	ADRA Australia Policies and Procedures		No. FN 700 061
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	Financial Wrongdoing Policy		
	Department	Sections (inc. All sections where this document is located.)	
	Finance	Finance	
	Modified By	Document Version 2	Effective Date
	Melville Simonsz	2018/1.2	20 November 2018
Approving Committee	Previous	Revision Date	
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This policy applies to both ADRA Australia and Open Heart International. Unless specifically mentioned in the policy, references to ADRA Australia extend to, and include, Open Heart International.

FN 700 061 Financial Wrongdoing Policy

1. PURPOSE AND SCOPE

ADRA Australia aims to ensure that its resources are used only for appropriate purposes and to comply with all laws, regulations and responsibilities governing fraud, bribery, corruption and money laundering hereinafter referred to as **Financial Wrongdoing** in all countries in which ADRA Australia operates. This policy seeks to ensure that all parties are aware of their responsibilities for identifying exposures to financial wrongdoing and for establishing controls and procedures for preventing such activity and/or detecting such activity when it occurs. It is further intended to provide a clear statement to staff forbidding any illegal activity or financial wrongdoing for the benefit of the organisation and assurance that any and all suspected financial wrongdoing will be fully investigated. In relation to financial wrongdoing this policy sets out expectations for the behaviour and standards of professional and personal conduct for ADRA Australia's employees (including Conference ADRA Directors), volunteers, contractors and Company Directors hereinafter referred to as **ADRA Australia Personnel** and ADRA Australia's country office partners in their engagement with ADRA Australia.


2. DEFINITIONS

A. **Actions that may constitute fraud:** Fraud is defined in this policy as an act carried out either by staff, volunteers, contractors, partners or clients with deliberate intention of deceiving ADRA, donors, beneficiaries or the general public to gain a personal advantage to themselves or any third party, including fraud for the benefit of the organisation, or cause loss to another.

Fraudulent acts may include, but are not limited to:

- Impropriety in the handling or reporting of money or financial transactions
- Misappropriation of funds, supplies, or other assets (e.g. use of agency vehicles for personal purposes such as shopping by individuals not entitled to do so)
- Profiteering as a result of insider knowledge of agency activities
- Disclosing confidential and proprietary information to outside parties
- Misrepresentation in a job application (e.g. falsifying qualifications or credentials)
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the agency
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or any similar or related irregularity

B. **Actions that may constitute corruption:** Corruption is defined in this policy as an act carried out either by staff, volunteers, contractors, partners or clients of directly or indirectly offering, giving, soliciting or receiving any form of bribe, kickback, payment or anything of value to or from any person or organisation including government agencies, individual government officials, private companies or their employees. Gifts, loans, fees, rewards, entertainment, holidays, travel, special personal services, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the organizations activities. ADRA Australia prohibits bribery, corruption and extortion in all forms.

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- C. Actions that may constitute bribery:** Bribery is defined in this policy as the offering, promising, giving, accepting or soliciting of money, gifts or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out ADRA Australia’s activities.
- D. Actions that may constitute money laundering:** Money laundering is defined in this policy as dealing with the proceeds of crime or an instrument of crime. Dealing with the proceeds of crime includes receiving, possessing, concealing or disposing of money or other property as well as importing, exporting or engaging in a banking transaction relating to money or other property. Where an innocent third party receives money that is the proceeds of crime and the person has no knowledge of that fact, receipt of the money does not constitute money laundering.

3. POLICY STATEMENT

A. Responsibilities

The **Board** of ADRA Australia Ltd has ultimate responsibility for the prevention and detection of financial wrongdoing. The Board is responsible for ensuring that appropriate and effective internal control systems are in place. All **managers** must ensure that they are aware of the mechanisms in place within their area of control to:

- assess the risk of financial wrongdoing
- educate their staff about financial wrongdoing prevention and detection
- facilitate the reporting of suspected financial wrongdoing


All ADRA Australia Personnel share in the responsibility for the prevention and detection of financial wrongdoing in their areas of responsibility. All ADRA Australia Personnel have the responsibility to report suspected financial wrongdoing. Any financial wrongdoing by a member of staff may constitute grounds for disciplinary action, including summary dismissal or termination of their engagement. However, ADRA, at its sole discretion, may vary its procedure or approval to dealing with an allegation of financial wrongdoing.

B. Prevention

Financial wrongdoing prevention accounting procedures should be incorporated in the ADRA Australia’s procedures related to cash management, credit card use, business transactions, and investment. All Complaints of suspected financial wrongdoing will generally be investigated. ADRA Australia may, at its discretion, refer any suspected financial wrongdoing to police or other external authority.

Recruitment strategies shall incorporate financial wrongdoing prevention. Depending on the nature of the position, this may include:

- Applicants being required to undergo police checks
- Previous employers and referees being contacted

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- Transcripts, qualifications, publications and other certification or documentation being verified

Financial wrongdoing prevention and detection issues will be included in relevant staff development and induction activities. Partners, vendors and contractors being requested to agree and abide by certain policies, procedures or requirements in respect to financial wrongdoing.

C. Reporting Procedures

Please refer to the reporting procedure set out in the Whistleblowing Policy (CR 000 770). A key obligation of DFAT funded projects is to report all cases of suspected, alleged or committed fraud or corruption within five business days of becoming aware of the fraud or corruption.

4. PRACTIAL GUIDELINES

A. Fraud and Corruption Deterrence and Detection

Management is expected to reduce opportunities for fraud by:

- Identifying the risks to which operations, locations and assets are exposed
- Developing adequate controls
- Ensuring effective compliance with controls
- Enforce the Conflicts of Interest and Disclosure Policy


B. Well designed and cost effective controls may include the following

- Thorough recruitment procedures
- Physical security of assets
- Clear organisation of responsibilities and reporting lines
- Adequate staffing levels
- Separation of duties to ensure that key functions and controls are not performed by the same member of staff
- Rotation of staff
- Random spot checks by managers
- Complete and secure audit trails
- Budgetary and other financial reports
- Reviews by independent bodies such as audit

5. RELATED POLICIES AND DOCUMENTS

The Financial Wrongdoing Policy should be read in conjunction with the following policies and documents of ADRA Australia:

- Counter-Terrorism Policy
- Foreign Currency Exchange Policy

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- Gift Acceptance Policy
- Investment Policy
- Partner Exchange of Letters
- Partner Memorandum of Understanding
- Risk Register
- Value for Money Policy
- Whistle-blower Policy