

# UnitingWorld Policy DRAFT

Board approved 07.08.2019

## 5.5.6 Financial Wrongdoing Policy

### *Commitment by UnitingWorld*

UnitingWorld recognises that financial wrongdoing may occur in our operations or programs. This wrongdoing may be perpetrated by people inside or outside the organisation. Consequently, we must implement effective prevention strategies to mitigate the risk of wrongdoing and respond quickly and robustly when financial wrongdoing is suspected or is shown to have taken place.

**Principle 1: UnitingWorld promotes a culture of honesty, integrity and trust. We are committed to the prevention of financial wrongdoing through the promotion of an ethical and transparent environment where all personnel actively participate in responsible stewardship of the organisation's resources and reputation.**

- 1.1. All UnitingWorld representatives will sign a Code of Conduct (Code) under the Professional Conduct Policy (5.1.1).
- 1.2. All UnitingWorld representatives have the responsibility to report suspected financial wrongdoing and other breaches of the Code.
- 1.3. Prevention of financial wrongdoing is covered in all agreements with our representatives.
- 1.4. Pursuant to its Risk Management Policy (5.5.1) UnitingWorld will regularly perform assessments of the risk of financial wrongdoing in its operations and programs. Mitigation strategies will be designed with this risk in mind, and these strategies will be proportionate to the extent of the identified risk.
- 1.5. UnitingWorld representatives will receive training regarding correct financial procedures and what constitutes a breach of these requirements. Financial wrongdoing risks, prevention and reporting training will be provided at induction and in regular updates thereafter. Representatives are expected to be continually aware of the risks of financial wrongdoing and to minimise the opportunities and situations where such wrongdoing can occur.
- 1.6. UnitingWorld will ensure that our representatives, including in partner organisations, understand their responsibilities in relation to prevention of financial wrongdoing and reporting of any suspected incidents. Where practicable, we will support our partners in strengthening their capacity to meet our requirements.

**Principle 2: UnitingWorld will not tolerate financial wrongdoing in any aspect of its operations**

- 2.1. UnitingWorld will investigate any suspected acts of financial wrongdoing.
- 2.2. Any detected cases of financial wrongdoing by UnitingWorld staff will result in disciplinary action including possible dismissal.
- 2.3. In the case of financial wrongdoing by partner staff working on UnitingWorld funded activities, UnitingWorld will use its strongest influence to require prompt and appropriate disciplinary action, and to close underlying management and governance gaps to mitigate future exposure.

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UnitingWorld may resort to withholding further funding of partners until risks are adequately mitigated.

- 2.4. UnitingWorld will ensure its representatives know how to report suspected acts of financial wrongdoing. Any UnitingWorld representative who suspects financial wrongdoing must immediately notify their supervisor or the National Director of that suspicion.
- 2.5. Any incident of financial wrongdoing related to funds from an institutional donor will be reported to that donor in line with the requirements of the relevant grant agreement.

### **Principle 3: UnitingWorld will act immediately on Terrorism Financing**

- 3.1. UnitingWorld will immediately withdraw all support, including any funding, if we discover that any partner organisation or any beneficiary of our funds is on, or is subsequently added to, the Consolidated List or List of Terrorist Organisations.
- 3.2. UnitingWorld will report to the Australian Federal Police or the National Security Hotline as appropriate any suspicious activity including diversion of funds or resources or if any link is discovered between funds provided by us and a terrorist organisation or individual terrorist.

### **Scope**

Prevention of financial wrongdoing is applicable to our operations and programs in Australia as well as in all that we do overseas. All UnitingWorld Representatives are expected to comply with this policy.

Financial wrongdoing includes fraud, corruption, bribery, money-laundering, terrorism financing and violation of sanctions imposed by the Australian government, theft of funds or property, false accounting, forgery or unauthorised alteration of document, not declaring a conflict of interest, creating an unauthorised liability or wrongfully using information or intellectual property. Reflecting UnitingWorld's mandate and obligations to DFAT and ACFID, this list supplements the definitions and examples of what constitutes financial wrongdoing provided by the Uniting Church in Australia National Assembly (Assembly) Fraud Prevention Policy (6.10). More broadly, elements of financial wrongdoing can also include actions to gain non-monetary benefits such as power, status, control or information.

This policy forms one of a suite of policies and procedures that act together to prevent and address financial wrongdoing. Applicable UnitingWorld and Assembly policies are set out below under Relevant Resources. These policies are implemented using due diligence processes set out in our Procedures Manual, supplemented by the Code and an annual Fraud Control Checklist submitted to the Board through the Finance Audit and Review Committee.

### **Policy Context**

UnitingWorld operates in a complex and changing international environment. Delivering against our mandate and maintaining credibility with partner communities and our donors require financial stewardship and integrity. We must also meet the requirements of Australian laws on transparency, financing, money-laundering and counter-terrorism and similar international agreements and contractual obligations. We work with communities where conditions are difficult, and some local systems and practices may be corrupt or fragile.

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### *Roles and Responsibilities*

#### *Board*

- Ensure they conduct themselves ethically;
- Establish policy in relation to prevention of financial wrongdoing;
- Ensure that effective policies to support the prevention of financial wrongdoing are in place;
- Promote a culture that ensures that prevention of financial wrongdoing is integral to how things are done;
- Monitor and provide oversight of the internal control environment for the prevention of financial wrongdoing; and
- Delegate to the National Director the task of implementing policy.

#### *Role and responsibility of the Finance Audit and Risk Committee*

- Work with management to ensure that the policy is effectively implemented; and
- Provide advice to the Board on the internal control environment for the prevention of financial wrongdoing.

#### *Role and responsibility of the National Director*

- Implement the prevention of financial wrongdoing and related policies;
- Ensuring an effective internal control environment for the prevention of financial wrongdoing;
- Report to the Board and the Finance Audit and Risk Committee on prevention of financial wrongdoing in a way that allows the Board and the Finance Audit and Risk Committee to discharge their responsibilities;
- Promote prevention of financial wrongdoing as part of the culture of the organisation; and
- Ensure effective reporting and investigation.

#### *Role and responsibility of Management*

- Screen potential staff during recruitment for financial wrongdoing, including undertaking referee checks;
- Ensuring that they are aware of areas in their sections that have high risk of financial wrongdoing;
- Model a zero tolerance for financial wrongdoing culture within their teams and throughout the organisation;
- Implement quarterly reporting on prevention of financial wrongdoing through risk and compliance reporting and ensure that all staff are appropriately involved;
- Support the National Director and the Board in discharging their responsibilities; and
- Ensure that appropriate induction and on-going monitoring and training takes place.

#### *Role and responsibility of Staff*

- Ensuring that they are familiar with and comply with financial wrongdoing policies and procedures;
- Play a collective role in the prevention of financial wrongdoing;

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- Implement quarterly reporting on prevention of financial wrongdoing through risk and compliance reporting and ensure that all staff are appropriately involved;
- Support the National Director and the Board in discharging their responsibilities; and
- Ensure that responsibilities of Partner staff and contractors are documented in the relevant agreements and training is provided as necessary.
- Ensure that appropriate induction and on-going monitoring and training takes place.

### *Contacts for Reporting Financial Wrongdoing*

A person who discovers or suspects dishonest or fraudulent activity directly or indirectly involving UnitingWorld must immediately contact, as appropriate, the relevant manager, the National Director, the Assembly National Director – Strategic Finance and Administration or the Assembly General Secretary. The person may remain anonymous. The person should be asked not to discuss the issue, not to contact the person or people allegedly involved in the dishonest or fraudulent activity and not to investigate the issue further unless requested to do so by the person appointed to conduct the investigation.

UnitingWorld National Director

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Assembly National Director – Strategic Finance and Administration

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Physical address: Level 10, 222 Pitt Street, Sydney, NSW Australia 2000

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Assembly General Secretary

Phone: +61 (0)2 8267 4428

Email: [ColleenG@nat.uca.org.au](mailto:ColleenG@nat.uca.org.au)

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### *Investigations*

Investigations will be conducted in accordance with the Assembly Fraud Prevention Policy and UnitingWorld's Feedback, Complaints and Incident Handling Policy and Procedures. Confidentiality will be maintained in accordance with the Assembly Policy.

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### *Related Resources*

UnitingWorld is guided by, and works in the context of, the following UnitingWorld and Uniting Church in Australia National Assembly policies, applicable national and international codes and conventions, including:

UnitingWorld Risk Management Policy (5.5.1), Complaints and Incident Handling Policy (5.3.1), Finance Policy (5.6.1), Risk Management Policy (5.5.1), Terrorism and Security Policy (5.2.4), Protection and Safeguarding Policy (5.3.1) and Whistleblowing Policy (5.1.4);

Assembly Conflict of Interest (6.13), Fraud Prevention (6.10), People and Relationships (6.5) and Whistleblower Policy (6.15);

ACFID Code of Conduct; and

DFAT Policies and documents including but not limited to: Fraud Policy Statement; Fraud Control Toolkit; Value for Money Principles; Bribery and Facilitation Payment Factsheet

### *Glossary of Terms*

**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, rewards or other advantages Transparency International Anti-Corruption Glossary (<https://www.transparency.org/glossary/term/bribery>)

**Conflict of Interest** – UnitingWorld representatives have a duty under common law to act in the best interests of the organisation in which they serve. They should act in good faith and should not seek to gain any personal benefits from their service for themselves, their families or their friends. Conflicts of interest can be real, potential or perceived. They can be direct or indirect. They can involve financial, personal, influence and loyalty aspects. (Assembly Conflict of Interest Policy).

**Corruption** – the abuse of entrusted power for private gain (Transparency International Anti-Corruption Glossary)

**Counter-terrorism** – the practice, techniques and strategy used to combat or prevent terrorism (ACFID definition).

**Facilitation Payments** - A facilitation payment is a payment of minor value provided in return for securing a minor, routine government action that should have been completed without any such payment (see S70.4 of the Commonwealth *Criminal Code Act 1995*) (DFAT Fraud Control Checklist)

**Fraud** – Dishonestly obtaining a benefit, or causing a loss, by deception or other means (Commonwealth Attorney-General's Department Fraud Control Framework).

**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 (Transparency International Anti-Corruption Glossary)

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**Terrorism Financing** – intentionally providing or collecting funds and being reckless as to whether those funds would be used to facilitate or engage in a terrorist act (Living Safe Together definition referenced by ACFID).

**UnitingWorld representative** - defined as any personnel funded by or undertaking tasks on behalf of UnitingWorld. They include:

- UnitingWorld staff;
- Partner staff, while undertaking tasks for UnitingWorld;
- Board members;
- UnitingWorld volunteers including individuals and groups who visit overseas partners or projects funded by UnitingWorld;
- UnitingWorld contractors (including advisors and consultants); and
- Subcontractors of UnitingWorld overseas partners or UnitingWorld contractors while undertaking tasks on behalf of UnitingWorld.

**Whistleblower:** A representative who reports suspect wrongdoing, including suspicion of fraud, misuse of resources, neglect of duties or a risk to health and safety (ACFID Code of Conduct definition).