

FRAUD AND CORRUPTION PREVENTION POLICY

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Managing Director and Chief Executive Officer

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This document has been created by the Finance and Business Services and will be reviewed from time to time.

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1 Purpose

The AEMO Fraud and Corruption Prevention Policy is established to facilitate the development of controls that support the detection and prevention of fraud.

2 Policy Statement

AEMO is the operator and planner of energy markets across five states and one territory in Australia. To maintain integrity in this role it is important that AEMO is regarded as being ethical in all aspects of its operation and that its reputation or financial position is not impacted by fraudulent events.

AEMO fosters a culture that encourages all employees to be proactive in the prevention of fraud by achieving high standards of conduct and ethical behaviour in all its activities.

3 Responsibilities

The responsibility for the prevention and detection of fraud exists at all levels of the organisation with specific responsibilities assigned as follows:

- The Board is the owner of the Fraud and Corruption Prevention policy. It reviews and monitors the leadership and commitment given to fraud prevention and detection and receives reports on material breaches. These responsibilities are carried out with the assistance of the Risk and Audit Committee.
- The Chief Executive Officer is responsible for the implementation of this policy and is accountable to the Board for establishing and maintaining an ethical culture and monitoring and reporting obligations under this policy. The Chief Executive Officer is also responsible for approving disciplinary action.
- The management of AEMO is charged with understanding the obligations that they are responsible for, implementing systems and processes in relation to fraud prevention and detection and adapting them where breaches occur.
- It is the responsibility of all staff to undertake their obligations diligently and to report any activities that may be or appear to be irregular or suspicious.

4 Implementation

AEMO's objective of proactively preventing fraud will be achieved by:

- Establishing a system of internal controls and procedures for the prevention and detection of fraud.
- Maintaining a high level of awareness of the potential for fraud and the requirements of ethical conduct throughout the corporation through the provision of education programs.
- Reinforcing the requirement for all staff to comply with procedures designed to prevent fraud, refrain from fraud and encourage reporting of fraudulent activity.
- Monitoring and testing compliance with internal controls through internal audit.
- Undertaking periodic fraud risk assessments to assess the continuing relevance and application of established controls and requirement for new controls.
- Developing a response to deal with any suspected fraud promptly and in an appropriate manner.

This policy is supported by the Fraud Control framework which assists in the prevention, detection, response to and recovery from, fraud and other improper conduct that negatively impacts AEMO.

AEMO's Whistleblower policy is also relevant to the reporting of and response to fraud.

The Fraud Control framework will be reviewed annually by the Risk and Audit Committee and the results will be reported to the Board.

