

<b>Policy title:</b>	<b>Fraud and Corruption Policy</b>	<b>Version - 8</b>	<b>June 2021</b>
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## 1. PURPOSE

This policy sets out IWDA's approach to the prevention and investigation of suspected misconduct and dishonesty, committed against IWDA or its partner organisations. This policy intends to:

- promote a zero-tolerance approach towards fraud and corruption;
- clarify acts that are considered fraudulent;
- encourage prevention and detection of fraud and corruption;
- reduce the likelihood of fraud and corruption;
- outline the internal mechanisms for risk management in relation to prevention of fraud and for detecting and responding to fraudulent activity when it occurs;
- summarise the responsibilities of staff from both IWDA and partner organisations, in identifying fraudulent activities;
- guide staff from both IWDA and partner organisations, on the actions to be taken where they suspect any fraudulent activity;
- provide direction for initiating investigations into fraud related activities; and
- provide surety that IWDA and partner organisations will fulfil their obligations under the relevant Partnership Agreement, funder agreements, ACFID Code of Conduct, Code of Ethics and Professional Conduct of the Fundraising Institute of Australia, Australian Government Investigations Standards, and the Commonwealth Fraud Control Guidelines.

## 2. SCOPE

This policy applies to IWDA staff, board members, volunteers, consultants, and subcontractors (who will be referred to as 'Personnel' throughout). It also applies to partner organisations unless they have in place their own fraud and corruption policy that has been deemed acceptable by IWDA.

## 3. DEFINITIONS

The terms 'fraud' and 'fraudulent' throughout this policy encompass fraud, corruption and bribery as defined below.

Fraud is an act or omission that intentionally misleads, or attempts to mislead a party by dishonestly obtaining a benefit or causing a loss, by deception or other means. Actions constituting fraudulent behaviour may include, but are not limited to:

- Misappropriation of funds;
- Theft of funds or any property;
- Removal, misuse or destruction of assets;
- False accounting – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose; or furnishing information which may be misleading, false or deceptive;
- Unauthorised disclosure or manipulation of sensitive information linked to the theft of information, money or property;
- Forgery or unauthorised alteration of any document;
- Procuring goods and/or services from a family member or friend that inhibits fair and open competition;
- Avoiding and/or creating an unauthorised liability;
- Wrongfully using information or intellectual property;

- Not declaring a conflict of interest ;
- Facilitation payments; and/or
- Utilisation of funds for purposes other than for what they are disbursed

Corruption: the abuse of entrusted power for private gain (financial and non financial). Examples of corruption include: bribery, conspiracy, extortion.

Bribery: the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity.

Conspiracy: an agreement between two or more persons to commit an unlawful act or to accomplish a lawful end by unlawful means

Extortion: wrongful use of actual or threatened force, violence, or intimidation to gain money or property from an individual or entity

Conflict of interest occurs where the interests or personal circumstances of an employee, volunteer or Director could influence, or could be perceived as influencing, the performance of their duties.

#### **4. POLICY**

IWDA promotes a culture of trust, honesty and integrity. It has a zero tolerance to fraud. IWDA policies and procedures reflect a commitment to the prevention of fraud through the promotion of an ethical and transparent environment where all Personnel actively participate in protecting the organisation's reputation and resources.

Personnel are prohibited from engaging in fraudulent or corrupt activities.

IWDA also has a duty to protect any Personnel who report breaches of the fraud policy. IWDA will protect any individuals who report in good faith from harassment, discrimination or adverse employment consequences in accordance with its whistleblowing policy.

Fraud and corruption are ever-present threats to our assets and reputation, with prevention and detection the responsibility of all Personnel.

All Personnel shall:

- conduct themselves with integrity and demonstrate awareness of the importance of ethical practices;
- report any suspected fraudulent acts;
- ensure that they are familiar with and comply with this Policy and ACFID's Code of conduct;
- ensure they are familiar with, and comply with fraud prevention procedures in their areas of responsibility;
- apply and maintain effective controls to prevent fraud; and
- disclose perceived, potential and actual conflicts of interest.

IWDA's prevention approach to risk management of fraud is articulated within the IWDA Risk Management Policy.

#### **5. IMPLEMENTATION**

The Chief Executive Officer of IWDA is responsible for the implementation of this Policy except where the allegation of fraud involves the Chief Executive Officer.

##### *5.1. Prevention and Training*

Fraud awareness raising and training underpins fraud prevention and detection.

All staff will be made aware of this Policy and provided training about fraud risks and their responsibilities for fraud control and ethical behaviour as part of the induction process. Refresher training will be provided on a regular basis (annually as a minimum) to ensure awareness and compliance with this policy.

IWDA will also assist the partner organisations to develop their own Fraud and Corruption Policy that is consistent with this policy or provide training on this policy to ensure Personnel of partner organisations understand their responsibilities in relation to fraud prevention and management, and where practicable, will be supported in strengthening implementation practice.

Senior managers will:

- Set an example and lead in the promotion of risk management, internal controls and an anti- fraud culture within their team and throughout the organisation;
- Ensure that documented procedures are widely communicated, user friendly (including translation where appropriate) and relevant and include IWDA's definitions of fraud;
- Be aware of the areas that are high risk for fraudulent activities, drawing on the inherent risks within IWDA Partner Capacity Assessments, IWDA Partner Financial Monitoring, Program Partner Risk Assessments and the IWDA Enterprise Risk Assessment Matrix; and
- Where required by funding contracts, conduct a program/project Fraud risk assessment and produce a fraud strategy in compliance with the Commonwealth Fraud Control Framework within an agreed timeframe.
- Maintain a register of staff who have attended fraud awareness raising and prevention training.
- Evaluate fraud training programs to determine participants increased awareness of fraud control and responsibilities.

## 5.2. Risk management

The Chief Executive Officer and Financial Controller, in consultation with Personnel, will assess the risk of fraud through the use of the IWDA Enterprise Risk Assessment Matrix.

Quarterly risk assessments by the IWDA Leadership Team will systematically identify the high risk areas, and apply appropriate strategies to reduce risk. These strategies may include internal controls, quality assurance procedures, program checks or data collated from IWDA monitoring, evaluation and learning (MEL) activities. IWDA Personnel will work with partner organisations to identify risks in- country and provide assistance to address these risks if required.

In case of new engagement with partners, IWDA staff will conduct a due diligence and risk assessment of the proposed partner organisation applying corporate governance principles of accountability, responsibility, transparency and fairness. The Due Diligence Assessment will document and prioritise areas of capacity development support required, including on financial management. The Due Diligence Assessment will be reviewed every two years and financial monitoring conducted to monitor, assess, and manage risks on a systematic basis.

## 5.3. Reporting and response

If fraud is detected or suspected it must be dealt with promptly.

The Chief Executive Officer in consultation with the Board is responsible for fraud responses where the fraud is linked to IWDA staff and funds disbursed to projects and any final decision regarding disciplinary / other action. The Chief Executive Officer must advise the Board as soon as practicable of any fraudulent activity.

All Personnel who detect or suspect fraudulent behaviour against IWDA or its partners must report the same to their manager or the Chief Executive Officer immediately. IWDA will protect individuals who report in good faith from harassment, discrimination or adverse employment consequences. The procedure for reporting and response is in accordance with the Whistle Blower policy and associated Whistleblowing procedure except that references to the Whistle Blower committee should be replaced by the IWDA Chief Executive Officer.

IWDA will make all reasonable endeavours to keep the identity of the person making the disclosure confidential unless that disclosure is authorised by the disclosing person or is legally required.

- In case of an alleged fraud, the person reporting the fraud must not contact the suspected individual in an effort to determine facts or demand restitution; and
- Not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Chief Executive Officer.

Where a suspected fraud relates to donor funds, contractual obligations with many donors require IWDA to report this immediately. In the case of DFAT funds, any suspected fraud must be reported to DFAT within 5 working days. The Chief Executive Officer or her delegate is responsible for such reporting.

IWDA will maintain a register of fraud cases, both active and closed.

#### *5.4 Investigations*

*The Chief Executive Officer* or her delegate will investigate and respond to the matter, guided by the process detailed in the Whistle Blower policy (taking into account the particular circumstances and any applicable contracts, agreements or laws) such as

- consider and consult with the Board Chair regarding the matter and the need for legal advice;
- provide reports to the donor as required by applicable contractual agreements and compliance requirements;
- if appropriate, refer the matter to police (once the Board has been advised);
- consider appropriate disciplinary action against an individual who has been found, through proper investigation, to have committed fraudulent activity;
- initiate steps for recovery;
- make any necessary changes to procedures, particularly delegations and risk management to halt further fraud or similar frauds from occurring in the future;
- keep appropriate records, in confidence, of fraud, investigations and outcomes;
- quantify any material financial implications in the annual accounts;
- ensure the application of appropriate sanctions against those who are found to have engaged in corrupt conduct; and
- share de-identified lessons learnt as appropriate

#### *5.5 Cases of fraud involving the Chief Executive Officer*

In the instance that the Chief Executive Officer is suspected of fraud, Personnel should refer and report to the Chair of the Finance Risk and Audit Committee.

#### *5.6 Breaches of this Policy*

Breaches of this policy are likely to result in disciplinary action, up to and including dismissal, and/or closure of partnership agreements.

## **6. REVIEW AND AMENDMENT**

This policy will be reviewed annually to ensure it remains compliant with law, relevant and effective. This policy may be amended at the discretion of the board.

## **7. REFERENCES/RELATED DOCUMENTS**

IWDA Code of Conduct  
IWDA Conflict of Interest Policy  
IWDA Corporate Credit Card Policy  
IWDA Partnership Agreement and Funding Orders  
IWDA Procurement Policy

## Fraud and Corruption Policy

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IWDA Asset Management Policy

IWDA Risk Management Policy and Risk Assessment Matrix

IWDA Delegations Policy and Delegations Matrix

IWDA Travel Policy

IWDA Whistle Blower Policy and Procedure

DFAT ANCP Head Agreement (as amended)

[ACFID Code of Conduct](#)

[Australian Government Investigations Standards](#)

[Commonwealth Fraud Control Framework](#)

[Fundraising Institute of Australia Code of Ethics and Professional Conduct](#)

[DFAT Fraud Policy Statement](#)

[DFAT Fraud Control Toolkit](#)