

BRIBERY, CORRUPTION AND FRAUD

INTRODUCTION

Hope for Children Organization Australia Limited (HFC) is strongly committed to principles of accountability and transparency to all stakeholders. Included in this commitment is a 'zero-tolerance' opposition to all forms of corruption, bribery and fraud, all Governance and Risk Management practices are in accordance with DFAT ANCP Manual. HFC recognises that the management of fraud, bribery and corruption is an integral part of good governance and management practice, and adopts the standards contained in the Standard AS8001-2008: Fraud and Corruption Control and the Crime and Corruption Act 2001.

HFC has an obligation to its members and donors and all stockholders to ensure that all monies used by the organisation are used for their articulated purposes and that processes are in place to ensure that fraud and any misuse of funds is prevented and mitigated against.

PURPOSE AND SCOPE

Purpose

This policy seeks to ensure that HFC effectively manages risk of fraud and does not participate in the payment of facilitating fees, kickbacks, bribes or other payments, either in Australia or overseas.

HFC acknowledges that the developing countries in which it works are inherently difficult environments with, often, weak governance arrangements and attitudes towards accountability and transparency different to those in Australia. The paying of bribes encourages corruption, which, like fraudulent acts, is something that can further harm those already disadvantaged by diverting goods, services and opportunities away from them. It also is considered a high risk that such actions will prevent the objectives of HFC's programs being achieved. For this reason, HFC has systems and procedures in place to protect public and donated funds from fraud and corruption both in Australia and the countries in which it works.

Scope

This policy applies to all office bearers, staff, volunteers and other representatives of HFC, as well as to all those with whom HFC has professional dealings, including partners.

DEFINITION

Fraud:

'Dishonestly obtaining a benefit, or causing a loss, by deception or other means' - (Commonwealth Fraud Control Guidelines 2011 and DFAT Fraud Factsheet, October 2015).

This definition extends beyond the legal definition of fraud to include benefits obtained that can be both tangible and intangible. It thus encompasses activities or behaviours broader than the misuse or misappropriation of monies or assets. Examples of fraud include:

- Misappropriation of funds
- Forging, tampering with or falsely creating documents or records.
- Inappropriate use of HFC assets
- Falsifying signatures
- Destroying or removing documents or records
- Providing false information to HFC
- Unauthorised disclosure of confidential information
- Engaging in bribery or corruption
- Theft of funds or assets
- Deliberately ignoring or acquiescing in fraudulent activity

Bribery:

The offering, promising, giving, accepting or soliciting of money, gifts or other advantage as an inducement to do something that is illegal, where a payment is not legitimately due, where it is offered with the intention of influencing a person in the exercise of their duties, or where it is a breach of trust in the course of carrying out an organisation’s activities.

Corruption:

The misuse of entrusted power for private gain.

POLICY STATEMENT

Nature of Overseas Activities

HFC understands that in many countries, corruption is one obstacle to economic and social justice. We seek to promote ethical behaviour in the countries where we work. All staff must take care to avoid participating in practices which promote corruption and any financial wrongdoing in the public, private or not-for-profit sectors in Australia or partner countries.

HFC provides educational and psychosocial services to people living in developing countries. These programs are delivered through partnerships with local non-profits, schools and other community organisations. Funding for these programs and services are in part sourced by the fundraising undertaken by, and donations provided to HFC.

At every stage of this process HFC may be required to pay wages, commercial fees, purchase equipment, pay freight, pay clearance agents and make transfers to pay customs and import duties. All funding and donations are acquitted and approved in accordance with HFC's *Fundraising and Donations* and *Approval of Expenditure* policies.

Apart from approved operational transactions HFC does not and will not pay inducements, kickbacks or other payments to any individual or organisation either within Australia or overseas.

HFC staff should take all appropriate efforts to prevent and avoid corruption or fraud, or the appearance of such, in their work. This includes prevention of the misuse of funds or other property of HFC including intellectual property and stakeholder information protected under the Privacy Policy.

MANAGEMENT PROCEDURES

- HFC is bound by the requirements regarding the reporting and action of suspected breaches of this policy as defined by ACFID and ACNC.
- HFC Board has adopted a framework of risk management principles and techniques in the assessment of the risk of fraud and corruption (Please refer to HFC Risk Management Policy)
- HFC should understand the level of risk that the organisation may be exposed to in relation to fraud, corruption or bribery, and where risk is evident, take necessary precautions. The conduct of fraud, bribery and corruption risk assessment and the implementation of anti-bribery procedures forms part of HFC's ongoing risk management and internal control processes
- HFC, is responsible for preventing and detecting fraud, bribery or corruption in any of its activities, both in Australia and overseas. Any breaches of this Policy must be investigated immediately.
- HFC will ensure that Board members, management, staff and volunteers, project partners and consultants are aware of the level of risk that their organisation may be exposed to in relation to fraud, corruption or bribery, and where risk is evident ensure that precautions are in place. (Please refer to HFC Risk Management Policy)
- HFC's agreements with program partners clearly set out the requirements to protect funds from fraud and to not engage in anything that could be construed as bribery or corruption. (Please refer to HFC Partner Agreement).
- As part of the induction given to new staff and Board members, HFC will effectively communicate and provide training on our Anti-Fraud, Bribery and corruption Policy.
- HFC Managing Director is charged with disseminating this Policy and related procedures to Board members, staff, volunteers, project partners and consultants.
- HFC's Managing Director and Program Manager will regularly monitor activities and expenditure to guard against fraud and corruption.
- HFC senior staff and managers must be familiar with and alert to the types of fraud that might occur in their area(s) of responsibility. They must:
 - Ensure that this policy and all HFC's systems, financial controls and procedures are fully understood by staff and followed;
 - Frequently check that these are being fully observed and implemented;
 - Regularly review and, where necessary, update control and procedures
- Ongoing refresher courses and training on anti-fraud will also be conducted.
- If fraud is detected or suspected, HFC Board members, staff, volunteers, project partners and consultants are responsible for timely reporting to the HFC Board Chair and/or HFC Managing Director. HFC's preference is to receive reporting on fraud in writing or by email.

- If the complaint is made orally HFC commits to recording the complaint in writing.
- All cases of fraud and corruption are handled in a confidential, prompt and professional manner. (HFC Complaints Handling Policy, Whistle-blowing Policy)

Where fraud or corruption is alleged, suspected or detected, HFC will:

- Promptly investigate the matter
- Seek the recovery of misappropriated funds or assets and the application of appropriate penalties wherever possible
- Seek prosecution of offenders wherever possible and appropriate.

Certification

Donated Goods:

All equipment and services provided by HFC are donations to the recipient country. They are registered with the Charities and Societies Agency (ChSA) in Ethiopia and become an asset of this Agency.

Where possible, all goods donated to HFC are marked with an HFC sticker or engraving.

Three copies of documentation for the recipient Customs authority are to be provided with all supplies asserting that:

- all goods are donated;
- the goods are not for resale; and
- the goods have no commercial value outside the intended health or educational environment.

One copy of this documentation is to be retained by HFC, one copy is provided for the relevant Customs authority and one copy is to be provided to ChSA.

Allocation of Funds

All programs and organisations to which HFC contributes funding will be required to demonstrate and account for the allocation of these funds, to ensure that they are being utilised for the development purposes for which they are intended and are in accordance with the values of HFC and its obligations to ACFID and the Department of Foreign Affairs and Trade.

Communication

Our policy on communications to employees regarding business practices and ethical behaviour is if a staff member suspects a contact of corrupt behaviour, they should seek advice from the Managing Director on an appropriate course of action.

From the outset, HFC makes it clear that equipment and services are given to benefit the local communities in which we work, and are to be utilised at a particular location or facility. This is also made clear in the HFC Code of Conduct and in our Donations and Fundraising Policy.

- In Ethiopia all donated or purchased goods for NGO are registered and governed by the Charities and Societies Agency. It is articulated clearly within the recipient agency or body that the equipment or allocated funds are not for personal use and are not to be on sold or transferred to another facility or purpose.
- All volunteers, staff members, office bearers and other representatives of HFC are made aware of the policy regarding unauthorised payments overseas.
- At suitable opportunities this policy will be communicated directly to relevant individuals and organisations in the recipient countries. Such communication reduces expectations and improves standards of transactions between HFC and recipients.
- If a volunteer, staff member, office bearer or representative of HFC is unsure about the way in which particular goods are being utilised, or funds allocated, they are encouraged to raise their concerns with their allocated manager, team leader or a member of the management committee.

Breaches

When on location in the countries in which HFC operates, requests for corrupt payments are to be reported to a designated and relevant person or authority immediately. Dependent on the program or situation, this may include but is not limited to a program coordinator, school principal, in-country representative or member of the Board. Appropriate rebuttal is based around communication of the principle embodied in this policy, firm refusal to participate in bribery or corruption, documentation of the details of the requests and reiteration that the goods and services are donated for the direct enhancement of the outcomes of the programs and activities for which they are intended.

Where appropriate, potential fraud, corruption and bribery requests will be reported to the local authority.

Any individual with suspicions of corruption or fraud by a member of HFC's staff or board, should immediately raise their concerns with the Managing Director or the Board of Directors. Such contact shall be handled confidentially, and the "whistle-blower" will be contacted immediately so that the concerns may be properly understood and contextualised.

Consequences

At times, refusal to participate in a corrupt process may have consequences for the timely and successful delivery of donated goods, or the successful delivery of a particular program or service. Should such situations arise, HFC will adhere to this no-corruption policy, communicate the policy to relevant authorities and continue to work with normal legal, commercial and philanthropic channels to enable delivery of goods and services.

Acceptance of Gifts or Benefits

Office bearers, staff members, volunteers and other representatives of HFC may not solicit any gifts or benefits, or accept any gifts or benefits that might in any way appear to compromise or influence them in their official capacity. Where a gift or benefit has been offered (whether accepted or not) and the offer could constitute an attempt to

induce favoured treatment, this should be reported. If in any doubt, guidance should be sought.

Gifts to the organisation of more than nominal value (e.g. a painting or a piece of equipment) are acceptable but should be disclosed to the Board.

If HFC is engaged in a tender process, no gift, no matter how small or insignificant, should be accepted from the tenderers.

DISCIPLINARY SANCTIONS

Violations of this policy will be dealt with in accordance with HFC's Disciplinary Procedure and may result in sanctions, up to and including termination of employment.

REFERENCES

Associated Documents

Policy – Approval of Expenditure

Policy- Separation of Aid and Development

HFC Procurement Policy

Policy- Donations and Fundraising

HFC Code of Conduct

HFC Conflict of Interest Policy

HFC Risk Management Policy

Acknowledgements

This policy has been adapted from the Australian Doctors for Africa

Policy Established: 2016

Policy Last Updated: 2021

Policy Approved: _____ (sign)

Date: _____