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### Introduction

Kyeema Foundation (KYEEMA) is a non-governmental organisation that works predominantly to reach poorer members of communities in developing countries. KYEEMA is wholly committed to delivery of sound development activities and places great importance on operating with honesty, openness and integrity. KYEEMA has a policy of zero tolerance to fraudulent and corrupt activity or behavior.

### Purpose

This policy aims to minimise any risk of wrongdoing, corruption, fraud, bribery or other financial impropriety among KYEEMA's Board, staff, contractors, consultants, volunteers and partner organisations.

### Guiding Principles

This policy is based on the following principles:

- accountability to all stakeholders;
- building trusting relationships with communities; and
- honesty and transparency in all dealings.

### Definitions

For the purposes of this policy:

**Fraud** is defined as dishonestly obtaining a benefit, or causing a loss, by deception or other means.

**Corruption** is defined as an abuse of a position of trust in order to gain an undue advantage. This includes financial corruption such as fraud, bribery and extortion; but also non-financial corruption.

**Bribery** is a form of corruption. It is a specific offence that concerns the practice of offering or accepting money, gifts or other advantage to gain an illicit advantage. Bribery, including provision of 'facilitation payments', is a crime in most countries and under the UN Convention against Corruption.

**Partners** are individuals, groups of people or organisations that collaborate with or are contracted by KYEEMA to achieve mutually agreed objectives in development activities.

**Volunteers** include persons undertaking an activity overseas or participating in professional development in their own country or overseas for the common good and without financial gain.

**Actions constituting fraudulent and/or corrupt behaviour** may include, but are not limited to:

- misappropriation of funds;
- theft of funds or any property;
- removal, misuse or destruction of assets;
- the offering or taking of inducements, gifts or favours which may influence the action of any persons;



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- false accounting – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose; or furnishing information which may be misleading, false or deceptive;
- unauthorised disclosure or manipulation of sensitive information linked to the theft of information, money or property;
- forgery or unauthorised alteration of any document;
- procuring goods and/or services from a family member or friend that inhibits fair and open competition;
- avoiding and/or creating an unauthorised liability;
- wrongfully using information or intellectual property; and/or
- not declaring a conflict of interest.

### Scope

This policy applies to all KYEEMA Board members, staff, contractors and consultants, partners, and volunteers.

### Policy statement

KYEEMA is committed to the prevention of fraud and corruption through the promotion of an ethical and transparent environment where all personnel actively participate in protecting the organisation's reputation and resources. KYEEMA promotes a culture of trust, honesty and integrity and has a duty to protect any personnel who report breaches of its fraud policy.

All personnel will:

- conduct themselves with integrity and demonstrate awareness of the importance of ethical practices;
- ensure that they are familiar with and comply with KYEEMA's Code of Conduct and ACFID's Code of Conduct;
- develop and maintain effective controls to prevent fraud and avoid corrupt practices;
- ensure they are familiar with, and comply with fraud prevention procedures in their areas of responsibility; and
- report any suspected fraudulent or corrupt acts as outlined in this policy.

KYEEMA's prevention approach to risk management of fraud is articulated within the KYEEMA Organisational Risk Assessment and Management Strategy.

### Responsibilities

The CEO in consultation with the KYEEMA Board, is responsible for the administration, interpretation, and implementation of this policy and for advising on the need to review or revise this policy as and when the need arises.

Where issues related to compliance to this policy are identified, the CEO will work with staff and other relevant stakeholders to address these issues promptly. The policy will be reviewed every three years and revised as needed, with the approval of the Board.



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### Legislative Framework and Standards

KYEEMA adheres to the following Australian legislation and international conventions and frameworks:

- Australian Government Investigations Standards 2011
- Commonwealth Fraud Control Guidelines 2011
- Fundraising Institute of Australia Code of Ethics and Professional Conduct

### Information Resources

ACFID Code of Conduct Commitment 8.2 We ensure that funds and resources entrusted to us are properly controlled and managed.

<https://acfid.asn.au/content/commitment-82-we-ensure-funds-and-resources-entrusted-us-are-properly-controlled-and-managed>

[ACNC Top 10 Tips for Fraud Prevention Factsheet](#)

DFAT Fraud Policy Statement <http://dfat.gov.au/about-us/publications/Pages/fraud-policy-statement.aspx>

### Related Documents

*Kyeema Foundation Organisational Risk Assessment and Management Strategy*  
*Kyeema Foundation Organisational Monitoring and Evaluation Framework: July 2017 – June 2021*  
*Kyeema Foundation Terrorism Screening Process*  
*Kyeema Foundation Partnership Agreement*  
*Kyeema Foundation Code of Conduct*  
*Kyeema Foundation Counter-terrorism Policy*  
*Kyeema Foundation Fundraising Policy Attachment 1 Donations*  
*Kyeema Foundation Brisbane Head Office Procedures Manual 2. Financial Management*  
*Kyeema Foundation Maputo Office Procedures Manual 2. Financial Management*  
*Kyeema Foundation Ethiopia Procedures Manual*  
*Project contracts and agreements*  
*Relevant Partner policies*

### Authorisation



Signature of Policy Officer



Name of Policy Officer



Date



## Attachment 1 Procedures

These procedures:

- outline the internal mechanisms for risk management in relation to prevention of fraud and for detecting fraudulent activity when it occurs;
- summarise the responsibilities of personnel, from both KYEEMA and partner organisations, in identifying fraudulent and corrupt activities;
- guide personnel, from both KYEEMA and partner organisations, on the actions to be taken where they suspect any fraudulent or corrupt activity;
- provide direction for initiating investigations into fraud related activities, including the protection of persons who report, witness, or are accused of fraud; and
- provide surety that KYEEMA and partner organisations will fulfil their obligations under the relevant Partnership Agreement, other donor agreements, ACFID Code of Conduct, Code of Ethics and Professional Conduct of the Fundraising Institute of Australia, Australian Government Investigations Standards, and the Commonwealth Fraud Control Guidelines.

### 1. Prevention and Training

Fraud awareness raising and training underpin fraud prevention and detection.

KYEEMA will instruct all personnel about fraud risks and their responsibilities for fraud control and ethical behaviour during the induction process. Targeted training on risk and control will be provided for new personnel and refresher training for current personnel to support compliance with this policy.

KYEEMA will also ensure that personnel of partner organisations understand their responsibilities in relation to fraud prevention and management, and where practicable, will be supported in strengthening implementation practice.

KYEEMA Regional Managers have a responsibility to:

- set the example and lead in the promotion of risk management, internal controls and an anti-fraud and anti-corruption culture within their team and throughout the organisation;
- ensure that documented procedures are widely communicated, user friendly and relevant and include KYEEMA's definitions of fraud and corruption;
- be aware of the areas that are high risk for fraudulent and corrupt activities; and
- understand local laws relating to fraud and corruption in KYEEMA program countries.

### 2. Risk management

The CEO, in consultation with personnel, will assess the risk of fraud through the use of the KYEEMA Organisational Risk Assessment and Management Strategy.

The KYEEMA Board will conduct annual risk assessments to identify the high risk areas, and apply appropriate strategies to reduce risk. These strategies may include internal controls, quality assurance procedures, program checks or data collated from KYEEMA activities. KYEEMA personnel will work with partner organisations to identify risks in-country and provide assistance to address these risks if required.

In case of engagement with new partners, KYEEMA personnel will conduct a risk assessment of the proposed partner organisation applying corporate governance principles of accountability,

responsibility, transparency and fairness. Annual partnership assessments and financial monitoring are conducted to monitor and manage risks on a systematic basis.

### *3. Reporting and response*

Fraud is a criminal offence and is subject to prosecution by local authorities. If fraud is detected it must be dealt with promptly.

The CEO is responsible for all fraud responses and any final decision regarding disciplinary action. The CEO must advise the Board as soon as practicable of any fraudulent activity.

All personnel who detect or suspect fraudulent behaviour by or against KYEEMA or its partners must report the same to their manager, the Director of the KYEEMA Regional Office in Maputo, Mozambique and/or the Chief Executive Officer of the KYEEMA Head Office in Brisbane, Australia immediately. All reports must be made in good faith (that is, reasonably believing it to be true and without malice). KYEEMA will protect individuals who report in good faith from harassment, discrimination or adverse employment consequences.

KYEEMA will treat all such reports in a confidential and sensitive manner. KYEEMA will do everything reasonably practicable to ensure that the identity of any person who has made disclosures is kept secret so long as it does not hinder or frustrate the investigation. In some circumstances however, the investigation process may reveal the source of the information and the individual making the disclosure may need to provide a statement (for example, where the investigation leads to charges being made in court, where the nature of the allegations is such that the identity of the person can be deduced from the information made available).

Where a suspected fraud relates to donor funds, contractual obligations with many donors (such as government aid funds) require KYEEMA to report this immediately. The CEO is responsible for such reporting.

All personnel, from both KYEEMA and partner organisations, that detect or suspect fraudulent activity, should:

- Provide their manager with the details of the allegation of fraud immediately (who must then immediately bring the issue to the attention of the CEO) or request an interview with the CEO.
- Document the complaint. Where possible, this should include details such as:
  - description of alleged wrongdoing;
  - where and when these events occurred;
  - who is involved and who has knowledge about the matters being reported;
  - how the individual, organisation or company committed the alleged wrongdoing; and
  - additional information or evidence (for example, documents) for assessment should be included with the report (if available) and sent as soon as possible.

The documentation should not include speculation.

- Not contact the suspected individual in an effort to determine facts or demand restitution; and
- Not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the CEO.

The CEO will investigate and respond to the matter, guided by the following (taking into account any applicable contracts, agreements or laws):

- assess the need for an internal investigation and if so, who should undertake it;
- identify protection requirements or issues in relation to the reporting person(s) or the alleged offender;
- consider and consult with the Chairman regarding the matter and the need for legal advice;
- oversee the investigation;
- report to the donor as required by applicable contractual agreements and compliance requirements;
- if appropriate, refer the matter to police (once the Board has been advised);
- consider appropriate disciplinary action against the person being investigated after the matter has been investigated and the person has a chance to put forward a defence;
- initiate steps for recovery;
- provide prompt feedback to the reporting individual acknowledging that the concern was received and responded to;
- make any necessary changes to procedures, particularly delegations and risk management to halt further fraud or similar frauds from occurring in the future;
- keep appropriate records, in confidence, of fraud, investigations and outcomes including lessons learnt; and
- quantify any material financial implications in the annual accounts.

#### *4. Breaches of this Policy*

Breaches of this policy are likely to result in disciplinary action, up to and including dismissal, and/or closure of partnership agreements.