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PREMIER'S BRIEFING NOTE

Tracking Folder No. TF/19/8516
Document No. DOC/19/164653

To: THE PREMIER
Date: 26 AUG 2019
Subject: External Invoice Fraud

Approved / Not Approved / Noted
Premier / CoS.....
Date 27/8/19
Date Action Required by:
Requested by:
(if appropriate)

• RECOMMENDATION


It is recommended that you note Screen Queensland (SQ) has been subject to an incident of external invoice fraud resulting in a financial loss of \$51,480.

• KEY ISSUES

- On 9 July, SQ discovered that it had been subject to an incident of external invoice fraud.
- Mr Michael Phillips, Acting Chief Financial Officer, SQ, reported the matter to Ms Tracey Vieira, Chief Executive Officer, SQ, who in turn reported the matter to Ms Linda Lavarch, Chair, SQ Board. The SQ Board was informed at a meeting on 10 July 2019.
- The matter was also reported to the:
 - o ANZ – SQ's bank
 - o NAB – bank nominated on the fraudulent invoice
 - o ACORN – Australian Cybercrime Online Reporting Network
 - o Queensland Police Service.
- Internal investigations have found that the fraud resulted from incomplete controls around first-time vendor bank details.
- SQ took the following actions upon discovery of the incident:
 - o The bank account details for all industry funding recipients are now detailed in all contracts. If these bank details change, this will trigger a contract variation.
 - o Payment memo forms for industry funding payments have been amended to include a bank account check field, where the bank account is checked against the contract or the records in the finance systems, depending on whether it is a first-time vendor or existing vendor.
 - o Where there is no contract, the bank details for first-time vendors are verified via a telephone call (using an independent source for the telephone number). Existing vendors are checked against records in the finance systems.
 - o Staff have been reminded to refer all requests for changes in bank details to SQ Finance for action.
 - o SQ staff were provided with a brief overview on fraudulent emails and the red flags to be aware of.
- SQ will also commission an internal audit to review internal processes and controls, to provide assurance to the SQ Board that these address the risks associated with invoice fraud and fraudulent emails, and also offer opportunities to further strengthen controls.
- SQ staff will also undertake more detailed training in fraudulent emails in the near future.

• CONSULTATION

- Environment Policy, Department of the Premier and Cabinet.

Action Officer: Bronwyn Fardon Area: Screen Queensland Telephone: 3248 0535	Approved by: Tracey Vieira, CEO, SQ Telephone: 3248 0500 Approved on: 29 August 2019	
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• BACKGROUND

- SQ entered into a contract with [CTPI - Business Affairs] on 24 May 2019 for [CTPI - Business Affairs] for SQ's investment in a television series titled [CTPI - Business Affairs]
- On 17 June 2019, a highly detailed replicated email impersonating [CTPI - Business Affairs] was received advising that the bank details on the original invoice were incorrect and an amended invoice was attached.
- On 24 June 2019, SQ made payment on this amended invoice and a remittance advice was emailed to [CTPI - Business Affairs]
- The scammers sent an email impersonating SQ to [CTPI - Business Affairs] to advise there had been some hold ups in the payment, to stop [CTPI - Business Affairs] from following up when the payment was not received.
- [CTPI - Business Affairs] contacted SQ on 8 July 2019 to follow up payment, at which point internal checks revealed a fraudulent payment had occurred.



Dave Stewart
Director-General

Comments (Premier or DG)

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