Australian Government

Coal Mining Industry
(Long Service Leave Funding) Corporation

COAL LSL

Fraud and Corruption Control Plan 2026 – 2028

Contents

1. Introduction

Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL) recognises that fraud and corruption pose material risks to the integrity of its operations, the achievement of its objectives and the stewardship of public resources.

Coal LSL maintains this Fraud and Corruption Control Plan (Plan) as part of its broader risk management framework. The Plan supports the prevention, detection and response to fraud and corruption risks in accordance with the Public Governance, Performance and Accountability Act 2013 and Public Governance, Performance and Accountability Rule 2014.

This Plan documents Coal LSL's fraud and corruption risk profile, key control environment, assurance and reporting arrangements, and continuous improvement approach. It does not replace Coal LSL's fraud and corruption risks, controls or treatment actions. Rather, it explains how Coal LSL's fraud and corruption management is governed, monitored and improved.

This Plan operates in conjunction with the following documents:

- **Controls Guideline** – control classification, ownership and effectiveness assessment.
- **Fraud and Corruption Investigation SOP** – operational response, investigation, escalation and referral
- **Investigation Guideline** – organisation-wide investigation standards and methodology
- **Risk Management Procedure** – risk assessment, risk ownership, risk management system (i.e. Folio) recording and risk reporting processes
- **Risk Management Policy** – enterprise risk, appetite, escalation and governance.

2. Purpose of this Plan

The purpose of this Plan is to:

- explain Coal LSL's fraud and corruption risk profile
- summarise the key preventative, detective and corrective controls used to manage fraud and corruption risks
- clarify roles and accountabilities for fraud and corruption oversight, control ownership and assurance
- support governance oversight of fraud and corruption risks, control effectiveness and remediation
- ensure lessons learned from fraud and corruption related incidents, assurance activities and investigations are used to improve the control environment.

The detailed operational process for receiving, triaging, investigating, referring and reporting fraud and corruption matters is set out in the ***Fraud and Corruption Investigation Standard Operating Procedure (SOP)***.

3. Definitions

Fraud

Fraud is defined as dishonestly obtaining or attempting to obtain, a gain or benefit, or causing a loss or risk of loss, by deception or other means. The conduct does not need to represent a breach of criminal law. A benefit or loss may be tangible or intangible and may be obtained by, or caused to, a third party.

Internal fraud

Internal Fraud is defined as fraud committed by Coal LSL staff, including contractors or consultants. Examples can include:

- falsely claiming employee entitlements (e.g., leave or reimbursement claims)
- unauthorised access, modification, theft, or disclosure of information
- misdirection or theft of scheme funds
- use or theft of Coal LSL assets for personal or third-party benefit
- manipulation of financial records, approvals or reporting processes.

External fraud

External fraud is committed by external parties, including employers, members, service providers, suppliers or members of the public. Examples can include:

- identity fraud relating to employee or employer entitlements
- submission of false or misleading claims for benefits or entitlements
- misdirection of scheme payments through incorrect or altered banking details
- submissions of false, inflated or duplicative invoices.

Corruption

Corruption is defined as conduct that does or could compromise the integrity, accountability, or probity of public administration. Corruption may be criminal or non-criminal in nature and may affect any aspect of public administration. Examples include:

- abuse of position or authority to obtain a personal or third-party benefit
- undeclared or improperly managed conflicts of interest that influence decision making
- collusion with suppliers or external parties to manipulate procurement or contract outcomes
- provision or acceptance of gifts, benefits or favours that improperly influence, or could be perceived to influence, official duties.

Non-compliance

Non-compliance is any failure to meet obligations under applicable laws, regulations, agreements, contracts, policies or other requirements. This includes intentional, reckless, negligent and unintentional acts.

As fraud or corruption typically require intent, actions resulting from carelessness, accidents or errors are generally considered non-compliance. However, non-compliance can evolve into fraud or corruption, particularly where deception, concealment or improper benefit is involved. Effective management of non-compliance is an important element of controlling fraud and corruption risks.

Unethical behaviour

Unethical behaviour is behaviour inconsistent with Coal LSL's ***Code of Conduct*** and expected standards of integrity, including obligations to act honestly and diligently, avoid conflicts of interest in accordance with the ***Conflicts of Interest Policy***, and use information and resources properly.

4. Fraud and corruption risk profile

Coal LSL's fraud and corruption risk profile is managed through the risk management framework. Coal LSL's exposure areas include:

Scheme and entitlements:

- identity fraud relating to member entitlements
- false or misleading claims
- misdirection or theft of scheme funds
- unauthorised access, modification or disclosure of member information.

Financial and corporate:

- misuse of credit cards, reimbursement or staff benefits
- duplicate, false or inflated invoices
- payment for goods or services not received
- theft or misuse of Coal LSL assets
- manipulation of financial records, approvals or reconciliations.

Procurement, contract and supplier:

- supplier or contractor fraud
- manipulation of procurement or evaluation processes
- undeclared conflicts of interest in procurement or contract management
- collusion between staff and suppliers
- provision of inferior goods or services.

Procurement and contract-related fraud and corruption risks are managed in conjunction with the ***Procurement Policy***.

Information, privacy and data misuse

- unauthorised access to systems or data
- cyber-enabled fraud
- disclosure or misuse of confidential, personal or commercially sensitive information
- inappropriate access to information not required for a person's role.

Information, privacy and data misuse risks are managed in conjunction with the ***Privacy Policy, IT Security Policy, IT Acceptable Use Policy, Responsible Use of AI Policy*** and ***Responsible Use of AI Guideline***.

People, governance and integrity risks

- falsification of records, qualifications or declarations
- undeclared conflicts of interest in recruitment or decision-making
- abuse of office or position
- nepotism, cronyism or preferential treatment
- reprisal or attempted interference with reporting or investigation processes.

People, governance and integrity risks and controls/expectations may also be addressed in the ***Code of Conduct***, ***Conflicts of Interest Policy***, ***Misconduct Guideline*** and ***Public Interest Disclosure Guideline***.

5. Key roles and responsibilities

Coal LSL maintains clear roles and accountabilities to support the effective management of fraud and corruption risks.

Role	Responsibility
Board	Ensures, as the accountable authority, that Coal LSL takes all reasonable measures to prevent, detect and respond to fraud and corruption in accordance with the PGPA

Role	Responsibility
	Rule. The Board receives assurance on fraud and corruption control effectiveness through ARCC reporting. Approves the Risk Management Policy and ensure the Policy addresses fraud and corruption control risks appropriately.
ARCC	Oversees operationalisation of the Risk Management Policy including overseeing the effectiveness of fraud and corruption risk management, controls and assurance activities. Reviews reporting on fraud and corruption risks, incidents, control effectiveness, referrals and remediation.
Chief Executive Officer (CEO)	Ensures, as agency head, compliance with fraud and corruption obligations and refers suspected serious or systemic corrupt conduct to the National Anti-Corruption Commission (NACC) where required.
Chief Governance Officer (CGO)	Oversees the risk management framework and other governance policies and practices including the Fraud and Corruption Control Plan to ensure appropriate risk management and governance practices are in place. Oversees reporting and continuous improvement. Ensures external reporting and notification obligations are actioned and recorded where required.
Executive Leadership Team (ELT)	Ensures fraud and corruption risks and controls are understood, managed and resourced within their areas. Supports remediation and control improvement where risks, incidents or weaknesses are identified.

Role	Responsibility
Chief Operating Officer	Executive responsible for Coal LSL's fraud and corruption risk. Works with the Chief Governance Officer to ensure fraud and corruption control mechanisms are implemented in business operations.
General Managers and Team Leads	Promotes a culture of integrity and ensures staff understand relevant risks, controls and reporting obligations. Support implementation of controls and corrective actions within their areas.
General Manager, Risk, Compliance and Assurance	Provides second line oversight, coordinates assurance activities, monitors control effectiveness in accordance with the Controls Guideline, and supports governance reporting. Ensures fraud and corruption risks and controls are maintained in Coal LSL's risk management system.
Risk and control owners	Identifies and manages fraud and corruption risks within their areas in accordance with the Risk Management Policy and Risk Management Procedure, implements and monitors controls, and ensure controls are effective in managing risk.
All staff, contractors and service providers	Act with integrity, comply with relevant policies and procedures, and report suspected or actual fraud and corruption as soon as reasonably practicable.

6. Fraud and corruption control framework

Coal LSL manages fraud and corruption risks through a control framework that supports prevention, detection, correction and response. This aligns with Coal LSL's control classification approach, where controls may be preventative, detective or corrective.

Detailed fraud and corruption risks, control owners, treatment actions and assurance outcomes are maintained by Coal LSL. Key prevention and detection control measures are outlined for each fraud and corruption risk within the analysis maintained for each risk in the risk management system (e.g. Folio).

7. Prevention and Detection Controls

Preventative controls are designed to reduce the likelihood of fraud or corruption occurring.

Detective controls are designed to identify fraud and corruption indicators as early as possible. Early detection supports timely intervention, minimises potential impacts and strengthens Coal LSL's control environment.

Correction and response

Corrective controls and response arrangements are designed to reduce impact, remediate control weaknesses and support organisational learning when fraud or corruption is suspected or detected.

The ***Fraud and Corruption Investigation Standard Operating Procedure*** (SOP) governs the operational response once fraud or corruption is suspected or detected. The ***Investigation Guideline*** establishes the standards and methodology for how investigations are conducted, including procedural fairness, evidence handling and investigator conduct.

8. Governance, risk and reporting

Risk assessment

Coal LSL conducts fraud and corruption risk assessments to understand exposure and inform control design. Fraud and corruption risks are assessed:

- as part of enterprise risk and control review activities
- at least every two years
- when there is a substantial change in Coal LSL's structure, functions, activities, systems or operating environment
- for targeted high-risk activities, including procurement, payments, system access, third-party delivery or major change initiatives.

Assessment outcomes inform:

- control design and enhancement
- risk treatment planning
- assurance priorities
- updates to this Plan and related guidance.

Fraud and corruption risks are managed as part of Coal LSL's enterprise risk management framework and recorded within the risk management system (i.e. Folio).

Governance, assurance and reporting

Coal LSL's governance arrangements support effective oversight of fraud and corruption risks, controls and incidents. This includes:

- Board oversight through ARCC reporting
- ARCC oversight of control effectiveness, assurance outcomes and significant fraud or corruption matters
- ELT accountability for managing fraud and corruption risks and controls within their areas
- second line oversight by Risk, Compliance and Assurance
- independent assurance through internal audit, where included in the internal audit plan.

Coal LSL reports fraud and corruption risk and control information through established governance reporting processes. This includes reporting on:

- new or emerging fraud and corruption risks
- significant incidents or allegations
- control failures or weaknesses
- investigation outcomes and referrals
- overdue or material remediation actions
- trends, themes and lessons learned.

Governance, assurance and reporting

Insights and lessons learned from investigations, assurance activities, control reviews and incidents are used to strengthen Coal LSL's control environment.

Where relevant, outcomes are fed back into:

- risk assessments
- control enhancements
- risk treatment plans
- training and awareness activities
- this Plan
- the Fraud and Corruption Investigation SOP.

Coal LSL reports annually to the Australian Institute of Criminology, if that reporting practice continues, and complies with applicable legislative reporting requirements.

9. Reporting suspected fraud and corruption

Coal LSL maintains confidential reporting processes to support the reporting, escalation and management of suspected fraud and corruption.

Coal LSL staff and contractors are required to report suspected or actual fraud and corruption as soon as reasonably practicable.

Members of the public, employers, employees and other external parties are encouraged to report suspected fraud or corruption involving Coal LSL.

Reports can be made to the Governance Team by:

- Email: governance_admin@coallsl.com.au
- Online: Folio form
- Post:

  Governance Team

  Coal Mining Industry (Long Service Leave Funding) Corporation

  Locked Bag 2021

  Newcastle NSW 2300

Reports should include as much information as possible. A person making a report should not investigate the matter themselves. Where possible, reports should include:

- who is involved, including the name of any person or organisation
- what fraud or corruption is suspected
- how, when and where the suspected conduct occurred
- whether the suspected conduct is ongoing
- how the person became aware of the matter
- any available supporting documentation.

A person does not need to provide contact details. However, providing contact details can assist Coal LSL to assess and investigate the allegation.

If a person is unsure whether an activity constitutes fraud or corruption, they may contact the Governance Team for advice.

National Anti-Corruption Commission (NACC)

COAL LSL refers suspected serious or systemic corrupt conduct to the NACC, in accordance with the NACC Act 2022.

Anyone can also report serious or systemic corruption directly to the NACC. The NACC advises that reports can be made anonymously, but anonymity may limit the ability to seek further information.

Public Interest Disclosure (PID)

The Public Interest Disclosure Act 2013 supports integrity and accountability by encouraging disclosures of alleged serious wrongdoing, protecting disclosers and ensuring disclosures are properly actioned.

Coal LSL will act on disclosures as appropriate and protect disclosers from reprisal. A person must be a current or former public official, including staff of third party contracted service providers, to make a disclosure under the PID scheme.

To make a Public Interest Disclosure, a person can:

- email: governance_admin@coallsl.com.au. This can include requesting contact directly from an Authorised Officer.
- Online: Public Interest Disclosure form

Further information is available in the Public Interest Disclosure Guideline.

10. Supporting documents

This plan is supported by:

- Code of Conduct
- Conflicts of Interest Policy
- Control Guideline
- Fraud and Corruption Investigation SOP
- Investigation Guideline
- Misconduct Guideline
- Privacy Policy
- Procurement Policy
- Public Interest Disclosure Guideline
- Risk Management Policy
- Risk Management Procedure

11. Version history

Ver	Date	Ownership	Approved by	Changes made
1.	2019	-	-	[unknown - no document history]
2	June 2024	General Manager Finance & Governance	ARCC/Board	Re-write of document to align to new Commonwealth Fraud and Corruption Framework
3.	July 2026	Chief Governance Officer	Chief Governance Officer	Scheduled review.