

# **Anti-Corruption and Anti-Fraud Policy**

Last updated: 20 February 2020

## DOCUMENT VERSION

Date	Comments
4 February 2017	Document approved by Management Committee
4 August 2018	Document presented to Board
20 February 2021	Revised policy approved by the Board

## POLICY AMENDMENTS

This is a working document and subject to amendment. This Policy will be available in English only.

Any suggestions about this Policy should be directed to the Femili PNG Operations Directors (OD) or Chief Executive Officer/Senior Social Worker (CEO/SSW) so changes can be considered. When suggestions are raised, the matter will be raised with the Executive Management Committee (EMC) for consideration. Any amendments or changes to the Policy will be submitted to the Management Committee (MC) for endorsement.

The ODs are responsible for maintaining this document; including updating confirmed changes, informing staff of the changes, and disseminating the latest version across the organisation.

Any changes or amendments involve the following steps:

- Updating the Document Version table at the top of this page;
- Updating the Schedule of Changes table in Appendix C;
- Updating the relevant provision in this manual;
- Replacing the updated version of the manual eg. shared drive, website (if applicable);
- Printing a hard copy of the updated manual for the office;
- Communicating the changes to all staff; and
- Archiving the old version of manual.

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## **1. BACKGROUND**

- 1.1. Femili PNG regards and treats corruption and fraud seriously. Femili PNG is committed to the highest possible standards of accountability, openness and transparency. Femili PNG has a zero tolerance attitude towards corruption and fraud.
- 1.2. Femili PNG's Anti-Corruption and Anti-Fraud Policy has been established to facilitate the development of strong, robust and effective controls that will aid in the prevention and detection of corruption and fraud against Femili PNG.
- 1.3. It is the intent of Femili PNG to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.
- 1.4. Femili PNG regularly reviews this Policy using the most recent guidance from the Australian Council for International Development, DFAT and other stakeholders to ensure compliance with their requirements. The Board, staff and management regularly review this Policy to ensure it remains fit for purpose in relation to Femili PNG operations.

## **2. SCOPE OF POLICY**

- 2.1. This Policy covers both Femili PNG and Friends of Femili PNG. For simplicity, the document will only refer to Femili PNG.
- 2.2. This policy applies to any irregularity or suspected irregularity, involving Femili PNG and its partners, employees, volunteers, Board members, consultants, vendors, contractors and/or any other parties with a business relationship with Femili PNG. 'Partners' include any organisation that we work with, including but not limited to, the family and sexual violence service providers who we provide resources to.

## **3. POLICY PRINCIPLES**

- 3.1. Femili PNG is committed to protecting the money and resources given to us by our donors from any attempt to gain financially by deceit or through other benefits. This includes bribery or being bribed.
- 3.2. In this regard Femili PNG:
  - 3.2.1. Maintains a "zero tolerance" attitude against corruption and fraud;
  - 3.2.2. Commits to the ongoing prevention, control and detection of fraud and corruption;
  - 3.2.3. Requires that any case of suspected or detected corruption or fraud must be reported to the Executive Management Committee (EMC). If the suspected corruption or fraud relates to a member of the EMC, the detected fraud must also be reported to the Board;
  - 3.2.4. Adopts a risk management approach to the prevention, detection and investigation of suspected fraudulent activity that is incorporated into its business process, management practices, internal controls and related activities;
  - 3.2.5. Supports internal and external processes for safe reporting of wrongdoing (known as whistleblowing);

3.2.6. Commits to training staff in ethics, privacy and corruption and fraud awareness activities; and

3.2.7. Prosecutes or applies appropriate sanctions against those who have committed fraud.

## **4. POLICY**

4.1. All management, staff and representatives are responsible for the detection and prevention of corruption, fraud, misappropriation and other irregularities.

4.2. Femili PNG defines corruption as the abuse and/or misuse by an individual of their position in an organisation, usually by making or receiving some kind of payment or giving gifts to an official.

4.3. Femili PNG uses the definition of fraud in the Australian Government *Commonwealth Fraud Control Framework 2017*, which is “dishonestly obtaining a benefit, or causing a loss, by deception or other means”. Fraud includes legally defined dishonesty offences and also where benefits (tangible or intangible) reflect a misuse or misappropriation of funds or assets.

4.4. Corruption and fraud in all its forms is unacceptable to Femili PNG because its occurrence would damage our reputation with our supporters, donors, partner governments, and others that we work with including the communities we serve. It would also damage the reputation of the funders who support Femili PNG.

4.5. Any irregularity that is detected or suspected must be reported immediately to the Operations Directors (OD) or the Chief Executive Officer/Senior Social Worker (CEO/SSW) who will work with relevant staff to coordinate all investigations with appropriate authorities, both internal and external.

4.6. If the situation occurs where the ODs or the CEO/SSW is suspected of involvement in fraudulent or corrupt behaviour, or if the person having the suspicion does not believe that the matter is being appropriately addressed or dealt with, the matter should be escalated to the Chair of Femili PNG via email marked confidential to Stephen.Howes@anu.edu.au.

4.7. Femili PNG understands its obligations to donors and will act in accordance with these obligations in regard to the reporting of suspected and detected cases of fraud (see section 8, Donor Notification).

4.8. If any staff member has any question as to whether an action constitutes corruption or fraud, they are to contact the ODs or CEO/SSW without delay.

## **5. ACTIONS CONSTITUTING FRAUD**

Fraud refers to, but is not limited to:

5.1. Any dishonest or fraudulent act including forgery, alteration, removal or destruction of documents, records and equipment.

5.2. Theft, embezzlement, misappropriation or concealment of Femili PNG property including money, supplies or other assets.

5.3. Impropriety in the handling or reporting of money, donations or financial transactions including false claims by Femili PNG or partner organisation staff.

- 5.4. Disclosing confidential and property related information to outside parties.
- 5.5. Bribery such as promising or giving benefits to another person in order to induce a person to perform improperly. Or agreeing to receive or accept a financial or other benefit that the person is not entitled to.
- 5.6. Inappropriate personal use of assets including vehicles and office equipment.
- 5.7. Blackmail or extortion.
- 5.8. Any similar or related irregularity. Some further examples include:
  - Claiming to be in a position to offer people benefits such as employment, and gaining from this.
  - Using a donation to Femili PNG (cash or in-kind) for personal gain and interest.
  - Failing to immediately complete an incident report regarding damage or loss of Femili PNG property.
  - Stealing or selling any assets that belong the Femili PNG or a client (e.g. food for Femili PNG clients, cell phones etc)
  - Failing to return receipts and account for any Femili PNG funds in a timely manner as per the Financial Manual.
  - Using Femili PNG funds (such as petty cash/security money) for personal purposes.
  - Attending personal business during work hours.
  - Giving or receiving a gift, that will likely result in a personal benefit.

## **6. CONTROL AND PREVENTION**

- 6.1. Femili PNG works to control and prevent fraud and corruption by:
  - 6.1.1. Actively managing the risk of fraud and corruption through the identification, treatment and mitigation of associated risks, and regular review of the Risk Management Framework.
  - 6.1.2. Having stringent procedures in place for procurement according to value for money principles, and documented delegations and authorisations.
  - 6.1.3. Limiting cash transactions, and ensuring all financial transactions are made according to the procedures outlined in the Finance Manual.
  - 6.1.4. Implementing a robust system of checks for monthly financial reconciliation.
  - 6.1.5. Recruiting according to merit principles, based on a clear and defined job description and rigorous pre-employment checks.
  - 6.1.6. Inducting staff on anti-fraud anti-corruption measures and regular review of this Policy.
  - 6.1.7. Adopting and implementing any other measures agreed by the EMC to be in the interests of controlling and preventing fraud and corruption.

## **7. CONFIDENTIALITY**

- 7.1. The ODs and CEO/SSW will treat all information about alleged fraud and corruption incidents received confidentially.
- 7.2. The ODs and CEO/SSW will provide an accessible, safe and discrete point of contact for anyone who alerts them of suspected instances of corrupt or fraudulent activity.
- 7.3. Any employee or representative who suspects dishonest, corrupt or fraudulent activity will notify the OD or CEO/SSW immediately, and should not attempt to personally conduct investigations or interviews related to any suspected corruption or fraud.
- 7.4. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputation of persons suspected but subsequently found innocent and to protect the organisation from potential civil liability. It is also to protect the person who has made a claim of suspected corrupt or fraudulent activity.

## **8. INVESTIGATION**

- 8.1. All staff have an obligation to report any suspected misconduct to the ODs or CEO/SSW (section 15 of the HR Manual).
- 8.2. When the ODs or CEO/SSW receives an allegation of corruption or fraud, it must first be determined whether the allegation can be handled without an investigation. This must be actioned within 7 working days of receiving the report.
- 8.3. When the allegation relates to a Femili PNG staff member or representative, the following will apply:
  - 8.3.1. The alleged Femili PNG staff or representative must be made aware of the claim made against them and be given an opportunity to respond to the claim.
  - 8.3.2. If it is found that the matter requires a formal investigation, this will be done in accordance with Investigating Misconduct section of the Femili PNG HR manual (section 16).
  - 8.3.3. The Femili PNG staff or representative concerned has a right of appeal under existing Grievance Procedures in the Femili PNG HR Manual (section 14).
  - 8.3.4. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to Femili PNG.
  - 8.3.5. If the investigation finds the allegations warranted, disciplinary action, including termination, will be administered as per section 17 of the Femili PNG HR Manual.
- 8.4. For allegations concerning individuals external to Femili PNG, the procedure for the investigation will take place as determined by the EMC.
- 8.5. For allegations either against Femili PNG staff and representatives, or external individuals the following apply:

8.5.1. Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the EMC in conjunction with legal counsel.

8.5.2. The appropriate and necessary actions taken as a result of each investigation will be determined by the EMC on a case-by-case basis. The EMC will seek legal advice, to ensure adherence to PNG civil and criminal laws, as necessary.

## **9. DONOR NOTIFICATION**

9.1. Femili PNG has an obligation to report fraud and corruption to its donors and partners.

9.2. Donors such as the Australian Government Department of Foreign Affairs and Trade (DFAT) require that fraud is reported within 5 days of being suspected or detected.

9.3. Femili PNG will follow the fraud notification requirements as detailed in our contracts with donors.

## **10. RELATED DOCUMENTS**

- Femili PNG Finance Manual
- Femili PNG Conflict of Interest Policy
- Femili PNG HR Manual
- Femili PNG Risk Management Framework

## Appendix A – Acronyms

CEO/SSW	Chief Executive Officer/Senior Social Worker
EMC	Executive Management Committee
OD	Operations Directors

## Appendix B – Glossary

<b>Blackmail</b>	An act involving unjustified threats to make a gain.
<b>Embezzlement</b>	Theft or misappropriation of funds placed in one's trust or belonging to one's employer.
<b>Intangible Benefit</b>	A benefit that cannot be measured in monetary terms.
<b>Impropriety</b>	Failure to observe standards of honesty.
<b>Misappropriate</b>	Dishonestly or unfairly taking something (especially money belonging to someone else) for one's own use.
<b>Tangible Benefit</b>	A benefit that can be quantified, especially in money.
<b>Whistleblowing</b>	The activity of exposing the corrupt practices of others.

## Appendix C – Schedule of Changes

Date	Comments
4 August 2018	Operations Manager changed to Operations Director. Management Committee changed to Board. References to Oxfam and Action on Poverty removed.
20 February 2021	Added reference to conflict of Interest policy, and made clearer the obligation to report. Including a fraud control /prevention section to reflect current working practice.