



Anti-Fraud and Anti-Corruption Policy

November 2021

Board Ratification Dates	October 2021	Fraud and corruption have previously been addressed in our Code of Good Practice.
Revision Date		
Reaffirmation Date		
Next Review Date and Cycle	October 2024	Every three years from date of ratification or last full review or earlier if required.

POLICY STATEMENT

Act for Peace is committed to taking all relevant measures to prevent fraud, corruption and bribery in any context of humanitarian and development work. Act for Peace also has a duty to ensure our identity, funds and resources are used for their intended humanitarian and development purpose, along with a duty of care to respect, protect and fulfil the rights of the affected communities we seek to serve with the highest ethical standards in the implementation of our programs.

Anti-Fraud and Anti-Corruption Policy commits Act for Peace to:

- Employ all reasonable efforts commensurate with identified risks to minimise the likelihood of fraud, corruption and bribery including abuse of power.
- Comply with Australian and Commonwealth laws and ensure our partners, sub-contractors, staff, volunteers, consultants and Board comply with domestic laws through strict adherence to processes and policies that minimise the risk of fraud, corruption and bribery.

OBJECTIVES

- The purpose of this policy is to establish a policy framework and articulate Act for Peace's expectations for effective fraud control for all program partners and their employees and contractors in terms of the Commonwealth Fraud Control Guidelines issued in 2017. This includes reducing the risk of fraud occurring, discovering and investigating fraud when it occurs, and taking appropriate corrective actions to remedy the status.
- To promote and implement best practice principles to safeguard against the abuse or misuse of power and build a culture of accountability, transparency and due diligence that minimises the risk of fraud.
- To ensure strict pro-active measures are undertaken to identify, mitigate, monitor, review and report risks.
- To apply our best endeavors to ensure donations and grants do not in any way get exposed to fraud and corruption activities including money laundering or terrorism resourcing¹.

PRINCIPLES AND STANDARDS

Overview

Act for Peace is registered with Australian Charities and Not-for-profits Commission (ACNC) to receive funds from the Australian general public as a result of fundraising activities. These fundraising activities comply with Australian Charities and Not-for-profits Commission (ACNC) Regulation 2013 and Charitable Fundraising Act 1991.

Act for Peace also receives institutional grant funding from the Institutional donors including the

¹ Fraud linked to terrorism financing is further dealt with in the Counter Terrorism Policy

Australian Department of Foreign Affairs and Trade (DFAT). Act for Peace is contractually obligated to DFAT's approach to fraud as guided by the Commonwealth Fraud Control Guidelines. Act for Peace also adheres to the ACT Alliance's Anti-Fraud and Corruption Policy.

Act for Peace Approach

Act for Peace acknowledges that it is possible that some incidents of fraud may occur during the delivery of our aid programs and our day to day operations involving Act for Peace staff, Partners and their staff, contractors and sub-contractors and suppliers. In all these situations, Act for Peace applies and maintains a zero tolerance approach to fraud.

Our zero tolerance approach requires that Act for Peace:

1. Investigate any suspected or known incidents of fraud.
2. Report to DFAT and/or donors when relevant and as per donor requirements.
3. Apply administrative or contractual penalties, as appropriate.
4. Prosecute offenders through local law enforcement agencies (Police), where appropriate.
5. Seek recovery of losses and the application of appropriate penalties.
6. Implement fraud mitigation measures.

Investigation principles applied include confidentiality, transparency, safeguarding any whistle blowers and complainants, assumption of innocence until proven otherwise.

Documentation of the investigation process is mandatory.

In order to prevent fraud at organisational level, Act for Peace undertakes the following:

- Creates an environment in governance, leadership and management that does not accept fraud. Act for Peace communicate the tone at the top to all staff, creating clear expectations of what is considered appropriate and what is considered inappropriate regarding the use of assets, money and other items.
- All staff understand the Anti-Fraud and Anti-Corruption Policy when signing the Act for Peace Code of Conduct.
- Develops policies and procedures for the prevention and handling of fraud.
- Disseminates and communicates policies and procedures to all staff.
- Implements effective controls that limit the opportunity for fraud.
- Regularly reviews and updates the procedure manuals and controls.
- Provides training/annual refresher training to all staff working with partners on our fraud framework.

Responsibilities and Reporting

The responsibilities of Act for Peace and Partner Organisations:

- Act for Peace and its Partner organisations will make all reasonable effort to prevent and detect fraud.
- Act for Peace and its staff and Partner organisations and their staff do not engage in any fraudulent activity.
- All parties must report immediately to Act for Peace/ the immediate supervisor any detected, suspected, or attempted fraudulent activity involving the delivery of services.
- In turn Act for Peace must report within **5 working days** to DFAT or other donor agencies (as per their reporting requirements) of any detected, suspected, or attempted fraudulent activity involving the delivery of services.

Investigations

In the event of detected, suspected or attempted fraud and in consultation with Act for Peace, the Partner organisation must develop and implement a strategy to investigate, based on the principles set out in the Australian Government Investigation Standards.

A Partner organisation must be prepared to undertake the investigation at its own cost, unless Act for Peace agrees to cover the cost of investigation. If allegations of fraud are brought against a partner organisation, or another entity engaged with Act for Peace funds transfers to that partner will be frozen until the investigation is completed.

If allegations of fraud are brought against a staff member that staff member will be suspended until the investigation is completed.

Following the conclusion of an investigation, where the investigation finds that an Act for Peace staff member or volunteer, or Partner organisation, one of its employees or volunteers has acted in a fraudulent manner, the following rectifying action shall take place:

- Where money has been misappropriated, the full value of the Act for Peace funds that have been misappropriated will be re-paid to Act for Peace or the project;
- Where an item of property has been misappropriated, the item shall be returned to Act for Peace or the project or if the item cannot be recovered or has been damaged so that it is no longer useable, the item shall be replaced with one of equal quality;
- Where Act for Peace's identity has been misused (for example by a person or entity using an Act for Peace logo or signature without permission) then action will be taken by the relevant party, where possible, to rectify any reputational damage or liability.

If an allegation of fraud committed by a partner is found to be true, depending on the significance of the fraud event, and the partners response, Act for Peace will decide to continue or terminate the partnership.

If an allegation of fraud committed by an employee or volunteer is proven true and constitutes serious misconduct, the employment contract or volunteer engagement will be terminated.

Act for Peace shall:

- Make reasonable effort to recover Act for Peace/Donor funds or funded property acquired or distributed through fraudulent activity, including without limitations, one or both of the following:
 - Take recovery action in accordance with recovery procedures, including civil litigation, available in the Partner country,
 - Refer the matter to the relevant Partner country police or other authorities responsible for prosecution of fraudulent activity.
 - Keep the donor agency informed, in writing, on a regular basis, of the progress of the recovery action.

SCOPE

This policy applies to Act for Peace staff, Board and volunteers and informs Act for Peace practices of use of Act for Peace funds by overseas and domestic suppliers, contractors, consultants and partners, and overseas monitoring and evaluation of projects and partners ('third parties'). All Act for Peace Board

members, staff and volunteers are expected to be aware of this policy and understand the fraud and corruption risk management procedures related to their areas of work.

DEFINITIONS AND EXPLANATIONS

Affected communities: Natural persons, or groups of natural persons who receive charitable, humanitarian or other types of protection and solutions through the services of the NGO. This assistance can be material or non-material.

All reasonable efforts: is used to reflect the need for positive action and a common-sense approach, based on the level of risk, to meet legal obligations and avoid inadvertently financing terrorist activity.

Bribery: Paying an official to exert their influence or do something outside normal duties.

Corruption: The abuse of entrusted power for private gain.

Facilitation payment: Paying an official to do something within their normal duties.

Funds: Assets of any kind or property of any kind, whether tangible or intangible, movable or immovable, however acquired, and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such property or assets, including, but not limited to, bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, debt instruments, drafts and letters of credit.

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

Money Laundering: The process of hiding or disguising the source of illegally obtained (“dirty”) funds to make them appear legitimate (“clean”), e.g. by filtering them through the financial system.

Sub-contractor: Any individual or organisation involved in the implementation of a project funded by Act for Peace.

Suspicious activity: Any activity where a known or suspected terrorist individual or organisation is involved, or where a known or suspected terrorist act is to occur. This includes, but is not limited to, any activity involving any listed individuals or organisations.

Third Party: Any individual or organisation other than a beneficiary to which Act for Peace provides funding or support to, or receives funding or support from, to carry out its usual functions, including fund raising and delivering aid. ‘Third Party’ includes, but it not limited to, partners, intermediaries, contractors, sub-contractors and service providers.

Annex 1: Resource and Reference List

1. Commonwealth Fraud Control Framework 2017, [Commonwealth Fraud Control Framework | Attorney-General's Department \(ag.gov.au\)](#)
2. Fraud Control Toolkit for funding recipients, [Fraud Control Toolkit for funding recipients | Australian Government Department of Foreign Affairs and Trade \(dfat.gov.au\)](#)
3. Reporting form Suspected or Detected fraud — Fraud Referral Form, [Suspected or Detected fraud — Fraud Referral Form | Australian Government Department of Foreign Affairs and Trade \(dfat.gov.au\)](#)
4. ACT Alliance Anti-Fraud and Corruption Policy, <https://actalliance.org/documents/anti-fraud-and-corruption-policy/>