



FRAUD AND ANTI-CORRUPTION POLICY

Reviewed: April 2016 (including by Intelligent Risks Pty Ltd)

Board Approval: July 2016

Reviewed: May 2018

Board Approval: July 2018

Next Review: April 2020

1. PURPOSE

The Australian Himalayan Foundation (AHF) has a zero tolerance approach towards fraudulent and corrupt activity or behaviour. It is committed to conducting all aspects of organisational and program management in a transparent and accountable manner to support good governance. The purpose of this Policy is to articulate AHF's position against fraud, bribery and corruption to Board members, staff, volunteers, project partners and consultants. As an agency supported under the Australian NGO Cooperation Program (ANCP), this Policy is consistent with the *Fraud Policy Statement* of the Department of Foreign Affairs and Trade (DFAT), the *Australian Corporations Act 2001* (for whistleblowers), and the *Australian Government Investigation Standards (2003 and 2011)*.

An instance of fraud occurring within AHF's operations or their partner programs can deplete funds and other resources intended to support AHF's mission and mandate. The existence or suspicion of fraud can also have a significant adverse effect on the AHF brand and reputation.

AHF 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 AHF's programs being achieved. For this reason, AHF 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.

This policy should be read in conjunction with the AHF Risk management policy and applies to all AHF staff members, consultants, institutional contractors, and other non-staff personnel; as well as AHF partner organisations and implementing partners through which these programs are implemented.

2. DEFINITIONS

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
- Altering documents
- Falsifying signatures
- Misuse of AHF assets
- Providing false information to AHF

- Unauthorised disclosure of confidential information
- Theft of funds or assets
- Bias, cronyism or nepotism

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.

Specifically, fraud may include the following five practices (with associated definitions):

1. corrupt practice means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
2. fraudulent practice means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
3. coercive practice means the impairing or harming, or threatening to impair or harm, directly or indirectly, of any party or the property of the party to influence improperly the actions of a party;
4. collusive practice means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party; and
5. obstructive practice means both (A) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, and (B) acts intended to materially impede the exercise of inspection and audit rights.

3. POLICY GUIDELINES

It is AHF's policy not to be a party to any deals of any kind obtained by means of the payment or receiving of bribes or of any form of fraud, corruption or coercion. AHF will engage a rigorous process of organisational and project management to ensure transparency and accountability in its dealings with other parties.

The AHF Board encourages the use of robust reporting processes for the safe and prompt reporting of suspicion or evidence of wrong-doing involving an AHF funded project or AHF personnel. The AHF Board will take prompt corrective action as per guidelines set out in this policy and related policies (see Appendix) as considered appropriate.

4. MANAGEMENT PROCEDURES

- AHF is bound by the requirements regarding the reporting and action of suspected breaches of this policy as defined by DFAT in its policy and the Head Agreement with AHF.
- AHF, as an Australian aid program implementation partner, 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 swiftly and at AHF's expense.
- All AHF Board members, staff, volunteers, project partners and consultants have responsibilities and obligations to be aware of this policy and to follow the procedures detailed below in all cases.
- Any person reporting a fraud or corrupt behaviour, or a suspected fraud or corrupt behaviour, shall not be penalised for raising a concern of this nature.
- The CEO is charged with disseminating this Policy and related procedures to Board members, staff, volunteers, project partners and consultants.
- AHF's agreements with in-country 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.
- AHF's CEO and Program Manager will regularly monitor activities and expenditure to guard against fraud and corruption.
- The conduct of fraud, bribery and corruption risk assessment and the implementation of anti-bribery procedures forms part of AHF's ongoing risk management and internal control processes.
- If fraud is detected or suspected, AHF Board members, staff, volunteers, project partners and consultants are responsible for timely reporting to the AHF Board Chair and/or CEO. AHF's preference is to receive reporting on fraud in writing or by email. If the complaint is made orally AHF commits to recording the complaint in writing. All cases of fraud and corruption are handled in a confidential, prompt and professional manner.
- Where fraud or corruption is alleged, suspected or detected, AHF will:
 - Promptly investigate the matter
 - Report detected or attempted fraud or corruption within ANCP activities to DFAT within five (5) working days and keep DFAT informed of action
 - Seek the recovery of misappropriated funds or assets and the application of appropriate penalties wherever possible
 - Seek prosecution of offenders wherever possible and appropriate, by reporting to the relevant authorities.

All AHF staff will be made aware of this policy and their responsibility to report instances or suspicions of fraud involving AHF or partner organisations to the Chief Operating Officer. It is the responsibility of the Chief Operating officer to ensure that all staff are adequately trained in understanding, identifying and (where possible) mitigating fraud and corruption on an operational level.

Reports can be made anonymously, however anonymous reports that lack specific details will be reviewed but may not be pursued further if sufficient supporting material is not included.

Contact:

A report on concerns about fraud or corruption should be addressed to:

AHF CEO
PO Box 553, Crows Nest
NSW 1585, Australia
02 9438 1822
carolyn@ahf.org.au

APPENDIX A.

RELATED DOCUMENTS

Head Agreement between AHF and DFAT (and any other contracts with major donors)
AHF Constitution
AHF Strategic Plan 2015-2020
AHF Organisational and Program Risk Management Guidelines
AHF Program Management Procedures Manual
AHF Financial Management Procedures Manual
AHF Human Resources Procedures Manual
AHF Administrative Procedures Manual
AHF Complaints Policy
AHF Conflict of Interest Policy
ACFID Code of Conduct