



ANTI-FRAUD POLICY

INTRODUCTION

OAF has a zero tolerance policy towards fraud and corruption. OAF recognises that its work occurs in a challenging environment where there are risks of fraud, both overseas and in Australia. It is essential that OAF conduct a thorough risk analysis of its projects and implement its Anti-Fraud Policy through its Operational Procedures to address this danger.

Fraud is defined according to the Commonwealth's Fraud Control Guidelines as dishonestly obtaining a benefit, or causing a loss, by deception or other means.

Fraud can include:

- The misappropriation of funds for private gain;
- Theft such as stealing property;
- Misuse of property e.g. office space for private gain;
- Bribery of foreign public officials to implement work;
- Diversion of aid to non-target groups;
- Preferential treatment for family and friends;
- Coercion or intimidation of staff, volunteers or beneficiaries to ignore or participate in corruption;
- Manipulating or falsifying financial or other documents for private gain.

Private gain can refer to individual benefits, as well as benefits received by communities, ethnic groups, religious groups, political organisations, corporations or militia.

1. OAF'S COMMITMENT

OAF recognises the importance of fraud prevention and aims to create an organisational culture that discourages any fraudulent or corrupt activities. Fraud negatively impacts communities, sponsors, staff, committee members, team and volunteers, partner organisations and seriously damages public confidence in OAF's ability to undertake sustainable development work.

OAF is committed to preventing fraud through its strict policies of:

- Applying appropriate screening processes for staff, volunteers and partner organisations on a best practice basis;
- Providing appropriate education to staff, committee, team and volunteers on fraud prevention;
- Ensuring partner organisations implement fraud prevention and are aware of this policy through due diligence, MOU (Memorandum of Understanding) processes;
- Rigorously monitoring financial transactions;
- Rigorously monitoring project implementation, management and outcomes;
- Internal auditing;
- Fraud detection, reporting and investigation.

2. SCOPE OF POLICY

OAF recognises that the prevention and detection of fraud is the responsibility of every member of its organisation, including staff, committees, team and volunteers, as well as its overseas partner organisations. All OAF staff, committee, team and volunteers must abide by OAF's Anti-Fraud Policy and understand that it is their responsibility to prevent fraud by reporting suspected incidents to the Board.

3. PREVENTING FRAUD

OAF strives to create an environment that encourages fraud prevention. Staff, committee members, team and volunteers are subject to appropriate screening processes, and all such personnel are made aware of OAF's policies, including its anti-fraud policy. Similarly, OAF's undergoes appropriate due diligence and appropriate screening processes before working with partner organisations in the project implementation process, which ensures OAF's partner organisations share OAF's values, governance and anti-fraud policies.

Given OAF's small organisational size, it ensures staff and volunteers remain aware of the Anti-Fraud Policy, and engage on this issue with all partners and personnel.

- Regular project/program budgets are prepared and tracked closely to detect any variance in expenditure. Budget reviews are undertaken regularly.
- OAF also rigorously monitors the design, implementation, management and results of its overseas projects and programs.

OAF undergoes periodic internal auditing processes. The accounts of the organisation are examined by a qualified auditor, who must report to the Members in accordance with the *Corporations Act*.

4. INVESTIGATING FRAUD

OAF aims to create a culture that encourages fraud detection, ensures that whistle-blowers are protected, and investigates allegations in a rigorous and impartial manner. Relevant staff and volunteers are made aware of OAF's policies regarding fraud detection. Staff and volunteers must report allegations of fraud to the Board of OAF.

OAF is committed to ensuring no negative outcomes occur for whistle-blowers acting in good faith.

Investigations must be completed in a confidential, prompt and professional manner according to established guidelines. If allegations of fraud are proved to be correct, OAF is committed to taking disciplinary action in a transparent and fair manner.

5. REPORTING FRAUD

OAF has a “zero tolerance” attitude towards fraud. This means that any case of alleged, suspected or detected fraud must be reported immediately to the OAF Board.

OAF will

- Investigate all reported cases of alleged, suspected or detected fraud;
- Prosecute or apply other appropriate sanctions against those who have committed fraud;
- Seek the recovery of misappropriated funds or assets wherever possible;
- Where the funds defrauded relate to institutional donors, such as the Australian Government, the donor should be informed in accordance with contractual requirements.