



21. Anti-Corruption and Fraud Control Policy

21.1 Purpose

The purposes of this policy are to:

1. ensure the integrity and reputation of LLEE and its activities
2. ensure that all parties are aware of their responsibilities for identifying exposures to fraudulent activities; for establishing controls and procedures for preventing fraud; and/or, detecting fraudulent activity when it occurs
3. provide action-guidance to all parties where there is a suspect fraudulent activity
4. provide a clear statement to all parties forbidding any illegal activity, including fraud for the benefit of the organisation
5. provide assurance that any and all suspected fraudulent activity will be fully investigated, and
6. Protect and ensure that the funds provided by donors are applied according to contracts.

21.2 Policy

LLEE adopts a 'zero tolerance' approach to corruption and fraud in its activities. LLEE makes all possible efforts to prevent fraudulent activities in the administration and management of funds.

Where a corruption or a fraud case is alleged, suspected or detected, LLEE will take immediate action to investigate the matter. Any fraud by any staff member constitutes grounds for dismissal.

Terms used in this policy are:

Parties: include Board, all parties, volunteers, contractors and partners.

Fraud: Any dishonest act or omission to obtain a personal benefit, or to benefit others causing a loss by deception or other means.

Examples include:

- Theft such as stealing property, petty cash, gift cards, donations, client funds or corporate assets;
- Falsification of records, accounts or documents to deceive;
- Dishonestly destroying or concealing accounts or records;
- Embezzlement or misappropriation of funding or other assets;
- Misuse of assets or property for personal benefit (e.g. vehicles); and
- Forgery or issuing false or misleading statements with intent to obtain financial advantage or deceive.

Corruption: Dishonestly obtain a benefit by misuse of power, position, authority or resources:

Examples include:

- Bribery, extortion & blackmail;

- Secretly permitting personal interests to override corporate interests;
- Secretly giving or accepting gifts & benefits in return for preferential treatment to the giver;
- Collusion, false quotes, false invoices or price fixing;
- Manipulating design & specifications or processes for personal gain or to conceal defects;
- Complicity in excessive billing or submission of false support documents or concealment of documents;
- Falsifying job qualifications or work or safety certifications;
- Nepotism (favouring relatives); and
- Privacy breaches or data manipulation with intent to cause harm.

21.3 Procedure

1. Incorporate fraud prevention accounting procedures into cash management, credit card use, commercial transactions, investments and assets and intellectual property
2. Investigate all complaints of suspected fraudulent behaviour whilst also providing for the protection of those individuals making the complaint and natural justice to those individuals being the subject of any such complaint - see Fraud Control and Fraud Response Framework
3. Report immediately all alleged, suspected and detected cases of fraud to HR Focal Point or the Executive Director if concerns relates to the Senior Management
4. Incorporate fraud prevention in the recruitment process per Recruitment Policy. Fraud preventive actions at recruitment include:
 - behavioural questions during interviews addressing fraud issues
 - police checks
 - reference checks
 - validation of transcripts, qualifications, publications and other certification or documentation shall be validated
 - include in staff's induction and development activities fraud prevention, control and response, and
 - Obtain written agreement of consultants and contractors regarding adherence to LLEE's Fraud Control policy and Procedures.

A key obligation of all Live and Learn personnel is to report all cases of attempted, alleged, suspected or detected fraud and corruption within 5 days. All cases of fraud and corruption are handled in a confidential, prompt and professional manner.

Matters involving Live and Learn personnel should be referred to the Executive Director at christian.nielsen@livelearn.org or alternatively the Chairperson of the Board at iris.brito@livelearn.org

Matters involving DFAT funded projects should be reported to Live and Learn's Executive Director at christian.nielsen@livelearn.org and the DFAT Fraud Control Section at fraud@dfat.gov.au or phone +61 2 6178 4321.

For more information about Fraud and Anti-Corruption Guidance for DFAT Partners please refer to <http://dfat.gov.au/about-us/publications/Pages/fraud-anti-corruption-guidance-dfat-partners.aspx> and Anti-Corruption and Fraud Control Policy under section 21, page 95 of Live and Learn Human Resource Manual.

21.4 Roles and Responsibilities

Board of Governance:

- The Board 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.

Executive Director/ Country Manager:

- Monitors the Anti-corruption and Fraud Control Policy
- Delegate authority for the implementation

HR Focal Point and other senior 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.

Staffs at all level:

- Employees share the responsibility for the prevention and detection of fraud in their areas of responsibility. All staff members have the responsibility to report suspected fraud.

21.5 Related Documents

- Work Grievances Policy
- Recruitment and Selection Policy
- Performance Appraisal Policy
- Statement of Professional Ethics and Code of Conduct
- Induction Policy
- Training & Professional Development Policy