

Fraud & Corruption Standard

1. Brief description

This standard sets out Western Power's expectations and commitments in relation to the prevention, detection and response to Fraud and Corruption

1.1 Related policies

This Standard is made under and supports the *Corruption, Crime and Misconduct Act 2008*, Western Power's Code of Conduct (DM#3575156) and complies with Australian Standard 8001-2008 – Fraud and Corruption Control.

1.2 Scope

This Standard applies to all Western Power Personnel.

In this Standard, Personnel means:

- (i) every director, officer (who is an officer) and employee and of Western Power
- (ii) every contractor of Western Power when performing activities on behalf of Western Power
- (iii) every person or entity that receives benefits from Western Power such as sponsorships and community grant recipients.

2. Expectations & Commitment

2.1 Expectations

Personnel must:

- (i) comply with the Code of Conduct (DM#3575156), including:
 - o not committing Fraud or Corruption
 - o reporting all suspected Fraud or Corruption including the misuse of Western Power assets
- (ii) fully cooperate with any investigation conducted by or on behalf of Western Power
- (iii) consider and address any control measures recommended by Risk Assurance and Audit Manager including under the Fraud and Corruption Control Plan (DM#13918162).

2.2 Commitment

Western Power will:

- (i) promote ethical conduct in relation to its business activities

- (ii) not tolerate Fraud or Corruption:
 - by its Personnel,
 - in relation to its business activities, or
 - in relation to its contractors' business activities.
- (iii) manage and investigate allegations of Fraud and Corruption
- (iv) take appropriate action against Personnel or entities who engage in Fraud or Corruption in relation to Western Power's business activities, including:
 - disciplinary action in accordance with Western Power's People Management Policy (DM#12053094), which may include termination of employment
 - termination of contract
 - civil proceedings
 - referral to law enforcement agencies;
- (v) maintain and enhance its Fraud and Corruption Control Plan (DM#13918162) to ensure the adequate prevention, detection and response to Fraud and Corruption in relation to Western Power's business activities
- (vi) comply with the requirements of the *Corruption, Crime and Misconduct Act 2003*.

3. Understanding fraud

3.1 Fraud definition

In this Standard the term "Fraud" includes:

- (i) dishonest activity (deception) causing actual or potential financial loss to any person or entity
- (ii) theft of property or moneys belonging to Western Power
- (iii) falsification, concealment or deliberate destruction of Western Power or third party documentation
- (iv) improper use of information or position for personal benefit
- (v) deliberately misinterpreting position or authority that causes a loss to a person or entity.

The definitions of Fraud and Corruption overlap. An activity may fall within either or both definitions.

3.2 Examples of Fraud

The following list, whilst not exhaustive, provides examples of the types of conduct that are included within the definition of Fraud:

- (i) theft of property such as inventory, cash and equipment
- (ii) dishonestly obtaining or using property that belongs to Western Power for personal gain or otherwise
- (iii) deliberately causing a loss to Western Power or avoiding or creating a liability for Western Power by deception
- (iv) knowingly making or using forged or falsified documents
- (v) dishonestly using Western Power's computers, vehicles, telephones, purchasing cards, cab vouchers or other property or services
- (vi) dishonest falsification of Western Power's financial statements
- (vii) fabrication, falsification or plagiarism of technical, advisory or research work
- (viii) dishonestly falsifying invoices for goods or services
- (ix) false timesheets
- (x) falsifying accreditations, education or aptitude
- (xi) dishonestly using purchase or order forms to gain a personal benefit or to dishonestly provide a gain or advantage to another person
- (xii) receiving or giving kickbacks or secret commissions to or from third parties
- (xiii) dishonestly using sponsorship funds or grants
- (xiv) release or use of deliberately misleading or inaccurate information
- (xv) dishonestly assisting or enabling the unlawful or unauthorised transfer, use or allocation of Western Power property and assets including moneys and/or funds held by or on trust for Western Power.

4. Understanding corruption

4.1 Corruption definition

In this standard Corruption includes:

- (i) dishonest activity in which a director, officer or employee contractor of Western Power acts contrary to the interests of Western Power 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
- (ii) corrupt conduct by which personnel or a third party, purporting to act on behalf of and in the interests of Western Power, in order to secure some form of improper advantage from Western Power either directly or indirectly.

The definitions of Fraud and Corruption overlap. An activity may fall within either or both definitions.

4.2 Examples of Corruption

The following list, whilst not exhaustive, provides examples of the types of conduct that are included within the definition of Corruption:

- (i) payment or receipt of secret commissions (bribes), paid in money or via other benefits e.g. building projects completed at an employee's private residence
- (ii) release of confidential information, other than a proper business purpose, in exchange for some form of benefit or advantage or to detriment Western Power
- (iii) collusive tendering - the act of multiple tenderers for a particular contract colluding in preparation of their bids
- (iv) payment or solicitation of donations for an improper political purpose
- (v) acting for own self-interest rather than the interests of Western Power or failing to declare to a family relationship with a company tendering for work within Western Power. This would also breach Western Power's Conflict of Interest Standard (DM#4040184)
- (vi) manipulation of the procurement process by favouring one tenderer over others or selectively providing information to some tenderers. This may involve allowing tenderers to resubmit a 'non-complying' tender after being provided with the details of other bids
- (vii) gifts or entertainment specifically targeted to illicit a specific or generic commercial outcome in the short or long term. This would also breach Western Power's Conflict of Interest Standard (DM#4040184)
- (viii) colluding to provide false information in an investigation
- (ix) colluding with other personnel to conceal the occurrence of an event, for example a safety breach.

5. Dictionary

Words in the first column of the following table are defined terms and have the corresponding meaning shown in the second column of the table. Defined terms appear in this document as capitalised.

Defined term	Meaning
Accountable	The staff member ultimately answerable for the correct and thorough completion of the objective or communication, and the one who delegates the work to those responsible. In other words, an Accountable officer approves work that the responsible officer provides.
Corruption	Has the meaning in section 4 of this document.
Fraud	Has the meaning in section 3 of this document.
Personnel	Has the meaning in section 1.2 of this document.

Defined term	Meaning
Standard	Refined statements of principle within a specific area covered by a Policy that assist with the achievement and implementation of the stated outcomes of that Policy.

6. Further information

If you have any questions in relation to this Standard please contact either the Risk Assurance & Audit Manager or the General Counsel.

7. Content owner

General Counsel.

8. Accountabilities

Risk Assurance & Audit Manager	Accountable for preparing the content of this Standard.
General Counsel	Accountable for approving the content of this Standard.
General Counsel	Accountable for publishing the approved version of this Standard in Western Power's corporate policies register.

9. Review

This Standard will be reviewed and evaluated by the content owner at least once in every three year period taking into account the purpose of the Standard and the outcome of the compliance review.

10. Related documents

Title	DM reference
Fraud and Corruption Control Plan	13918162
Code of Conduct	3575156
People Management Policy	12053094
Conflict of Interest Standard	4040184

11. Approval history

Version	Approved by	Date of approval	Resolution no.	Notes
1.	General Counsel	30/05/2016	#004/2015/BD	under delegation of the Board



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Sam Barbaro
General Counsel