



# FRAUD AND ANTI-CORRUPTION POLICY

Last updated 16 Nov 2021

## Purpose of this Policy

REACH for Nepal's (RFN) Fraud and Anti-Corruption Policy has been established to facilitate the development of effective controls that will aid in the detection and prevention of corruption and fraud within the Foundation.

The policy applies to all persons working to, volunteering for, or otherwise associated with the Foundation here in Australia and in Nepal.

## Policy Principles

RFN will ensure all persons working to, volunteering for, or otherwise associated with the Foundation:

- Maintains a “zero tolerance” attitude against corruption and fraud;
- Commits to the ongoing prevention, control and detection of fraud and corruption, and
- Understands the policy and adheres to it.

## Policy Commitments

- RFN will not tolerate fraud or corruption under any circumstances;
- All people associated with the Foundation have an obligation to act ethically as outlined in the RFN Code of Conduct;
- All people associated with the Foundation have an obligation to be alert to fraud and corruption and to report suspected incidents of fraud and corruption; and
- All parties who report suspected fraud have the protection of anonymity as set out in the RFN Complaint and Whistleblower Policy.

In the context of this policy, corruption is defined as the abuse and/or misuse by an individual of their position in an organisation, usually by making or receiving some kind of payment or giving gifts to an official.

The definition of fraud in the Australian Government Commonwealth Fraud Control Framework 2017, is defined as “dishonestly obtaining a benefit, or causing a loss, by



deception or other means". Fraud includes legally defined dishonesty offences and also where benefits (tangible or intangible) reflect a misuse or misappropriation of funds or assets.

Any irregularity that is detected or suspected must be reported immediately to the [CEO](#) or the [Manager Finance and Nepal Operations](#) who will work with relevant staff and external agencies to coordinate an investigation. If the situation occurs where the CEO or DFNO is suspected of involvement in fraudulent or corrupt behaviour, or if the person having the suspicion does not believe that the matter is being appropriately addressed or dealt with, the matter should be escalated to a Board member through the [Manager Communications and Company Secretary](#).

### **Actions constituting fraud**

- Fraud is defined as the dishonest obtaining of or endeavouring to obtain some financial advantage or the causing of some financial loss. It includes, but is not limited to:
- any dishonest or fraudulent act;
- embezzlement;
- misappropriation of funds, securities, supplies, or other assets;
- loan to another party for which purpose the funds were not designated;
- payment or acceptance of bribes, false invoicing, substandard goods, undisclosed rebates or kickbacks as part of any procurement processes;
- fictitious employees on the payroll;
- impropriety in the handling or reporting of money or financial transactions;
- profiteering as a result of insider knowledge of RFN activities;
- disclosing confidential information to outside parties;
- accepting or seeking anything of material value (monetary or in kind) from partners who are the recipient of funds or services from RFN;
- destruction, removal, or inappropriate use, without authority, of records, furniture, fixtures and/or equipment, and
- money laundering

## **Money Laundering**

Money laundering is the process by which the proceeds of crime are channelled through financial systems in an effort to disguise their illegal origin and returned to the launderer in an indirect manner.

The following types of activities are considered to be "money laundering" and are prohibited under this Policy:

- the conversion or transfer of property (including money), knowing or suspecting that such property is derived from criminal or certain specified unlawful activity ("criminal property"), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is

involved in the commission of such activity to evade the legal consequences of his action;

- conducting a financial transaction which involves criminal property;
- the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, ownership or control of criminal property;
- the acquisition, possession or use of criminal property;
- promoting the carrying on of unlawful activity; and
- participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

## **Investigation outcomes**

If the investigation substantiates that fraudulent activities have occurred, the CEO will issue a written report to the Board. Decisions to refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Board. Reporting to Police and/or relevant Government Funding bodies will be undertaken when necessary.

## **Administration of this Policy**

This policy is administered by the Manager Policy, Compliance and Legal and will be fully reviewed every 3 years.