

Appendix 11. Anti-Fraud and Anti-Corruption Policy

(Next review by December 2025)

Policy number	11	Current policy version	5
Original policy approved	June 2013	Previous review date	Dec 2019
Current policy reviewed by CEO	JP	Current version approved by Committee of Management on	Nov 2022
Responsible person	CEO	Scheduled review date by	Dec 2025

Introduction

Fraud and corruption are contrary to the fundamental values of integrity, transparency and accountability, and contravene ACFID's Code of Conduct of which Assisi is a signatory.

Assisi Aid Projects (Assisi) acknowledges that attitudes in the countries where Assisi works can differ from those in Australia. This can risk undermining the effectiveness of Assisi's development efforts.

Assisi also takes seriously its obligation to donors and the Australian public to ensure that organisation and project funds are used appropriately.

Assisi is committed to preventing, detecting and investigating corruption, fraud, bribery, money laundering or other financial wrongdoing or impropriety in its work, and complying with all relevant legislation in Australia and relevant partner countries.

Purpose

The purpose of the policy is to:

- Outline Assisi's 'zero-tolerance' approach to corruption, fraud, bribery, money laundering and other financial impropriety at all levels of the organisation and in its overseas projects.
- Set out the processes and responsibilities for preventing, detecting and investigating corruption, fraud and bribery.

Scope

This policy applies to all Assisi staff, members, Governing Body members (including both Committee of Management and subcommittee members), volunteers, interns, representatives, contractors, and visitors to project sites (hereinafter referred to as "personnel").

Furthermore, Assisi is firmly committed to working with its in-country partner organisations

and other relevant stakeholders to ensure Assisi projects comply with this policy, and to support partners to strengthen their own anti-fraud and anti-corruption practices.

Definitions

This policy adopts the following definitions, sourced from ACFID's 'General Definitions' list:

Corruption: The abuse of entrusted power for private gain. For example, this can include financial corruption such as fraud, bribery and extortion; but also, non-financial corruption, such as diverting aid and assistance to non-target groups, allocating resources in return for sexual favours, giving preferential treatment to family and friends, and coercing and intimidating staff or beneficiaries to ignore or participate in corrupt activities.

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, facilitation payments, rewards or other advantages. Bribery, including provision of 'facilitation payments', is a crime in most countries and under the 'United Nations Convention Against Corruption'. Bribing or attempting to bribe a foreign public official is a serious crime. Australian companies or individuals that bribe an official in a foreign country can be prosecuted under Australian law and the laws of foreign countries.

Financial wrongdoing: Behaviour that is illegal or immoral with regards to financial transactions. Includes bribery, corruption, fraud, money-laundering, terrorism financing and violation of sanctions imposed by the Australian government.

Fraud: Dishonestly obtaining a benefit, or causing a loss, by deception or other means.

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. These offences are detailed in sections 4 to Division 400 of the *Criminal Code Act 1995*.

Policy

This policy extends to two areas of Assisi's work: in Australia, and overseas.

Anti-fraud and anti-corruption in Assisi's work in Australia

Assisi will:

- Maintain fraud prevention accounting procedures relating to cash management, debit card use, transactions and assets of the organisation.
- Conduct reference and/or background checks for all new employees, partners and key third-party suppliers.
- Include potential corruption and fraud risks on Assisi's Risk Register.
- Regularly train staff in order to raise awareness of the risks associated with fraud and corruption, including bribery and money laundering, agreed mitigation strategies and Assisi's relevant policy and procedures.
- Ensure staff understand that all communication with regards to fraud and anti-corruption reporting will be confidential and taken seriously. All reports will be handled in a prompt and professional manner.
- Promote the adherence of sound financial management and reporting to mitigate against the risk of financial corruption and eliminate undocumented transactions or loans.

Anti-fraud and anti-corruption in overseas programs supported by Assisi

Assisi will support partners to:

- Conduct reference checks for all new staff and volunteers that work on Assisi programs.
- At the start of each project cycle, conduct project level risk assessments that include control strategies. Monitor these risks throughout project implementation.
- Regularly train staff in order to raise awareness of the risks associated with fraud and corruption, including bribery and money laundering, agreed mitigation strategies and Assisi's relevant policy and procedures.
- Ensure staff understand that all communication with regards to fraud and anti-corruption reporting will be confidential and taken seriously. All reports will be handled in a prompt and professional manner.
- Promote the adherence of sound financial management and reporting to mitigate against the risk of financial corruption and eliminate undocumented transactions or loans.
- Understand the risks associated with fraud and corruption and of donor, local legal, and regulatory obligations.
- Undertake periodic reviews of partners' internal financial management, procurement and reporting procedures, and support partners to improve their own policies and procedures.
- Support partners to implement effective anti-fraud and anti-corruption policies, and review these regularly as part of in-country monitoring visits and during the Partner Assessment process.

Procedure

Who can report?

Assisi personnel, partner personnel, program participants, or a member of the public can make a report. This can be via Assisi's public complaints mechanism on its website, via email or phone to the Chief Executive Officer (CEO) or in any other form.

What to report?

Any suspected or detected corruption, fraud, bribery, money laundering or other financial impropriety, wrongdoing or corruption by Assisi or its partners.

Making a report

A report can be made directly to the Chief Executive Officer of Assisi. If the incident occurs overseas, a report can be made to the CEO of partner organisations, who will then inform the Assisi CEO within two (2) days.

If reports pertain to questionable behaviour by the Assisi CEO or partner organisation management, reports can be directed to the Assisi President of the Committee of Management via elizabeth.morris@assisi.org.au. If the report is about both CEO and President, the report should be made to the next appropriate authority within Assisi's Committee of Management.

When a report is made, the following must be recorded:

- Date of report.
- Name of staff taking the report.
- Name of person making the report (though this can be kept confidential throughout the investigation).
- Details of the corruption, fraud, bribery, money laundering or financial impropriety. This can include dates/times, persons involved, circumstances surrounding the instance/s and, if known, the value.

Reports can be made in person, through the Assisi website, or via email to assisi@assisi.org.au, or via phone number +61 3 90709040.

Acting on a report

Any suspected, alleged or committed corruption, fraud, bribery, money laundering or financial impropriety matters will be handled discreetly and promptly.

If the matter involves DFAT funds, the Assisi CEO is required to report the incident to DFAT within five (5) business days.

The CEO will complete a DFAT 'Suspected or Detected Fraud – What to Report Form' and send to: fraud@dfat.gov.au.

DFAT and Assisi will then develop and implement a strategy to investigate reports, and where required, recover any DFAT funds or DFAT-funded property acquired or distributed. This may include suspending funding or activities during investigation if appropriate.

If the matter does not involve DFAT funds, the Assisi CEO will conduct the investigation, where appropriate delegating tasks to partner organisations or staff. In the event that the CEO is being investigated, the President of Assisi may request assistance from other Committee of Management members.

At the conclusion of any investigations, the findings will be presented to the CEO and Committee of Management and appropriate action taken if claims are substantiated. This may include reporting the incident to the police or appropriate law enforcement agency, either in Australia or in the overseas country.

The person who originally made the claim should be communicated to in writing with the results of the investigation.

Following the investigation Assisi will undertake a review of the relevant activities, procedures and risks and implement mitigating actions as required.

Responsibilities

As outlined in the Policy Overview, there are roles and responsibilities that apply to all policies. In addition, the following apply specifically to this policy.

Responsibilities of the Committee of Management:

- Where required, assist in any corruption, fraud, bribery, money laundering or financial impropriety investigations.
- Maintain organisational risk register that includes corruption, fraud, bribery, money laundering or financial impropriety.
- Review reports from investigations undertaken and approve recommendations.

Responsibilities of the Chief Executive Officer:

- Ensure partner organisations understand their obligations under this policy.
- Where required provide corruption, fraud, bribery, money laundering or financial impropriety awareness training for staff and partner staff.
- Ensure any contractors or consultants engaged by Assisi understand this policy.
- Report any suspected, alleged or committed corruption, fraud, bribery, money laundering and/or financial impropriety matters to the Committee of Management at each Committee of Management meeting.

- Develop an investigation plan in conjunction with the President of the Committee of Management, and DFAT if appropriate. This may include suspending activities or funding if appropriate.
- If an incident involves DFAT funds report the incident to DFAT within five days.
- Ensure project risk assessments include risk of corruption, fraud, bribery, money laundering and financial impropriety.
- Ensure all personnel sign and understand the Assisi Code of Conduct.
- Review and compile from investigations undertaken and endorse recommendations to the Committee of Management.
- Consider if changes to operating procedures need to be made in the light of reports received.

Responsibilities of all other personnel:

- Ensure they are aware of this policy and comply with it.

Related Documents

Assisi – Code of Conduct

Assisi – Public Complaints Mechanism, Public Engagement and Fundraising section

Assisi – Risk Management Procedures

Assisi – Finance Management section

Assisi – Counter Terrorism Policy

ACFID – Code of Conduct

ACFID – General Definitions List <https://acfid.asn.au/content/general-definitions>

DFAT – Fraud Control <https://www.dfat.gov.au/about-us/corporate/fraud-control>

DFAT – ANCP Manual

DFAT – NGO Accreditation Guidance Manual

