

## Hosi Elite Solutions Pty Ltd Fraud Policy

This policy is effective company wide from 1st September 2020.

### 1. Background and Purpose

- (a) The company's procedure for fraud prevention, detection and investigation is set out below. The objectives of this policy are to:
  - (i) encourage staff to be aware of fraud;
  - (ii) bring suspected fraud to notice;
  - (iii) provide a framework response plan for investigating and reporting fraud; and
  - (iv) ensure both alleged and proven fraud are dealt with in a consistent and timely manner

### 2. Definitions

- (a) Fraud is defined by the *Crimes Act 1900* (Cth) as any conduct that involves the use of dishonest or deceptive means to obtain some form of property or financial disadvantage. It is taken to include:
  - (i) asset misappropriation or wilful destruction, including theft of cash or other assets (suppliers, inventory, equipment, and information);
  - (ii) manipulation, falsification or adjustments of records or documents;
  - (iii) suppression or omission of the effects of transactions from records or documents; and
  - (iv) offering, giving, receiving, or soliciting anything of value to influence an outcome.

### 3. Managing risk of Fraud – responsibilities

- (a) The Executives are responsible for overall management of fraud risk, including:
  - (i) establishing and maintaining sound systems of risk management and internal control that support the achievement of company's strategy and business objectives;
  - (ii) defining a fraud risk profile and undertaking a regular review of the fraud risks associated with each of the key organisational objectives to keep the profile up to date;
  - (iii) establishing appropriate mechanisms for reporting issues related to fraud risk; and
  - (iv) choosing appropriate consequence management towards employees committing fraud.
- (b) Managers have overall responsibility for preventing, detecting and managing the fraud risk on a day to day basis, including:
  - (i) identifying and assessing of fraud risks to which systems, operations and

- procedures within their area of accountability are exposed;
  - (ii) ensuring that established internal controls are being continuously complied with and relevant systems continue to operate effectively;
  - (iii) regularly reviewing and testing controls in place and, where appropriate, implementing new controls to reduce the risk of similar fraud occurrence in the future; and
  - (iv) fostering an anti-fraud culture.
- (c) Every Employee is responsible for:
- (i) acting with propriety in the use of the Group's resources and the handling and usage of funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or customers;
  - (ii) being conscious to the possibility that unusual events or one-off transactions could be indicators of potential fraud;
  - (iii) immediately reporting details of suspected fraud or irregularity through the established fraud reporting procedure; and
  - (iv) co-operating fully with dedicated employees assigned to conduct internal checks, reviews or fraud investigations.

#### **4. Reporting**

- (a) Any concerns of wrongdoing should be reported. This means any fraud or circumstances in relation to Hosi Elite Solutions Pty Ltd. An initial report can be verbal, however a written report must be given to your immediate manager within 24 hours and should cover:
- (i) the amount/value if established;
  - (ii) any laws/regulations breached;
  - (iii) the period over which the fraud or irregularity occurred, if known;
  - (iv) the date of discovery and how the suspected fraud or irregularity was discovered;
  - (v) details of any actions taken to date; and
  - (vi) any other relevant information or comments.
- (b) If your immediate manager deems it necessary to advance the fraud event, all actual or suspected incidents of fraud should be reported without delay to one of the following relevant authorities:
- (i) Australian Securities and Investment Commission
  - (ii) Scamwatch
  - (iii) NSW Police
  - (iv) Australian Federal Police;
  - (v) Crime Stoppers

#### **5. Recovery of Losses**

- (i) It is important that any losses incurred by Hosi Elite Solutions Pty Ltd are fully and accurately recorded and that costs are correctly allocated. In addition to the direct cost of losses attributable to fraud, all costs associated with enquiries should be recorded.

**Approved by:**

Signature: .....

Full name: Van Nguyen

**Date:**