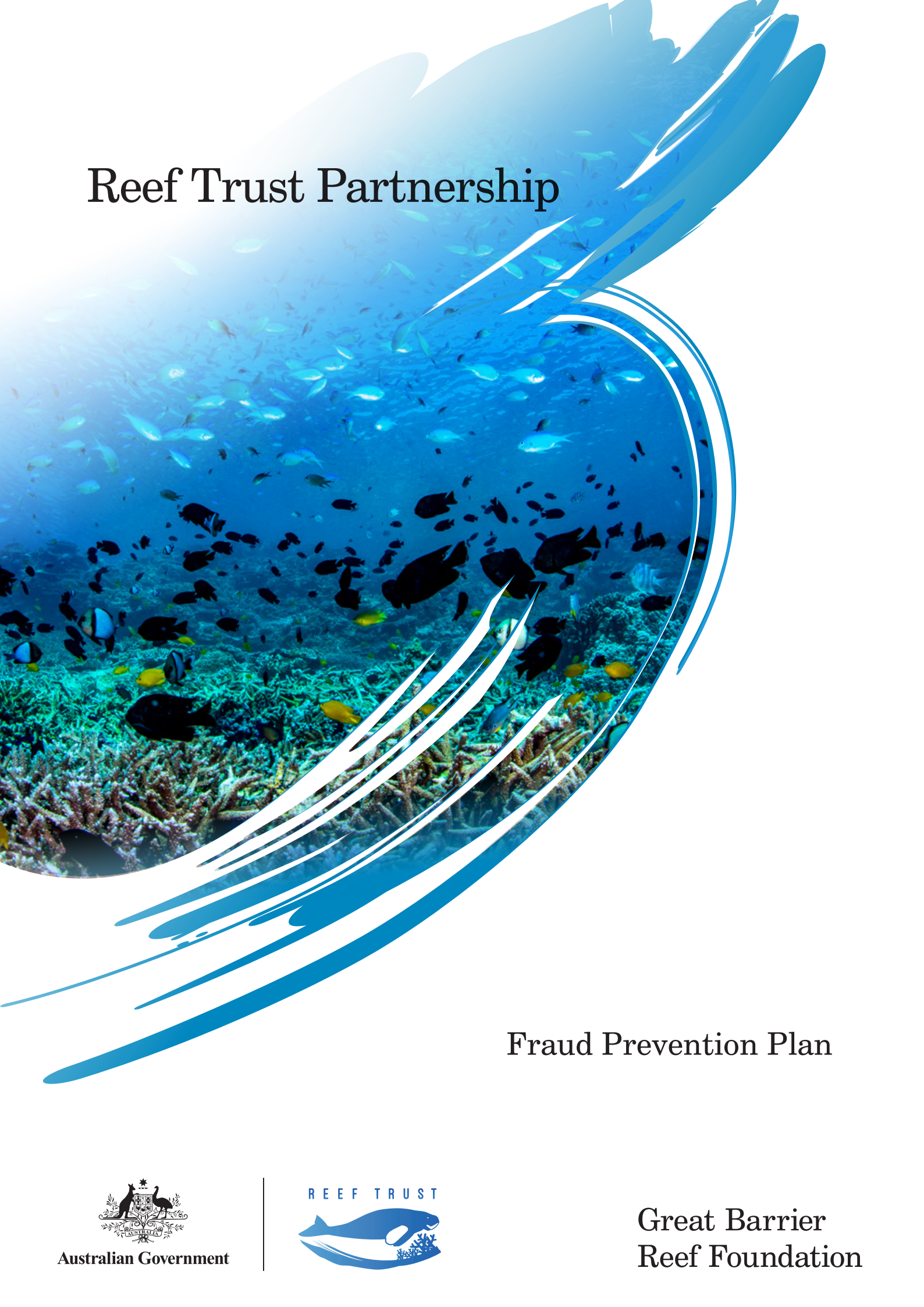


# Reef Trust Partnership



## Fraud Prevention Plan



Australian Government

REEF TRUST



Great Barrier  
Reef Foundation

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## Preface

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The Great Barrier Reef (the Reef) is the largest living structure on the planet and is so large it can be seen from space. It's home to the most extraordinary array of animals and birds, and is often referred to as the rainforest of the sea. Sir David Attenborough describes it as:

*“one of the greatest, and most splendid natural treasures that the world possesses.”*

Today, however, the Reef is under threat from climate change and local stresses. We need the help of all Australians to protect and restore the Reef. Over the last two decades, the Great Barrier Reef Foundation (GBRF) has drawn together the many groups who are working to protect the Reef. There are hundreds of people and organisations working to achieve this including universities, research institutions, government agencies, scientists, traditional owners and community groups. The GBRF is the place where these myriad groups (large and small) come together to work on the highest priority projects which will have the greatest impact on protecting and restoring the Reef.

Our projects have had a measurable impact on the health of the Reef including monitoring reef health in near-real time (eReefs) to securing the future of green turtles on Raine Island (Raine Island Recovery Project), to developing the first portfolio of projects to address the resilience of reefs adapting to climate change. We also have a track record in innovation, developing solutions such as the RangerBot which detects and addresses threats to coral reefs.

Underpinning this partnership is a record government investment of \$443.3 million to tackle critical issues of water quality and crown-of-thorns starfish control, harness the best science to restore reefs and support reef resilience and adaptation, enhance Reef health monitoring and reporting, and increase community engagement on the Reef.

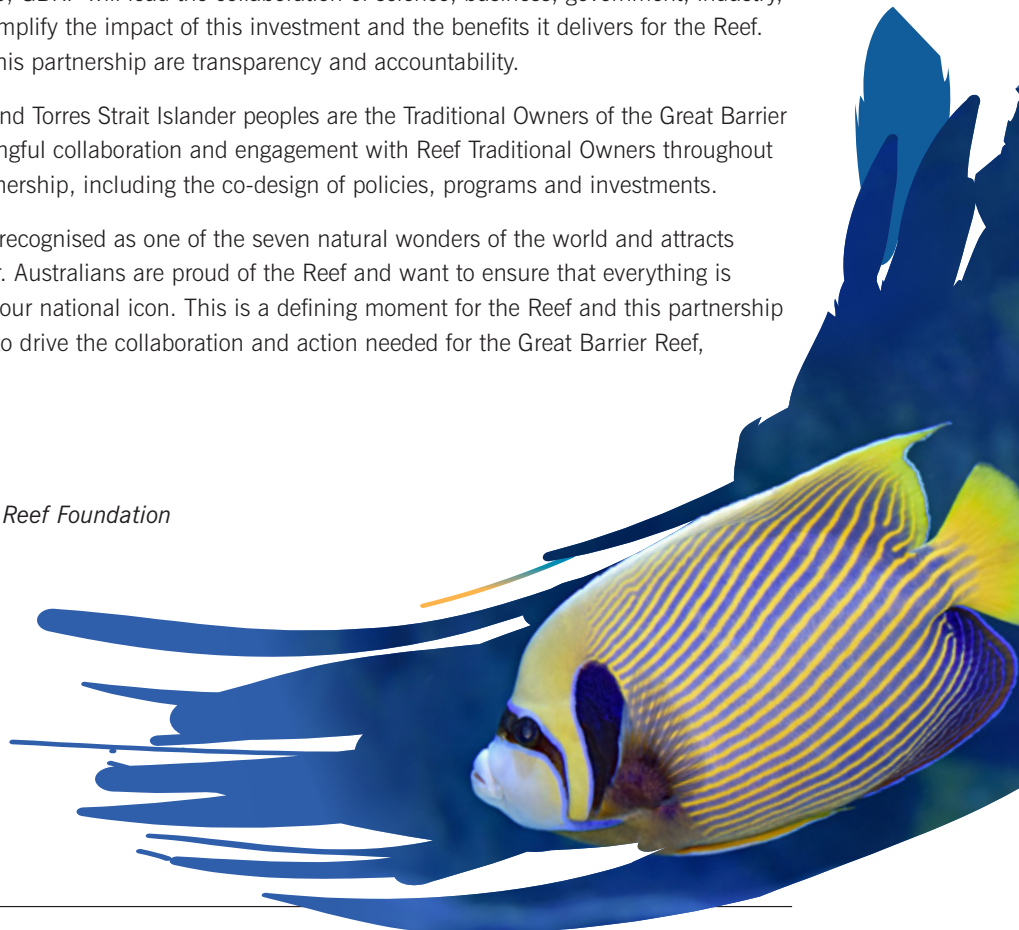
Through the Reef Trust Partnership, GBRF will lead the collaboration of science, business, government, industry, philanthropy and community to amplify the impact of this investment and the benefits it delivers for the Reef. Our guiding principles to deliver this partnership are transparency and accountability.

The GBRF recognises Aboriginal and Torres Strait Islander peoples are the Traditional Owners of the Great Barrier Reef. We are committed to meaningful collaboration and engagement with Reef Traditional Owners throughout the delivery of the Reef Trust Partnership, including the co-design of policies, programs and investments.

The Great Barrier Reef is globally recognised as one of the seven natural wonders of the world and attracts over two million visitors each year. Australians are proud of the Reef and want to ensure that everything is being done to protect and restore our national icon. This is a defining moment for the Reef and this partnership is an unprecedented opportunity to drive the collaboration and action needed for the Great Barrier Reef, now and for the future.

Anna Marsden

*Managing Director, Great Barrier Reef Foundation*



## Glossary

Term	Description
<b>Bribery</b>	the act of offering, promising, authorising, providing, soliciting or receiving a benefit (including a non-monetary benefit) with the intention of influencing a Government Official or person in the private sector in the performance of their duties, to obtain business or a business advantage that is not legitimately due. It is irrelevant whether the bribe is accepted or ultimately paid. It is equally irrelevant whether the person's performance is actually influenced, or whether business advantage is actually obtained.
<b>Corruption</b>	a dishonest activity in which Personnel act contrary to the interest of GBRF and abuse their position of trust in order to achieve some personal gain or advantage for themselves, for another person or for the entity.
<b>Government Official</b>	<ul style="list-style-type: none"> <li>(a) anyone employed by or acting on behalf of a government, government-controlled entity or public international organisation;</li> <li>(b) any political party official or candidate;</li> <li>(c) any individual who holds or performs the duties of an appointment, office or position created by custom or convention to represent others; and</li> <li>(d) any person who holds him/herself out to be an authorised intermediary of a Government Official.</li> </ul>
<b>Facilitation Payments</b>	the payment of a nominal amount or other inducement to a Government Official, either directly or indirectly, to secure or expedite the performance of a routine action or function that the Government Official is already obliged to perform. For example, payments made in order to expedite government approval for an activity or project.
<b>Fraud</b>	a dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to GBRF and where deception is used at the time, immediately before or immediately following the activity.
<b>Money Laundering</b>	the process by which a person or entity conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate.
<b>Personnel</b>	all directors, officers, committee members and employees of GBRF and any person holding an equivalent position or role in any venture or entity that is effectively controlled by GBRF
<b>Secret Commissions</b>	where a person or entity offers or gives a commission to an agent or representative of another person (the 'principal') that is not disclosed by that agent or representative to the principal. The commission is made as an inducement to influence the conduct of the principal's business.

# 1. Introduction

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## 1.1 Purpose of this document

The Grant Agreement (the Agreement) between the Reef Trust and the Great Barrier Reef Foundation (GBRF) sets out the requirements for the 'Reef Trust Partnership'. This Fraud Prevention Plan (FPP) outlines GBRF's approach to minimising the risk of fraud occurring in connection with any of GBRF's activities (including in the performance of any obligations under funding agreements) including the Reef Trust Partnership. This FPP is consistent with GBRF's Fraud, Anti-Bribery and Anti-Corruption Policy (the Fraud and Corruption Policy) and the controls described within it are based on the application of GBRF's Risk Management Plan.

## 1.2 Legislative and policy requirements

As outlined in the Fraud and Corruption Policy, GBRF is committed to the highest standards of conduct and ethical behaviour and full compliance with the law in all aspects of its business.

In furtherance of this commitment, GBRF recognises the necessity of implementing effective fraud, bribery and corruption controls based on the application of sound risk management principles underpinning the GBRF Risk Management Plan.

GBRF has adopted this Fraud Prevention Plan in compliance with Australian Standard 8001-2008: Fraud and Corruption Control to document GBRF's approach to controlling fraud and corruption exposure at strategic, tactical and operational levels. In conducting the GBRF's fraud risk assessments, which underpin this FPP, the AS/NZS/ISO 31000:2018 Risk Management – Guidelines were followed.

GBRF is championing a culture where all personnel are required to become familiar with the key elements of a robust fraud prevention framework, including policy, legal and governance requirements.

## 1.3 Scope

This FPP applies to all Personnel of GBRF. Prevention of fraud, corruption and bribery by third parties (sub-contractors, vendors etc) is specifically captured in the Fraud and Corruption Policy and discussed at section 6.5 of this FPP.

## 2. Governance

GBRF's Audit, Risk and Compliance Committee (ARCC) is responsible for the overall administration of the Fraud and Corruption Policy.

Schedule 1 contains a full overview of the roles and accountabilities for GBRF's fraud, bribery and corruption control strategies.

### 2.1 GBRF's attitude to fraud, bribery and corruption

In accordance with GBRF's Fraud and Corruption Policy adopted by the Board on 23 August 2018, GBRF has zero tolerance for fraud, bribery or corruption in connection with its operations and activities.

Specifically, Personnel must not:

- (a) engage in fraud, corruption, bribery or money laundering;
- (b) make facilitation payments;
- (c) offer, pay, solicit or receive secret commissions;
- (d) offer or accept gifts, travel, entertainment or hospitality other than in accordance with the Fraud and Corruption Policy; or
- (e) engage with third parties otherwise than in accordance with the due diligence and contractual requirements set out in the Fraud and Corruption Policy.

### 2.2 Code of Conduct

GBRF's Code of Conduct sets the standards of the behaviour expected at GBRF. Conduct which constitutes fraud, bribery, corruption or other conduct prohibited by the Fraud and Corruption Policy may result in (amongst other things) the following actions in accordance with GBRF's Code of Conduct:

- Termination of employment or contract
- Debt recovery
- Reprimand
- Re-assignment of duties
- Demotion
- Conduct may be reported to the authorities (eg. Police)

### 2.3 Relationship with the GBRF's other plans and policies

The following policies, procedures and working documents form a significant component of, or are referenced within, GBRF's FPP. These documents also act as prevention strategies to mitigate the risk of fraud, bribery and corruption:

#### Policy/Plan Name

Fraud, Anti-Bribery and Anti-Corruption Policy

Risk Management Plan (Risk Management Policy, Risk Management Framework and Risk Appetite Statement)

Whistleblowing Policy

Confidentiality Policy

Procurement Policy

Code of Conduct

Fundraising Policy

Ethical Donations Policy

Accounting Policy & Procedures

## 3. Planning and resourcing

### 3.1 Program for fraud control planning and reviewing

This FPP including its schedules and the Fraud and Corruption Policy require ongoing planning and review to be effective in mitigating the risk of fraud, bribery and corruption within GBRF.

The following key activities will occur at regular intervals as set out in accordance with this table, or sooner if there is a legislative change.

Fraud, Bribery and Corruption control planning and review activities		
Review Item	Description	Timeframe
Fraud, Anti-Bribery and Anti-Corruption Policy	Outlines GBRF's guiding principles for managing Fraud, Bribery and Corruption within its operations.	Biennial
FPP	Documents GBRF's approach to controlling fraud and corruption exposure. Includes fraud management planning, fraud and corruption prevention and detection and incident response.	Ongoing
Fraud and Corruption Risk Assessments	Assessment of fraud and corruption risks prior to the commencement of any major project or substantial changes such as outsourcing or procurement.	Ongoing
Fraud and Corruption training	Delivery of training to all Personnel in order to increase awareness of the risks associated with fraud, corruption and bribery and their obligations under this FPP and the Fraud and Corruption Policy.	At induction and annual policy affirmation program
Conflicts of Interest Policy	Outlines GBRF's procedures to identify and manage legal conflicts of interest that arise in GBRF's business and to protect GBRF and the individuals involved from any impropriety.	Biennial
Risk Management Policy	Outlines GBRF's overall approach to risk management.	Annual
Risk Management Framework	Outlines GBRF's approach to risk oversight and management and sets out the methodologies adapted by GBRF for the: <ul style="list-style-type: none"> <li>• Identification, analysis and evaluation of identified risks;</li> <li>• Development and implementation of processes to monitor, treat and manage risks;</li> <li>• Reporting of risks and mitigating controls; and</li> <li>• Response to any emerging risks or risks that may materialise as a consequence of adverse events</li> </ul>	Annual
Risk Appetite Statement	States GBRF's risk appetite relating to fraud.	Biennial
Conflicts of Interest Register	Management of the Conflicts of Interest Register.	Ongoing
Gifts, Travel, Entertainment and Hospitality Register	Management of the Gifts, Travel, Entertainment and Hospitality Register.	Ongoing
Code of Conduct	Create and maintain high levels of awareness of the Code of Conduct.	Ongoing

## 4. Fraud control responsibilities

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### 4.1 Internal audit activity in fraud and corruption control

GBRF is partnering with a third party as the internal auditor to perform activity in the context of addressing all business risks, as an effective part of the overall control environment to identify the indicators of Fraud or Corruption.

The internal audit activity is planned and conducted in accordance with fraud detection, deterrence and response provisions of the Professional Practices Framework of the Institute of Internal Auditors.

## 5. Fraud and corruption prevention

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### 5.1 Implementing and maintaining an integrity framework

A key strategy in managing the risks of Fraud, Bribery and Corruption within GBRF is the maintenance of a sound ethical culture. This is encapsulated in the GBRF value “acting with integrity” which highlights GBRF’s commitment to be open, transparent and accountable with respect to the way in which we use all donor funds.

To support this strategy, all of GBRF’s Personnel are made aware of, acknowledge and sign off their compliance to GBRF’s Code of Conduct as part of their induction and where applicable, their compliance with the mandatory Annual Policy Affirmation Program.

GBRF provides Personnel with systems, processes and tools to foster an ethical culture and deal with any matters which put that ethical culture at risk, these include:

- GBRF’s Code of Conduct;
- the GBRF’s Policies and Procedures Manual;
- compliance with the Annual Policy Affirmation Program;
- obligations under the Conflicts Policy to disclose potential, actual or perceived conflicts of interest;
- mechanisms for reporting suspected Fraud, Bribery and Corruption;
- Ethical donations policy;
- Fundraising Policy;
- Procurement Policy;
- protections for Whistleblowers through GBRF’s Whistleblower Policy; and
- employment contracts.

### 5.2 Senior management commitment to controlling the risk of fraud and corruption

GBRF fosters a culture of risk consciousness and ensures that senior management have an observably high level of commitment towards controlling fraud, bribery and corruption risks.

There is formal oversight in place to the policies and procedures of GBRF, specifically:

- the Fraud and Corruption Policy is approved by the Board of GBRF;
- the ARCC reports to the Board on actual and reported breaches of this FPP and the Fraud and Corruption Policy;
- risk assessments which are conducted by the Risk and Compliance Manager are presented to the ARCC for review; and
- the ARCC reviews the suitability of the Risk Management Policy and the Risk Management Framework at least annually.



### **5.3 Role of Risk and Compliance Manager**

The Risk and Compliance Manager is responsible for supervising fraud and corruption control and this FPP as part of their broader duties and responsibilities. The Risk and Compliance Manager may seek guidance from the ARCC, the Board of Directors or the Managing Director regarding the implementation of the FCCP.

### **5.4 All managers are accountable for controlling fraud and corruption**

Managers are required to actively manage risks and take accountability within their respective areas. All managers are required to actively manage their employees' conflict of interest disclosures in accordance with the Conflict of Interest Policy.

### **5.5 Maintaining a strong internal control system and internal control culture**

It is required that Personnel report breaches of the Fraud and Corruption Policy. It is expected that all breaches be reported up (or down) the chain to the Risk and Compliance Manager who will investigate. Reports can be made to an immediate supervisor, the Head of Operations, the Risk and Compliance Manager, the Managing Director or the ARCC Chair. Where an individual is notified of a report, they must immediately inform the Risk and Compliance Manager.

### **5.6 Employment screening (pre-employment and on internal promotion or transfer)**

Prior to employing an individual or promoting an individual to a senior executive position, GBRF will conduct appropriate due diligence on that person. Appropriate due diligence involves (at a minimum) verifying, with the consent of the individual, the identity, integrity and credentials of that person.

### **5.7 Policy dealing with taking annual leave**

In order to minimise Fraud risks and help ensure instances of Fraud can be discovered in a timely manner, Personnel are to be encouraged to review the annual leave policies contained in GBRF's Policies and Procedures Manual and to take annual leave at regular or other appropriate intervals. This policy is put in place to mitigate the risk of staff attempting to cover up fraudulent activity in their daily work practices.

Where leave balances exceed 40 days at 30 June in any year, the employee may be directed by their supervisor to take the excess annual leave. The Head of Operations should review leave balances and advise the relevant supervisors where such balances are excessive.

## 6. Fraud and corruption risk assessment

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### 6.1 Fraud and corruption risk assessment methodology

The process adopted to identify and evaluate GBRF's fraud risks and corruption is consistent with the Risk Management Framework (the Framework), which outlines GBRF's approach to risk oversight and management consistent with Australian/New Zealand Standards (AS/NZS ISO 31000:2018: Risk Management – Guidelines).

### 6.2 GBRF Fraud risk and corruption appetite statement

GBRF has zero risk tolerance for Fraud or Corruption perpetrators and a low tolerance for Fraud or Corruption risks.

### 6.3 GBRF Fraud risk assessment, Risk Register, Control and Treatment Plan

The fraud risk register contains updated information from the fraud risk assessment. The assessment and risk register will be reviewed and updated to reflect any emerging risks, changes to the risk environment or to GBRF's operations.

GBRF's fraud risk assessment and risk register will underpin reporting on fraud risk to the Board, ARCC and GBRF management.

### 6.4 Supplier and customer vetting

As set out in the Fraud and Corruption Policy, where an agent, supplier, contractor, service provider or intermediary is to be retained, the following steps must be taken:

- The Risk and Compliance Manager must be informed so they can determine whether due diligence on the person or entity is required. When determining whether due diligence is required, the Risk and Compliance Manager will consider the obligations of GBRF under any of its current funding agreements and any risks associated with the engagement.
- If due diligence is required, a due diligence report must be completed and full records kept of the investigation. The appropriate level of due diligence may vary depending on the level of risk. For example, entities or individuals who will represent GBRF, those that operate in high risk countries or jurisdictions that have been identified to have strategic anti-money laundering/ counter-terrorism financing (AML/CFT) deficiencies or concern major contracts for goods or services would be considered high risk.
- If any issues of concern are identified by this due diligence, the Risk and Compliance Manager, in conjunction with management where appropriate, will determine whether the third party should be retained and which standard contractual terms are to be used including with respect to limiting GBRF's exposure to any identified risks or areas of concern.

## 6.5 Contractual controls

Any engagement on GBRF terms and conditions must include clauses addressing anti-bribery, corruption and limitations of liability. Additionally appropriate due diligence is performed on any subcontractors or grantees.

Personnel should consult with the Grants and Contracts Manager regarding the appropriate clauses to be used and seek external legal advice where appropriate.

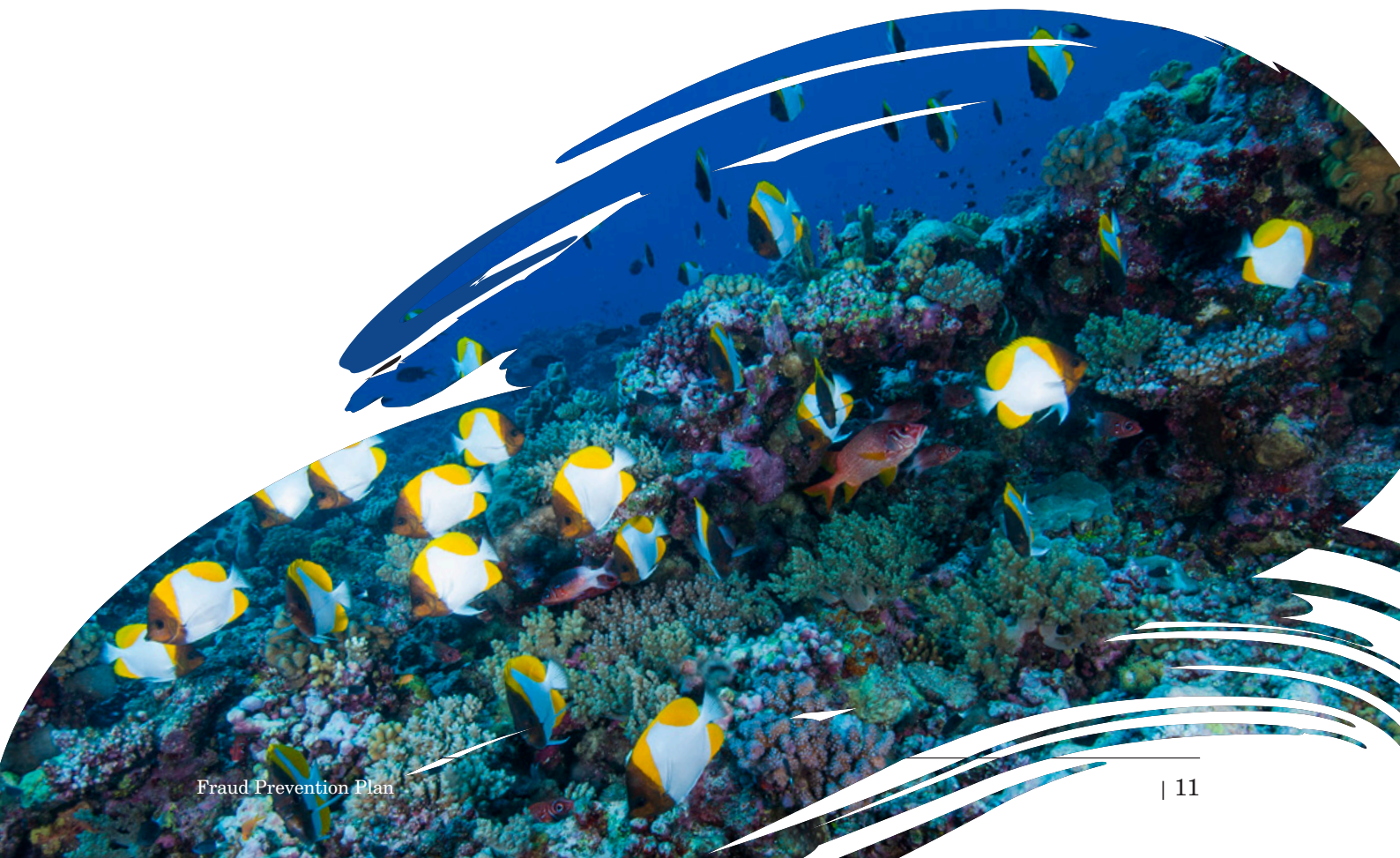
## 6.6 Procurement Policy

GBRF has adopted a Procurement Policy to further its four procurement principles to deliver benefits for GBRF, stakeholders and the community being:

- value for money;
- advancement of economic, environmental and social benefits for local reef communities;
- open and effective competition; and
- efficient and ethical procurement.

Personnel are expected to comply with the Procurement Policy including the minimum requirements for the procurement of goods and services within the identified monetary thresholds. As set out in the Procurement Policy, GBRF enforces different requirements depending on the estimated total expense to GBRF ranging from one verbal quote to a public request for tender offer.

The Procurement Policy also prohibits staff from participating in any action or matter associated with the arrangement of a contract (i.e. evaluation, negotiation, recommendation, or approval), in which they or a member of their immediate family has an interest, or holds a position of power, in a business tendering for the work or applying for a grant.



## 7. Fraud and corruption detection

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### 7.1 Fraud and corruption detection program

The Risk and Compliance Manager will work with GBRF's stakeholders to ensure that this FPP, the Fraud and Corruption Policy and its related procedures are implemented, adhered to and understood.

Under the Fraud and Corruption Policy, it is a requirement that all known or suspected fraudulent or corrupt behaviour, as well as all instances of bribery are reported to an immediate supervisor, the Risk and Compliance Manager, the Head of Operations, the Managing Director or the Chairman.

Examples of common fraud indicators include but are not limited to:

- excessive secrecy in relation to work;
- employees who are aggressive or defensive when challenged, and/or controlling of certain colleagues;
- poorly reconciled cash expenses or customer accounts;
- employees known to be under external financial pressure;
- employees who delay providing information or provide different answers to different people;
- employees making procedural or computer enquiries inconsistent or not related to their normal duties;
- employees with competing or undeclared external business interests;
- employees refusing to take leave;
- non-compliance with due diligence procedures;
- requests to "bend the rules" with regards to procurement and tender processes;
- reluctance to delegate work;
- circumventing processes or controls;
- invoices which look different to previous invoices issued by the same supplier; and
- expenditure that has exceeded approved budget without adequate information to explain the variance.

### 7.2 The external auditor's role in the detection of fraud

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, GBRF's external auditors are required to provide a declaration that to the best of their knowledge or belief there have been no contraventions of:

- the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*; and any applicable code of professional conduct in relation to the audit.

GBRF's financial statements are to be prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*. GBRF's external auditors are required to ensure that these financials give a true and fair view of GBRF's financial position and of its financial performance for the year ended.

### 7.3 Reporting suspected fraud and corruption incidents

GBRF's Risk and Compliance Manager will facilitate reporting of fraud and corruption incidents. Contact details:

Risk and Compliance Manager  
Damien Dennis  
Ph: 07 3171 0413  
Email: [ddennis@barrierreef.org](mailto:ddennis@barrierreef.org)

### 7.4 Whistleblower protection program

GBRF encourages the reporting of any instances of suspected or actual unethical, illegal, fraudulent or undesirable conduct involving GBRF. Further, GBRF is committed to ensuring confidentiality in respect of all matters raised under the Fraud and Corruption Policy, and that those who make a report in good faith are treated fairly and do not suffer any disadvantage.

Personnel should read GBRF's Whistleblower Policy for more information about GBRF's commitment to the protection of whistleblowers.



## 8. Responding to detected fraud and corruption incidents

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Schedule 2 contains detailed procedures for:

- The investigation of detected or suspect incidents
- Internal reporting and escalation
- Disciplinary procedures
- External reporting
- Civil proceedings to recover the proceeds of fraud or corruption
- Internal review following discovery of fraud



# Schedule 1

## Overview of roles and accountabilities for fraud, bribery and corruption control

Who	Accountabilities
All Personnel	<ul style="list-style-type: none"> <li>Behave ethically, understand and comply with this FPP.</li> <li>Take into account the need to prevent and detect fraud, bribery and corruption as part of their normal responsibilities.</li> <li>Understand the consequences of improper conduct.</li> <li>Be aware, acknowledge and sign off on compliance with GBRF's Code of Conduct.</li> <li>Report all suspicions of fraud and corruption.</li> <li>Register gifts and benefits offered in accordance with the Policy.</li> </ul>
ARCC	<ul style="list-style-type: none"> <li>Evaluate management's identification of fraud, bribery and corruption risks and the implementation of the Fraud and Corruption Policy.</li> <li>Review the suitability and effectiveness of the FPP and the Policy every two years.</li> <li>Review and report to the Board on actual and reported breaches of the FPP and the Fraud and Corruption Policy.</li> <li>Oversee the assessment of alleged improper conduct.</li> <li>Investigate instances of alleged and actual improper conduct where necessary and satisfy itself that management has appropriately implemented this FPP in relation to those practices.</li> </ul>
Managing Director	<ul style="list-style-type: none"> <li>Maintain responsibility for effective fraud, bribery and corruption governance and training.</li> <li>Delegate the review of the FPP and Policy to the Risk and Compliance Manager.</li> </ul>
Board	<ul style="list-style-type: none"> <li>Maintain responsibility for effective fraud, bribery and corruption governance.</li> <li>Delegate to the ARCC actions to manage fraud and corruption risks.</li> </ul>
Finance Department	<ul style="list-style-type: none"> <li>Record all transactions accurately, completely and fairly in accordance with GBRF's internal accounting controls.</li> <li>Ensure that all books and records are kept with reasonable details including the parties, payment arrangements and purpose of all transactions and disposition of assets.</li> <li>Assist with reviewing the effectiveness of internal controls to reduce the potential for fraud, bribery and corruption.</li> <li>Scrutinise invoices and other documentation from third parties to determine legitimate work has been undertaken and improper payments have not been made.</li> <li>Review areas of GBRF's business in order to identify process weaknesses which are susceptible to fraud, bribery and corruption and provide recommendations which aim to mitigate and/or manage fraud, bribery or corruption risks within those areas.</li> </ul>
Risk and Compliance Manager	<ul style="list-style-type: none"> <li>Maintain or delegate the responsibility for maintaining the Conflicts of Interest register.</li> <li>Maintain or delegate the responsibility for maintaining a register of Personnel who have received training on the Policy.</li> <li>Maintain a fraud and corruption incident register.</li> <li>Undertake or delegate the responsibility for undertaking a review of potential agents, suppliers, contractors service provider or intermediary to determine whether due diligence is required and whether the third party should be retained and (if appropriate) which standard terms should be used.</li> </ul>



Who	Accountabilities
<p><b>Risk and Compliance Manager</b></p>	<ul style="list-style-type: none"> <li>• Ensure appropriate due diligence of individuals who are to be promoted to a senior executive position.</li> <li>• Responsible for the overall fraud and corruption control framework.</li> <li>• Ensure all operational areas implement effective risk management practices, including risk assessments of fraud and corruption.</li> </ul>
<p><b>Grants and Contracts Manager</b></p>	<ul style="list-style-type: none"> <li>• Ensure grant programs are designed with well defined aims and objectives and include clear separation of grant-processing, evaluation and approval roles.</li> <li>• Ensure information published in grant guidelines is clear, transparent and establishes the evaluation criteria and methods.</li> <li>• Ensure potential applicants are treated equally and are given sufficient information about the grant program.</li> <li>• Ensure applicants declare Conflicts of Interest and provide anti-corruption warranties in their applications.</li> <li>• Obtain Conflict of Interest declarations from grant assessors prior to releasing grant applications for assessment.</li> <li>• Ensure grant applications are assessed in accordance with pre-determined and well-advertised criteria and published timetable.</li> <li>• Ensure funding recommendations and decisions are fully documented and include details of the procedures followed and selection criteria used.</li> <li>• Ensure due diligence is conducted on all successful grantees.</li> <li>• Ensure all grants awarded are documented in a funding agreement signed by both parties stating the conditions that apply to the grant and the obligations of the parties.</li> <li>• Ensure all payments to grantees are checked against the schedule of payments in the funding agreement and that pre-requisite conditions for the release of funds have been met.</li> <li>• Ensure invoices are approved by the correct financial delegate.</li> <li>• Ensure a robust grantee reporting schedule is in place to ensure regular oversight of progress and achievements.</li> </ul>
<p><b>Managers</b></p>	<ul style="list-style-type: none"> <li>• Display ethical leadership and high personal standards of behaviour consistent with GBRF's Code of Conduct.</li> <li>• Proactively manage staff conduct by taking prompt and appropriate action.</li> <li>• Ensure all employees complete compulsory training on the Policy.</li> <li>• Ensure compliance with relevant policies and procedures including identifying and reporting on potential fraudulent and corrupt activities.</li> </ul>
<p><b>Internal Auditor</b></p>	<ul style="list-style-type: none"> <li>• Assist GBRF to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.</li> </ul>
<p><b>External Auditors</b></p>	<ul style="list-style-type: none"> <li>• Holds responsibility to provide reasonable assurance GBRF's financial statements are free from material misstatements due to fraud or error.</li> <li>• Shares information relating to fraud related risks with GBRF's Audit, Risk and Compliance Committee.</li> </ul>



## Schedule 2

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### Responding to fraud and corruption incidents (including procedures)

#### Procedures for the investigation of detected or suspect incidents

The Risk and Compliance Manager will conduct an investigation (unless determined otherwise by the ARCC) into all actual, suspected or potential breaches of the Fraud and Corruption Policy and this FPP as soon as possible after becoming aware of an allegation.

All investigations will be conducted with a presumption of innocence, ensuring the confidentiality of parties involved.

If the Risk and Compliance Manager is deemed unable to perform the investigation in an independent and objective manner, the ARCC will appoint someone else to conduct a preliminary review.

Prior to conducting any investigation the Risk and Compliance Manager must consider whether the Whistleblowing Policy is relevant to any individual who made a report and if so, must adhere to the protections in the whistleblowing policy.

Preliminary reviews and investigations into alleged fraud, bribery, corruption or other conduct prohibited by the Fraud and Corruption Policy and the FPP will be conducted based on the principles of independence and objectivity and according to natural justice principles. This means personnel subject to the allegations:

- are presumed innocent until proven guilty; and
- should be afforded the opportunity to respond to allegations and to be represented during any formal disciplinary proceedings.

Any allegations will be reported to the Risk and Compliance Manager, who will commence a preliminary review to determine whether there needs to be any further investigation.

The preliminary review will consider:

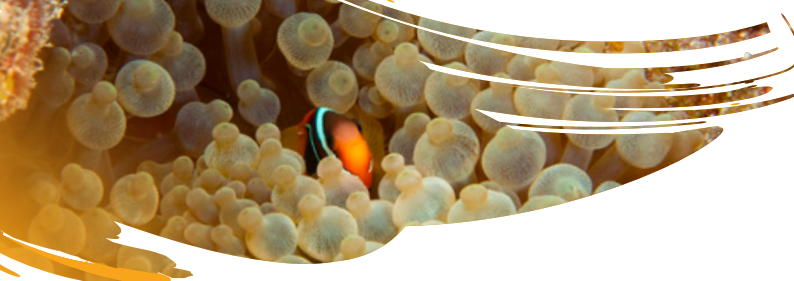
- the cost or value of the alleged fraud, bribery or corruption and of investigating and prosecuting that conduct;
- the security implications of the alleged conduct;
- the possible benefit of investigating the conduct, including recovering the losses suffered by GBRF and non-monetary considerations such as the public interest and reputational issues;
- the nature of the alleged conduct, including whether the conduct may be systemic or targeted and not an isolated incident;
- whether the fraudulent conduct was perpetrated by an external party with internal assistance; and
- possible ongoing risks caused by or evident in the Fraud.

The preliminary review will decide whether the allegations:

- are not substantiated and no further action will be taken other than to debrief the informant(s);
- are substantiated and will require a formal investigation to be undertaken;
- are substantiated and should be investigated by an external service provider (for example a forensic accountant); or
- are substantiated and should be reported to regulatory or law enforcement agencies.

A referral to law enforcement or other regulatory bodies should not be made without first consulting the Board.

When a formal investigation is deemed warranted, the investigator shall be appointed by the ARCC to conduct the investigation in accordance with GBRF's policies and procedures. The investigator may be someone external to GBRF.



At the conclusion of the formal investigation, the investigator will provide to the Managing Director and the ARCC Chair:

- a report on the alleged fraud, recommending action to be taken;
- a recommendation on whether administrative/ disciplinary/ legal action be taken against the offender; and
- recommendations to improve the controls or risk management in the relevant GBRF functions.

### **Internal reporting and escalation**

The Risk and Compliance Manager will record the number and nature of all incidents (or suspected incidents) of fraud, bribery, corruption or other conduct alleged to be in breach of the Fraud and Corruption Policy or this FPP. These records will be contained in a fraud and corruption incident register which will detail:

- the date and time of the report;
- the date and time of the detected conduct;
- how the conduct came to the attention of management;
- the nature of the incident;
- the value of any loss to GBRF; and
- any investigation or actions taken following the discovery of the incident and their outcome.

The Risk and Compliance Manager will report to the ARCC on the number and type of reports of conduct that is alleged to have breached the Fraud and Corruption Policy or this FPP. Where a disclosure has been made under the Whistleblowing Policy on the condition of anonymity these reports will be made on a 'no names' basis to ensure compliance with the relevant confidentiality protections set out in that policy.

The chair of the ARCC will report back to the Board on any incidents of fraud, bribery or corruption on a regular basis. Material incidents or allegations concerning senior management will be reported to the Board immediately.

### **Disciplinary procedures**

All reported incidents of fraud or other corrupt conduct will be taken seriously and thoroughly investigated. Personnel engaged in such conduct may be subject to disciplinary action which may result in termination of employment and depending on the circumstances, the incident may be referred to regulatory and law enforcement agencies.

### **External reporting to partners**

The ARCC Chair of GBRF must authorise any external reporting and will report the incident to the Board.

In the event of a fraud, GBRF will report the incident to the relevant funding partner if the fraudulent incident had a direct impact on the funding or project being funded. If the fraud relates to the Reef Trust Partnership Agreement the Department of the Environment and Energy will be notified.

### **Reporting to regulatory and/or law enforcement bodies**

Allegations of serious misconduct will be referred to regulatory and/ or law enforcement bodies such as the Queensland Police Service or the Crime and Corruption Commission.

### **Policy for civil proceedings to recover the proceeds of fraud or corruption**

GBRF has a policy of undertaking recovery action where there is clear evidence of fraud or corruption and the likely benefits of recovery exceed the funds and resources that would be expended in pursuit of that objective.

### **Internal control review following discovery of fraud**

Following a report of alleged fraud, corruption or bribery from the Risk and Compliance Manager, the ARCC shall reassess the adequacy of the internal control environment and consider whether improvements are required. The ARCC may make recommendations to the Board and management regarding the internal control environment.