



Fraud Strategy Statement

Coal LSL's commitment to Fraud Management

The Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL) is a Commonwealth Corporate Entity subject to the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

Coal LSL recognises its responsibility to the Australian Government and the wider community and is committed to minimise the probability of fraud through the development, implementation and regular review of a range of fraud prevention, detection, and response strategies.

Coal LSL has implemented a Fraud Policy which is reviewed once every two years or when there is a substantial change our structure, functions or activities that necessitates a review. This policy outlines our fraud objectives, principles and responsibilities, including the Board's duties under the PGPA Act and Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) as the accountable authority of Coal LSL, in particular, the Board's duty:

- under section 10 of the PGPA Rule to take all reasonable measures to prevent, detect and deal with fraud relating to the entity;
- under section 15 of the PGPA Act to:
 - promote the proper use and management of public resources for which the Board is responsible;
 - promote the achievement of the purposes of Coal LSL; and
 - promote the financial sustainability of Coal LSL;
- under section 16 of the PGPA Act to establish and maintain appropriate systems of risk oversight and management and internal control.

Fraud has the potential to damage the reputation of Coal LSL, and to limit the resources available to meet its statutory and other responsibilities.

Coal LSL does not tolerate fraud or other serious unethical behaviour and is committed to pursuing sanctions and remedies including referral of matters to the Commonwealth Department of Public Prosecutions. Restitution of money or property lost through fraudulent activity will be pursued through legislative means.

Coal LSL's desired outcome is to minimise the incidence of fraud by the adoption of a robust approach that identifies and effectively mitigates fraud risk, from both internal or external sources.

Coal LSL has the responsibility to:

- identify, set priorities, manage risk, control cost, monitor and improve processing systems, institute proper controls and foster an ethical work environment.
- take into account the risk of fraud in planning and conducting Coal LSL's activities, including:
 - managing the collection of levies payable by employers to Coal LSL;
 - reimbursing employers for payments of long service leave to their employees;
 - investing monies comprising the Fund; and
 - developing, implementing or updating Coal LSL's policies.

Coal LSL and its Service Providers are expected to:

- behave ethically and be responsible for minimising the incidence of fraud against Coal LSL; and
- be responsible for promoting and enhancing fraud control, including reporting of suspected fraud, including minor fraud and reporting on fraud control activities and initiatives.

All reports of suspected cases of fraud will be treated as confidentially as possible and action appropriate to the suspicious activity will be taken.