



# FINANCIAL WRONGDOING POLICY

(Previously Fraud Prevention and Risk Management Policy)

**APPLICABILITY:** ACCI Missions & Relief Staff, Volunteers, Field Workers, Associates, Strategic Partners & Board Members (See Scope)

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**AUTHORISED BY:** ACCI and ACCIR Boards

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# INTRODUCTION

## 1. PREAMBLE

- 1.1 As a registered charity, ACC International Missions Ltd and ACC International Relief Inc (collectively referred to as “ACCI”) must ensure that its funds are used for its charitable purpose.
- 1.2 ACCI is committed to the responsible stewardship of the resources entrusted to us. We have zero tolerance for any financial wrongdoing attempted or committed in relation to those resources. We will promote this commitment on our website and in other public materials. Any detected cases of financial wrongdoing will be reported to appropriate authorities and may result in disciplinary action including dismissal, or cessation of funding agreements.
- 1.3 This policy demonstrates ACCI’s commitment to prevent all forms of financial wrongdoing from occurring in our operations and programs. This policy is based on the principles of building trust, being accountable, honest and transparent in all our dealings.
- 1.4 The prevention of financial wrongdoing is the responsibility of all staff, governing body members, volunteers and partners and ACCI wants to promote consistent organisational behaviour by providing guidelines and assigning responsibilities for the development of risk management controls.
- 1.5 Financial wrongdoing includes behaviour that is illegal or immoral with regards to financial transactions, including:
  - (a) Bribery – the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.
  - (b) Corruption – the abuse of entrusted power for private gain.
  - (c) Fraud – dishonestly obtaining a benefit, or causing a loss, by deception or other means.
  - (d) Money Laundering – the process of concealing the origin, ownership or destination of illegally or dishonestly obtained money and hiding it within legitimate economic activities to make them appear legal.
  - (e) Terrorism Financing – intentionally providing or collecting funds and being reckless as to whether those funds would be used to facilitate or engage in a terrorist act.
  - (f) Violation of sanctions imposed by the Australian government.

## 2. PURPOSE

- 2.1 The purpose of this policy is to:
  - (a) ensure that all employees and volunteers are aware of their responsibilities regarding the identification and prevention of financial wrongdoing;

- (b) ensure that all employees and volunteers understand who to report to in the event that they suspect financial wrongdoing; and
- (c) provide a step-by-step guide to respond to an allegation regarding fraudulent activity.

### 3. SCOPE

3.1 This policy applies to all ACCI People, including:

- (a) All ACCI **Staff**.
- (b) All ACCI **Contractors and Consultants**.
- (c) All ACCI **Volunteers** including but not limited to office and event-based volunteers.
- (d) All ACCI **Field Workers**.
- (e) All ACCI **Associates**.
- (f) All ACCI **Missions and Relief Partners** including any organisation receiving ACCI funding in Australia or abroad to implement activities including but not limited to community development, disaster response or non-development activities.
- (g) All ACCI **Board Members**.

### 4. REGULATORY CONTEXT

- 4.1 Board members are required to take reasonable steps to protect ACCI's assets and ensure funds are being used for ACCI's charitable purpose. The External Conduct Standards also expressly require ACCI to take reasonable steps to minimise the risk of financial wrongdoing.
- 4.2 This Policy has been developed with regard to the ACNC Governance Standards and External Conduct Standards, the ACNC Guidance Protect Your Charity from Fraud and Board members' statutory and common law obligations.

### 5. RESPONSIBILITIES

5.1 It is the responsibility of the Board to ensure that:

- (a) Financial wrongdoing is prevented and detected within ACCI;
- (b) ACCI assesses and take steps to mitigate or remove risks;
- (c) appropriate and effective internal control systems are in place; and
- (d) any breaches of this policy that come to the attention of the Board are dealt with appropriately.

5.2 It is the responsibility of the National Director to ensure that:

- (a) this policy is implemented and compliance is monitored;
- (b) ACCI staff are aware of and understand the policy;

- (c) instances of financial wrongdoing are reported to the National Director are dealt with and investigated in accordance with this policy.
- 5.3 It is the responsibility of ACCI staff to ensure that they:
- (a) assess the risk of financial wrongdoing within their area of control;
  - (b) educate staff/volunteers/contractors/strategic partners/field workers/associates about the prevention and detection of financial wrongdoing; and
  - (c) facilitate the reporting of suspected financial wrongdoing.

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## FINANCIAL WRONGDOING PREVENTION AND RISK MANAGEMENT

### 6. POLICY

- 6.1 ACCI will not tolerate any financial wrongdoing attempted or committed in any aspect of its operations.
- 6.2 ACCI will:
- (a) assess financial wrongdoing related risks and take mitigating steps;
  - (b) educate board members, staff and volunteers on prevention and detection of financial wrongdoing;
  - (c) have mechanisms for reporting of suspected financial wrongdoing; and
  - (d) respond to suspected financial wrongdoing.

### 7. RISK ASSESSMENT

- 7.1 The Board will specifically include financial wrongdoing related risks as part of the ACCI Annual Risk Assessment.
- 7.2 The completed risk assessment may be conducted through a sub-committee, but must be reviewed by the full Board and tabled at a Board meeting for discussion.
- 7.3 The Board will:
- (a) assess and prioritise risks identified; and
  - (b) approve any additional or amended controls to remove or lessen financial wrongdoing related risks.

7.4 The National Director must implement approved controls.

## 8. EDUCATION

8.1 The National Director will ensure that induction processes for employees, volunteers and Board members include training and education on this policy, prevention, reporting and detection of financial wrongdoing.

## 9. REPORTING PROCEDURE

9.1 Reporting of financial wrongdoing may be done in line with the Whistle-blower policy.

9.2 All ACCI People have the responsibility to report suspected financial wrongdoing.

9.3 Any ACCI People who suspect financial wrongdoing must immediately notify their supervisor or the National Director about the concern.

9.4 In situations where the staff member, volunteer or contractor notifies their supervisor, the supervisor must then notify the National Director (or the Chair of the ACCI Board in circumstances where the suspected financial wrongdoing involves the Director).

9.5 Any person reporting a financial wrongdoing suspected, attempted or committed, shall not be penalised for raising a concern of this nature.

## 10. RESPONDING TO SUSPECTED FINANCIAL WRONGDOING

10.1 Upon notification an allegation pertaining to financial wrongdoing, the National Director (or Chair of the ACCI Board) will promptly arrange to carry out an initial review into the allegation.

10.2 After an initial review and a determination that the allegation warrants additional investigation, the National Director (or Chair of the Board) shall coordinate the investigation with the appropriate law enforcement officials or external investigator as deemed appropriate. Internal or external legal representatives will be involved in the process, as deemed appropriate.

10.3 Once an allegation is reported, immediate action must be taken to prevent the theft, alteration or destruction of relevant records. Such actions include, but are not necessarily limited to, removing relevant records / information and placing them in a secure location, limiting access to the location where the records / information currently exists, and preventing the individual suspected of committing the fraud from having access to the records / information.

10.4 If an allegation is substantiated by the investigation, disciplinary action, up to and including dismissal (or termination of an individual's right to work as a contractor or volunteer), shall be taken by the appropriate level of management.

10.5 ACCI will also pursue every reasonable effort, including Court ordered restitution, to obtain recovery of any losses from the offender.

## 11. REPORTING FINANCIAL WRONGDOING TO AUTHORITIES

11.1 The National Director (or the Chair of the ACCI Board) must notify the police or relevant law enforcement authority of any suspected criminal activity.

## 12. FINANCIAL WRONGDOING CONNECTED TO THIRD PARTY PROGRAMS

- 12.1 ACCI pursues its charitable purposes in part through collaborating with a third party or third parties to deliver programs overseas.
- 12.2 ACCI is required by the ACNC External Conduct Standards (**ECS**) to minimise the risk of financial wrongdoing, by third parties collaborating with ACCI outside of Australia.
- 12.3 As part of its ECS risk assessment, the Board must determine what level of oversight it requires in relation to financial wrongdoing connected to third parties, with reference to matters including the:
  - (a) level of risk associated with the operations;
  - (b) relationship with the third party;
  - (c) prevention and risk management controls within the third party; and
  - (d) consequences of financial wrongdoing connected to overseas operations not being acted upon.
- 12.4 The Board must consider whether it is appropriate to:
  - (a) impose financial wrongdoing prevention and risk management obligations on third parties through a Strategic Partnership Agreement, Memorandum of Understanding or other agreement;
  - (b) offer training to third parties on financial wrongdoing prevention and risk management;
  - (c) require third parties to produce their own Financial Wrongdoing Policy or procedure (or provide one for them to adopt); and/or
  - (d) implement ACCI's own controls and monitoring systems to prevent and detect financial wrongdoing in the third party's operations.

## 13. COMPLIANCE WITH THIS POLICY

- 13.1 If the National Director or Board have reason to believe that this policy has not been complied with, they must investigate.
- 13.2 If it is found that a person has failed to comply with this policy, the Board or National Director may take action against them, including disciplinary action up to and including dismissal (or termination of an individual's right to work as a contractor or volunteer).

## 14. RELATED POLICIES

- 14.1 Finance Policy
- 14.2 Governance Policy
- 14.3 Whistleblower policy
- 14.4 Counter-Terrorism and Anti-Money Laundering Policy