fraudulent or other improper activities in any of its operations. For staff, this may include dismissal. It will also seek to recover any assets lost through fraud.

10.2 Fraud Register

All losses as the result of fraud must be recorded on the Fraud Register which will be used as a basis for reporting incidents of suspected or actual fraud and outcomes of investigations undertaken.

10.3 Specific Risk Mitigations Measures

To manage the exposure to bribery and corruption, all gifts and hospitality received by staff must be approved in line with the delegated authorities and recorded on the Gifts and Hospitality Register.

Conflicts of interest are known to increase the risk of fraud. Therefore all staff who have an interest in an actual or potential supplier (whether personally, or through family members, close friends or associates) must report that conflict of interest to their manager.

11. Roles and Responsibilities

11.1 The Chief Executive Officer

The **Chief Executive Officer** is the Risk Manager of the Firm and the counter fraud champion on the **Fraud Team**.

11.2 The Chief Financial Officer

The **Chief Financial Officer** is responsible for creating and implementing the Firm's counter fraud strategy and for managing the counter fraud function.

11.3 The Fraud Team

The **Fraud Team** is responsible for recording all instances of actual or suspected fraud, bribery and corruption, ensuring they are investigated proportionately and appropriately, and reported to external parties. They are also responsible for providing advice and training to staff on preventing, detecting and investigating fraud. This includes investigating cases where specialist input is required due to the complex nature of the case.

11.4 Directors

Directors are responsible for ensuring their staff are aware of and support this policy and all incidents of fraud, bribery or corruption are reported. They are also responsible for ensuring all incidents of fraud, bribery or corruption in their area of responsibility are managed and investigated in line with this policy. They should liaise with and support the Chief Executive Officer in doing this.

11.5 Managers Receiving Reports

Managers receiving reports of fraud, bribery and corruption are responsible for reporting them to the Chief Executive Officer or Chief Financial Officer, and agreeing with them how the case will be managed and who will be responsible for investigation.

11.6 All Staff

All staff are responsible for complying with this policy.

12. Definitions

12.1 Fraud

Fraud is knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another.

12.2 Bribery

Bribery giving or offering someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or to reward someone for having already done so.

12.3 Facilitation Payment

A **facilitation payment** is a type of bribe. An example is an unofficial payment or other advantage given to a public official to undertake or speed up the performance of their normal duties.

12.4 Corruption

Corruption is the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behavior by those in positions of power, such as managers or government officials. It would include offering, giving and receiving bribes to influence the actions of someone in a position of power or influence, and the diversion of funds for private gain.

12.5 Conflict of Interest

A **conflict of interest** is where an individual has private interests that may or actually do influence the decisions that they make as an employee or representative of an organisation.

12.6 Whistleblower

An employee, consultant, or contractor who informs a supervisor or the Chief Executive Officer about an activity relating to the Firm which that person believes to be fraudulent or dishonest.

12.7 Baseless Allegations

Baseless allegations is made with reckless disregard for their truth or falsity or allegations that were made maliciously or not in good faith. Individuals making such allegations may be subject to disciplinary action by the Firm and or legal claims by individuals accused of such conduct.

12.8 Fraudulent or Dishonest Conduct

A deliberate act or failure to act with the intention of obtaining an unauthorised benefit. A non-exhaustive list of examples of such conduct include the following:

- Forgery or alteration of documents
- Unauthorised alteration or manipulation of computer files
- Pursuit of a benefit or advantage in violation of the Firm's Conflict of Interest policy
- Misappropriation or misuse of the Firm resources, such as funds, supplies, or other assets
- Authorising or receiving compensation for goods not received or services not performed, or paying for services or goods that are not rendered or delivered
- Authorising or receiving compensation for hours not worked
- Supplying false or misleading information on the Firm's financial or other public documents
- Providing false information to or withholding material information from the Firm's directors or auditors
- Destroying, altering, mutilating, concealing, covering up, falsifying, or making a false entry in any records that may be connected to an official proceeding, in violation of federal or state law or regulations or otherwise obstructing, influencing, or impeding any official proceeding, in violation

- of federal or state law or regulations
- Embezzling, self-dealing, or otherwise obtaining an unlawful private benefit (i.e., the Firm's assets being used by anyone in the organisation improperly for personal gain).

Annexure 1 – Receiving Allegations Form

Please complete this form and return to management.

Details of suspected fraud, corruption or serious and substantial waste:

Name and details of people involved:
(Includes people both within and external to the organisation)

Description of suspected fraud:
(Includes: What happened? Where did it happen? When did it happen? How did it happen?)

Details about evidence:
(Includes what evidence exists? Where is the evidence? Does the caller have any evidence? Who else has any evidence?)

Details of others who may have information:

Details of person making allegation (optional)

(If the person making the allegation would like to be contacted upon resolution of this matter, their contact details must be include in this section.)

Name

Position and Location:

Address:

Telephone (home)

(work):

How did the person become aware of the reported conduct or incident?

Date and Time of Call

Filled in by:

Date:

Annexure 2 – Fraud Register

Date of Notification or Identification	Nature of the Instance	Estimated or Actual Value	Details of Investigation Undertaken	Outcome of Investigation	Date of Reporting to Executive Committee

Annexure 3 – Gifts and Hospitality Register

Date offered	Position	Description of gift or hospitality	Estimated or actual value of gift	Name of Organisation providing the offer	Decision