NSW Greyhound Breeders, Owners & Trainers' Association Limited
Theft and Fraud Control Policy
(Employees, Volunteers & Officials)

1. Introduction

1.1   Overview

The NSW GBOTA conducts greyhound racing at:

- Wentworth Park
- Gosford
- Lismore
- Maitland
- Bulli
- Bathurst
- Gunnedah
- Temora
- Appin

This Fraud and Corruption Prevention Strategy sets out the fraud and corruption prevention policies and procedures followed by the GBOTA. It details GBOTA approach to the prevention, detection, reporting and investigation of fraud and corruption. It also identifies current activities that may be susceptible to fraud and corruption, and provides strategies for better management and control of those activities.

Effective implementation of this strategy will help ensure that public confidence in the integrity of GBOTA is maintained.

1.2   GBOTA policy and attitude to fraud and corruption

GBOTA promotes an organisational culture that will not tolerate any act of fraud or corruption. This Fraud and Corruption Prevention Strategy is designed to put this principle into practice.

Apart from the legal consequences of fraud and corruption, improper acts have the potential to damage GBOTA public image and reputation. Unresolved allegations can also undermine an otherwise credible position and reflect negatively on innocent individuals.

All staff must be above fraud and corruption. Sanctions will apply to those who are not. In addition, staff must act so they are not perceived to be involved in such activities. Through transparent and accountable decision-making, together with open discussion by staff and managers about the risks of fraud and corruption, GBOTA seeks to foster an organisational climate which does not tolerate fraud or corruption.

GBOTA will deal fairly with all parties in the course of investigating allegations of fraud or corruption. However, if fraud or corruption is proven, GBOTA will apply appropriate sanctions. Possible sanctions include suspension without pay, dismissal, and loss of accumulated employer superannuation contributions.

The prevention of fraud and corruption requires that all staff members act ethically and professionally.

2.   Definitions of fraud and corruption

Fraud and corruption can be distinguished from other forms of unethical behaviour. GBOTA applies the following definitions which are based on those contained in the Australian Standard for Fraud and Corruption Control (AS 8001-2003).

2.1   Corruption

Dishonest activity in which a director, executive, manager, employee, contractor, volunteer or work experience student acts contrary to the interests of GBOTA and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

2.2   Fraud

Dishonest activity, by GBOTA employees, contractors, volunteers, work experience students or external persons, causing actual or potential financial loss to GBOTA, including the theft of moneys or other property. This includes the deliberate falsification, concealment, destruction or improper use of documentation used for a normal business purpose or the improper use of other information or position.

2.3   Examples of fraud and corruption

The following list is not exhaustive but includes some of the more common examples of fraud and corruption in the public sector:

Theft of assets, such as:

- Equipment
- Consumables or supplies
- Cash
- Information

Unauthorised or illegal use of assets, information or services for private purposes, including:

- Motor vehicles
- Clerical and other support
- Confidential information
- Equipment, including photocopiers, telephones and fax machines
- Computers
- Company Phones

Abuse of position and power for personal gain, such as:

- Seeking and obtaining bribes or other gifts in exchange for favourable treatment

Manipulation and misuse of account payments, such as:

- Fictitious employees on the payroll
- Ordering equipment for private and personal use
- Favouring suppliers whose costs are not as competitive as other suppliers

Falsification of records, including:

- Timesheets
- Travel claims
- Petty cash vouchers.

Manipulation of computer programs for improper purposes, such as:

- Unauthorised approval to pay
- Diversion of proceeds

- Writing off debts.

3. Roles and responsibilities

3.1 GBOTA Directors and Executive Officer

The Directors and GBOTA Executive officer consider and approve all policies and procedures relating to the control and investigation of fraud and corruption.

GBOTA sets out the following responsibilities for the Directors and the Executive Officer:

- establishing and maintaining ethical policies, systems and procedures for all aspects of GBOTA work

- ensuring that staffing policies and practices are fair and equitable

- ensuring that mechanisms for responding to potentially unethical circumstances are appropriate and effective (e.g. grievance and complaint handling systems)

- ensuring that areas of work that are of inherently higher risk in terms of ethics and corruption are identified and that preventive strategies are in place

- monitoring the ethical health and culture of GBOTA and responding to any problems identified.

All reasonable suspicions of fraud or corruption are reported to the Executive Officer who decides what action should be initiated to assess the concerns raised. All fraud and corruption investigation reports are referred back to the Directors who then decide what action is necessary to address the investigation findings.

3.2 Corporate Governance Branch

The Executive Officer of the GBOTA is responsible for:

- producing fraud and corruption policies, procedures and training proposals

- liaising with internal and external investigators

- assuring the quality of investigation processes and reports, and

- providing advice to staff affected by internal investigations.

The Executive Officer is also GBOTA nominated Protected Disclosures Officer.

3.3 NSW GBOTA Internal Audit Committee

GBOTA Executive Officer and Financial Controller are responsible for overseeing the effectiveness of GBOTA fraud and corruption control strategies and plans.

3.4 Theft and Fraud Control Officer

The Theft and Fraud Control Officer's responsibilities include:

- The coordination of theft and fraud control within the club;

- Recording instances of theft and fraud on file;

- Reporting on theft and fraud to the club Committee;

- Investigation of fraudulent activity; and

- Liaison with police and GRNSW Stewards.

3.5 NSW GBOTA Line Managers

NSW GBOTA Line Managers must ensure that effective fraud and corruption prevention risk management strategies and staff awareness programs are established in their workplaces.

NSW GBOTA Line Manger's responsibilities include:

- Identifying and assessing theft and fraud risks;

- Implementing theft and fraud control measures;

- Identifying and reporting internal and external fraud; and
- Promoting an ethical culture within the club.

3.6   All GBOTA staff

All GBOTA staff have a duty to:

- Behave ethically;
- Assist in the identification of risk exposure to corrupt or fraudulent activities; and
- Report to management any suspected theft, fraud or corruption.

4.   Fraud and corruption risk management

4.1   Regular program for fraud risk assessment

An important part of fraud and corruption prevention is understanding where the areas of risk are in relation to GBOTA responsibilities and functions. GBOTA systemically assesses its functions and responsibilities to identify all potential risk areas and to develop a risk management plan to control high and medium risk issues. Building on this broad risk assessment, a further specific risk assessment of potential fraud and corruption issues is undertaken.

4.2   NSW GBOTA current fraud and corruption risk assessment

GBOTA fraud and corruption risk assessment also took into account the work activities and functions that are perceived to have high fraud and corruption risk ratings:

- *Financial functions* – such as the receipt of cash, revenue collection and payment systems, salaries and allowances, and entertainment expenses
- *Race Night Audits*
- *Meeting return audits*

Overall GBOTA fraud and corruption risk assessment project concluded that GBOTA had in place effective controls for the bulk of its significant fraud and corruption risks.

5.   Internal audit strategy

5.1   Internal audit capability

GBOTA allocates resources to its internal audit program to provide for in-depth auditing of functions and activities considered to be of high risk. This function is carried out by the Financial Controller.

Resources are also available to conduct special audits of specific issues that may arise and require urgent examination and assessment.

5.2   Internal audit fraud control function

GBOTA internal audit program includes items considered to be of high fraud and corruption risk, in particular, focusing on, financial transactions (including cash handling) and asset security

6.   Theft and Fraud Reporting

6.1   Overview

Employees and volunteers are often the first to realise/identify fraudulent activity within a club. However they may not express their concerns because they feel that speaking up would be disloyal to their colleagues. They may also fear victimisation.

In these circumstances it may be easier to ignore the concern rather than report what may be a suspicion. Employee and volunteer safeguards are set out below and have been established to encourage employees to raise cases of suspected theft and fraud within the club.

In the event of a suspected theft or fraud, employees and volunteers should approach the Line Manager or the Theft and Fraud Control Officer.

Do not

Respond emotionally or take any hasty action, immediately confront the suspect, damage documents or potential evidence, or limit the scope of your concerns to a specific issue.

6.2 Safeguards to Employees

The purpose of the *Protected Disclosures Act (NSW)* is to protect whistleblowers. The object of the Act is to encourage and facilitate the disclosure, in the public interest, of corrupt conduct, maladministration and serious and substantial waste in the public sector by: enhancing and augmenting established procedures for making disclosures concerning such matters; protecting persons from reprisals that might otherwise be inflicted on them because of those disclosures; and, providing for those disclosures to be properly investigated and dealt with.

6.3 Harassment or Victimisation

The NSW GBOTA recognises that the decision to report a concern can be a difficult one to make due to the fear of reprisal from those responsible for the malpractice. The NSW GBOTA will not tolerate harassment or victimisation and will take action to protect those who raise a concern in good faith.

6.4 Confidentially

The NSW GBOTA will do its best to protect an individual's identity when he or she raises a concern and does not want their name disclosed. It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the individual may be required as part of the evidence.

6.5 Anonymous Allegations

This policy encourages individuals to put their names to allegations.

Concerns expressed anonymously are much less powerful, however they will be considered at the discretion of the club. In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issue raised;

- The credibility of the concern; and

- The likelihood of confirming the allegation from the attributable sources.

6.6 Untrue Allegations

If an allegation is made in good faith, but not confirmed by the investigation, no action will be taken against the originator. If, however, individuals make malicious or vexatious allegations, action may be considered against the individual making the allegation.

6.7 Theft and Fraud Response by the Club

For issues raised by employees and volunteers, the action taken by the NSW GBOTA will depend on the nature of the concern. The matters raised may be:

- Investigated internally;

- Referred for civil recovery where appropriate; and

- Reported to the police where appropriate.

Within 10 working days of the concern being received, the Theft and Fraud Control Officer will write to the complainant:

- Acknowledging that the concern has been received; and

- Indicating how they intend to deal with the matter.

Where the loss is substantial, legal advice will be obtained regarding the appropriate action.

6.8   Theft and Fraud Risk Management

Identifying and measuring risk is a key issue in theft and fraud control. The Theft and Fraud Control Officer will conduct a yearly risk assessment to identify, asses, respond, monitor and review theft and fraud risks within the club and report to the Theft and Fraud Control Officer.

7.   Communication

All relevant employees, volunteers and contractors must receive a copy of this Policy.

Any questions or concerns should be directed to the Theft and Fraud Control Officer.

In cases of suspected theft and fraud involving the Theft and Fraud Control Officer, employees can approach the NSW GBOTA Chairman or member of the Board of Directors.

8.   Review

The Theft and Fraud Control Officer will review this Policy annually.

Any change in the Policy will be presented to the NSW GBOTA Board of Directors for approval.