

MAA INTERNATIONAL

FRAUD RISK MANAGEMENT POLICY



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TABLE OF CONTENTS

1	Introduction	3
1.1	Purpose	3
1.2	Roles and Responsibilities.....	3
2	Policy & Procedures	5
2.1	Policy Statement	5
2.2	Processes.....	5
3	Revision History	7

1 INTRODUCTION

MAA International (MAA) is registered with the Australian Charities & Not-for-profits Commission (ACNC). This registration and associated ACNC Tick of Charity Registration (the Registered Charity Tick) aims to give reassurance to the public that the charity is transparent and accountable by highlighting its presence on the ACNC Charity Register.

MAA is also a signatory and a full member of the Australian Council for International Development (ACFID) Code of Conduct, which requires high standards of corporate governance, public accountability and financial management to be in place. The ACFID Code of Conduct requires members to ensure that *'Funds and other resources designated for the purpose of aid and development will be used only for those purposes and will not be used to promote a particular religious adherence or to support a political party, or to promote a candidate or organisation affiliated to a particular party'*.

In addition, MAA has also attained its base accreditation with DFAT (The Department of Foreign Affairs and Trading).

MAA is committed to undertaking the best possible procedures to ensure compliance with the ACNC, ATO, ACFID, DFAT and other relevant regulatory bodies. MAA endeavours to ensure accurate representation of its activities to all of its stakeholders.

1.1 PURPOSE

This policy is aimed at board or committee members, trustees and managers of MAA. It is also important to employees and volunteers. It is designed to protect MAA from fraud and other financial criminal activities. It highlights some of the risks to which MAA can be vulnerable and provides some practical steps that you can take to reduce and manage these risks.

The purpose of this policy is

- To ensure that all **parties including field partners** are aware of their responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs.
- To provide guidance to staff/volunteers/contractors/**field partners** as to action which should be taken where they suspect any fraudulent activity.
- To provide a clear statement to staff/volunteers/contractors/**field partners** forbidding any illegal activity, including fraud for the benefit of the organisation.
- To provide assurance that all suspected fraudulent activity will be fully investigated.

1.2 ROLES AND RESPONSIBILITIES

The **Board** of MAA has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.

The **CEO** is responsible for investigating instances of fraud reported to them.

If the matter in question is against CEO, instance should be reported directly to

Chairperson for the further investigation.

All **managers** must ensure that there are mechanisms in place within their area of control to:

- Assess the risk of fraud.
- Educate employees about fraud prevention and detection; and
- Facilitate the reporting of suspected fraudulent activities.

Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

All **staff/volunteers/contractors/Field partners** share in the responsibility for the prevention and detection of fraud in their areas of responsibility.

All **staff/volunteers/contractors/Field partners** have the responsibility to report suspected fraud.

Any **staff member, volunteer, contractor or field partners** who suspects fraudulent activity must immediately notify their supervisor or those responsible for investigations.

In situations where the supervisor is suspected of involvement in the fraudulent activity, the matter should be notified to the next highest level of supervision or to the CEO. MAA will not tolerate fraud in any aspect of its operations.

MAA will investigate any suspected acts of fraud, misappropriation or other similar irregularity. An objective and impartial investigation, as deemed necessary, will be conducted regardless of the position, title, and length of service or relationship with the organization of any party who might be the subject of such investigation.

Any fraud shall constitute grounds for dismissal. Any serious case of fraud, whether suspected or proven, shall be reported to the police. Any person reporting a fraud, or a suspected fraud, shall suffer no penalty in their employment.

2 POLICY & PROCEDURES

2.1 POLICY STATEMENT

Fraud can be very difficult to identify. MAA has a zero-tolerance to fraud and all other criminal activities. MAA is committed to monitor activities, from the point at which funds are received, throughout internal management and decision-making processes, to the point where funds are used. MAA understands the importance of particular warning signs, or ‘red flags’ which may indicate fraud.

2.2 PROCESSES

The Board of MAA (such as board or committee members, trustees or directors – what the ACNC calls ‘responsible persons’) have legal duties towards the charity.

They have a duty to act in the best interests of the charity, to avoid conflicts of interest and to act with reasonable care and diligence. They should act in a way that protects the charity’s assets and ensures that the charity’s financial affairs are managed in a responsible manner and for its charitable purpose. This helps protect against fraud. Their role includes:

- making sure that everyone involved in the charity (including trustees, board or committee members, and staff and volunteers) is aware of the risk of fraud and what it can mean for the charity
- using proper financial controls and procedures, suited to the size and nature of the charity
- acting responsibly and in the interests of the charity, if a charity becomes the victim of fraud or other financial crime. This includes notifying the police and the ACNC and taking appropriate steps to manage the consequences of the fraud.

Fraud prevention accounting procedures are already incorporated in MAA’s processes in relation to Authority to Sign Cheques, Reimbursement of Expenses, Financial Transaction (credit and debit) Cards, Acceptable Use of Computers, Acceptable Use of Vehicles and Equipment, Cash Management & Grant Handling, and any other relevant policies.

All complaints of suspected fraudulent behaviour must be reported to the CEO. **Whereas, in-case of complaint against CEO should be reported to Chairperson for the investigation.**

Upon notification or discovery of suspected fraud, the **CEO (if against CEO, report directly to Chairperson)** will promptly arrange to investigate the matter. The **CEO (if against CEO, report directly to Chairperson)** will make every effort to keep the investigation confidential; however, from time to time other members of the management team will need to be consulted in conjunction with the investigation.

After an initial review and a determination that the suspected fraud warrants additional investigation, the **CEO (if against CEO, report directly to Chairperson)** shall coordinate the investigation with the appropriate law enforcement officials. Internal or external legal representatives will be involved in the process, as deemed appropriate.

Once suspected fraudulent activity is reported, immediate action will be taken to prevent the theft, alteration, or destruction of relevant records. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records.

Where a prima facie case of fraud has been established the matter shall be referred to police. Any action taken by police shall be pursued independent of any employment-related investigation by the MAA.

If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of management.

The **CEO (if against CEO, report directly to Chairperson)** will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of the losses from the offender.

Vendors and contractors shall be asked to agree in writing to abide by these policies and procedures.

No employee of the organization, or person acting on behalf of the organization in attempting to comply with this policy shall:

- be dismissed or threatened to be dismissed.
- be disciplined or suspended or threatened to be disciplined or suspended.
- be penalized or any other retribution imposed, or
- be intimidated or coerced,

This applies to any employee who has reported an incident or participated in an investigation in accordance with the requirements of this policy. Violation of this section of the policy will result in disciplinary action, up to and including dismissal.

If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the originator.

- Any Instance of allegations could be reported to MAA via following communication mediums;
 - compliance@maainternational.org.au
 - +61 (2) 8016 9500
 - PO BOX 395 Bankstown, NSW, 2200

3 REVISION HISTORY

Date of this release: 11 August 2015	Date of next revision: May 2020
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Revision Number	Revision Date	Summary of Changes	Changes Marked?
1.0	24 January 2007	Initial version MAA Project Evaluation Policy	N
2.0	06 August 2012	Policy rewritten from scratch	N
3.0	11 August 2015	Update with new logo and minor enhancements.	N
4.0	30 May 2018	New section incorporated	N
5.0	30 May 2019	No Changes	N
5.1	1 st of May 2021	Include field partners in policy, adding reporting line for the complaints against CEO and communication medium for the reporting	Y