



Probity (Fraud & Corruption) Policy

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Approved by: Board

Approval date: 4 June 2021

Review date: Every 2 years

1. Purpose

SEARMS has a commitment to high legal and ethical conduct and integrity in business activities. This Probity Policy outlines SEARMS' position on preventing bribery fraud and other related probity offences.

It also reiterates the Code of Conduct and how employees are protected under the Whistle Blower policy.

SEARMS will not tolerate any form of bribery or fraud by its Board members, employees or agents, consultants or any person or body acting on its behalf.

2. Scope

This policy applies to all Board members, employees of SEARMS and associated person acting for or on behalf of SEARMS. Every Board member, employee and associated person is responsible for maintaining high standards of business conduct. Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of SEARMS.

In the context of the legislation and the Probity Policy the term "employee" is taken to embrace all employees (full-time, part-time, casual, permanent, temporary and volunteer). An "associated person" refers to all contractors, consultants, agents and agency staff engaged by SEARMS.

SEARMS may also face, criminal liability for unlawful actions taken by its Board members, employees or associated persons. All board members, employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued.

This policy should be read in conjunction with other relevant policies and procedures.

3. Board Commitment

The Board of SEARMS encourages anyone having reasonable suspicions of bribery, fraud or related offences to report them. If they wish an employee can report such suspicions using SEARMS' **whistleblowing policy**.

It is also the Board's policy that no employee will suffer in any way as a result of reporting reasonably held suspicions. For these purposes "reasonably held suspicions" shall mean any

suspicious other than those which are shown to be raised maliciously and found to be groundless.

All allegations will be investigated but if allegations are found to have been raised maliciously then the employee's behaviour will be dealt with under disciplinary procedures.

4. Disclosure process

Six broad management principles to assist in organisations to put in place proper anti-bribery procedures. SEARMS will follow these principles to show that it is committed to eliminating bribery within or on behalf of SEARMS.

Training on this policy forms part of the induction process for all new employee. All existing employees identified as operating in 'at-risk' roles will receive regular training on how to implement and adhere to this policy.

The management principles to follow are:

1. Proportionality

Anti-bribery policies and procedures should be proportionate to the activities and size of the organisation, the sector in which it operates and the risks it faces.

2. Top level commitment

Establishing a clear culture within SEARMS which reinforces that bribery is unacceptable.

3. Risk Assessment

Understanding and keeping up to date with the bribery risks it faces by carrying out regular risk assessments.

4. Due Diligence

SEARMS needs to know details about who it does business with, who it's paying money to and why - and make sure those that SEARMS works with, also have reciprocal anti-bribery agreements in place.

5. Communication

All employees, board members, associated persons know the procedures to follow in situations which may be sensitive to bribery. SEARMS must ensure that its anti-bribery policies are embedded in the organisation's culture, not just a "box-ticking" exercise. SEARMS will publish its Probity Statement on its web and intranet sites.

6. Monitoring and Review

Through audit and to other internal controls SEARMS must monitor its anti-bribery procedures to prevent and detect bribery - to make sure and prove that its procedures are working.

5. Prohibited actions

SEARMS prohibits board members, employees or associated persons from offering, promising, giving, soliciting or accepting any facilitation payment, bribe or kickbacks.

Facilitation payments, bribes and kickbacks

Facilitation payments are payments made to government officials for carrying out or speeding up routine procedures. Facilitation payments or offers of such payment will constitute a criminal offence by both the individual concerned and by SEARMS.

Bribes might be cash, a gift or other inducement to, or from, any person or company, whether a public or government official, official of a state-controlled industry, political party or a private person or company, regardless of where they are situated.

The bribe might be made to ensure that a person or company improperly performs duties or functions (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for the company in either obtaining or maintaining company business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

Kickbacks are typically payments made in return for a business favour or advantage. Kickbacks can include discounts of other types of cash incentives and can commonly be found to occur in, and so particular vigilance should be paid to, supply chain arrangements.

All employees/officers or SEARMS, are required to report complaints or concerns about suspected ethical and legal violations in writing to the CEO, who has the responsibility to investigate all reported complaints.

Anti-Money Laundering

Money laundering is any process whereby funds derived from criminal activity are given appearance of being legitimate and participating in handling such funds is illegal, as can be becoming involved in them with knowledge or suspicion.

In common with all businesses SEARMS are vulnerable to money laundering, and SEARMS are determined to protect SEARMS against penalties that money laundering offence can carry.

Any areas of the business might be open to money laundering, and all employees, board members and associated persons need to be aware of, and alert to the possibilities that some areas of activity are more exposed to higher levels of risk as a result of their nature and employees working in these areas, need to be particularly vigilant.

All employees are encouraged to remain alert to suspicious behaviour and to report any incidence of any of SEARMS' assets being used for criminal purposes.

6. Corporate entertainment, gifts, hospitality and promotional expenditure

SEARMS permits corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:

- For the purpose of establishing or maintaining good business relationships;
- Show genuine appreciation for services;
- To improve the image and reputation of SEARMS; or
- To market products and SEARMS service effectively.

Provided that it is:

- Appropriate and reasonable in the circumstances
- Arranged in good faith; and
- Not offered, promised or accepted to secure an advantage for SEARMS or any of its employee or associated person or to influence the impartiality of the recipient.

SEARMS will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure. This principle applies to Board members, employees and associated persons acting on behalf of SEARMS.

Procedure

Employees should submit requests for proposed hospitality (to a third party) and promotional expenditure well in advance of proposed date with the General Manager. Employees are required to set out in writing:

- The objective of the proposed client entertainment or expenditure
- The identity of those who will be attending
- The organisation that they represent and
- Details and rationale of the proposed activity

SEARMS will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. SEARMS will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, taking a supplier out for lunch prior to a tendering exercise).

Gifts, rewards or entertainment received or offered

Any gifts, rewards or entertainment received or offered from tenants, customers, public officials, suppliers contractors or other business contracts should be reported immediately to your direct supervisor and recorded in SEARMS' register.

In certain circumstances, it may not be appropriate such gifts or be provided with the entertainment and employees and associated persons may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real perceived conflict of interest.

As a general rule, small tokens of appreciation, such as flowers etc. (around the value of \$100.00) may be retained by employees, but must still be recorded in SEARMS gifts register.

If an employee or associated person wishes to provide gifts to tenants, suppliers, customers, clients or other business contacts, prior written approval from the CEO is required, together with details of the intended recipients, reasons for the gift and business objective. These will be authorised only in very limited circumstances.

Employees and where applicable, associated persons must supply records and receipts, in accordance with SEARMS expenses policy and these should be recorded in SEARMS gifts register.

Charitable Donations

SEARMS considers that charitable giving can form part of its wider commitment and responsibility to the Aboriginal community. SEARMS may select a charity to support each year, by means of nominations from board members or staff. SEARMS may support fundraising events involving employees and also support local group and charities via its community development fund.

7. Record keeping

Board members and employees are required to take particular care to ensure that SEARMS records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with tenants, clients, suppliers and public officials.

No accounts can be kept "off-book" to facilitate or conceal improper payments.

Due diligence should be undertaken by employees prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative or other associated persons in accordance with SEARMS' processes and procedures.

Board members and employees are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered by way of recording them in a register available through SEARMS.

8. Reporting

SEARMS depends on its board members, employees and associated persons to ensure that high standards of ethical conduct are maintained in all its business dealing. Board members employees and associated persons are encouraged to report any concerns that they may have to SEARMS General Manager as soon as possible can use the whistleblowing procedure to do so. Issues that should be reported include:

- Any suspected or actual attempts at bribery
- Concerns that other employees or associated persons may be being bribed or;
- Concerns that other employees or associated persons may be bribing third parties, such as tenants, clients or government officials.

Procedure

If an incident or suspected incident of bribery occurs it will be recorded in SEARMS fraud and bribery register when it has been reported to the CEO. Any such reports will be thoroughly and promptly investigated in conjunction with SEARMS investigation procedure within the terms and conditions of employment, contract or consultancy agreement.

Employees and associated person will be required to assist in any investigation into possible or suspected bribery. Employees will also be required to comply with SEARMS whistleblowing procedure.

9. Reporting to the Board

On a quarterly basis the CEO will submit any changes to the hospitality and gifts register and highlight any concerns to the Chairman of the Board, where it will be minuted.

SEARMS CEO will provide an annual probity report to the Board of SEARMS. This report will include:

- Disclosure of interests register
- Details of payments, benefits and corporate hospitality made
- Reported instances of bribery, fraud and irregularity

10. Protection from retaliation & confidentiality

As per the Whistleblower Policy, retaliation against any Individual, who raises a concern in good faith, will not be tolerated. It is contrary to the values of SEARMS for anyone to retaliate against any board member, officer, Employee or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of SEARMS.

An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Provisions - Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

See also:

Whistleblower Policy
Conflict of Interest Policy
Code of Conduct Policy
Delegations Policy
Contractor Procurement Policy
Risk Policy and Plan