

Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity

Inquiry into the integrity of overseas Commonwealth law enforcement operations

Questions on Notice from 11 May 2012 Public Hearing – Deadline for return 28 May 2012

EXPORT FINANCE & INSURANCE COOPERATION (EFIC)

No.	Agency	Question	Receipt Date
1	EFIC	<p>Page 15 of Proof Hansard</p> <p>Senator CAMERON: What lessons did EFIC learn from the RBA/Note Printing Australia/Securrency scandal?</p> <p>Mr Hopkins: I was not in the organisation at the time when that issue arose but I can certainly tell you that from time to time when these issues do arise we obviously take note of the issues and review and update our internal policies as may be appropriate following the outcome of those or other investigations or findings.</p> <p>Senator CAMERON: Given that you were not there at the time, could you then take on notice to advise the committee about how your review was undertaken and what lessons you learnt, if any, and what changes to your policies you made?</p> <p>Mr Hopkins: Certainly.</p>	25 May 2012

Answer

The Export Finance and Insurance Corporation (EFIC) provides finance and insurance solutions to help Australian exporters overcome the financial barriers they face when growing their business overseas. While EFIC supports Australian companies operating in overseas markets it does not have any overseas based staff or employ foreign representatives as agents. In this regard, it is important to note the differences in the potential risks relating to bribery and corruption faced by EFIC compared to the risks faced by an organisation such as Securrency. Accordingly, and while EFIC takes into account external factors and events in the consideration of the appropriateness the policies and procedures it has in place to mitigate the risks of

bribery and corruption, those policies and procedures will by definition always reflect EFIC's particular and specific regulatory, operational and organisational requirements.

EFIC has established Anti-Corruption Policy and Procedures to manage EFIC's compliance with Australian law as well as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against corruption. These include:

- Anti-Corruption Policy
- Anti-Bribery and Corruption Procedures
- Corruption Allegation Procedure
- Fraud Control Program and Fraud Control Plan
- Whistleblower Policy
- Incident & Breach Escalation Policy
- Anti-Money Laundering (AML)/Counter Terrorism Financing (CTF) Program (Parts A & B)

These policies and procedures are periodically reviewed to ensure that they remain current in circumstances where there are operational, legal or regulatory changes. The Securrency investigation came to public attention in May 2009 and since that time a number of the above policies and procedures have been reviewed and updated. From a reputational risk perspective the Securrency investigation has informed the reviews and updates of EFIC policies. In addition EFIC provided training to staff in December 2010 and February 2011 on the reputational risk issues resulting from a client's engagement in corrupt activity, which incorporated the Securrency investigation as a discussion item on reputational risks arising from bribery.