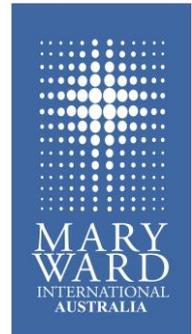


# FINANCIAL WRONGDOING POLICY

---



## 1. Introduction

Mary Ward International Australia (MWIA) is committed to maintaining the highest standard of financial governance through a culture of strong ethical behaviour and corporate compliance.

Financial wrongdoing including fraud, corruption and money laundering prevents MWIA from achieving its purpose to create just and sustainable change with women, children and communities.

## 2. Purpose of Policy

The purpose of this policy is to support the robust financial governance and the ethical conduct of MWIA representatives. This policy outlines the minimum requirements and responsibilities for the prevention and detection of, and the response to, suspected financial wrongdoing, fraud, corruption or money laundering within MWIA.

## 3. Scope

This policy applies to all people engaged under the auspices of MWIA, including board directors, committee members, employees, volunteers and contractors (collectively referred to as 'staff').

## 4. Policy Statement

MWIA has a zero tolerance for financial wrongdoing, misconduct, dishonesty, fraud, corruption or money laundering within its operations, both in Australia and overseas. MWIA is committed to:

1. Supporting an organisational culture that encourages suggestions to improve governance systems and practices.
2. Ensuring that all stakeholders are aware of their obligation to act in an honest manner through adherence to the [Loreto Code of Conduct](#) and to this policy.
3. Establishing and maintaining effective prevention, control, detection and reporting; investigating measures; and incorporating a risk assessment process to identify, assess and manage all fraud risk exposures.
4. Fraud control governance arrangements which incorporate clear line accountabilities; clear policy intent and communication; and fraud control planning to prevent fraud and corruption and to minimise their impacts should they occur.

5. An integrity framework in which corruption prevention is integrated into MWIA's strategic and business planning, business and performance management processes and procedures to monitor, review and evaluate the effectiveness of MWIA's internal control procedures.
6. Internal risk management systems and controls, utilising the Audit, Risk and Finance Committee (ARFC) of the MWIA Board and internal audit to monitor, assess and report on their effectiveness.
7. Fraud and corruption awareness training for staff to enable appropriate action to be taken when faced with possible instances of fraud and corruption or other unethical behaviour.
8. Pre-employment screening and vetting of contractors and suppliers for any indications of fraud risk.
9. Including this policy in the induction process for all new staff.
10. Reporting to the ARFC and the MWIA Board on an annual basis to confirm internal compliance with this policy.
11. Reporting to the ARFC and the MWIA Board on the outcome of any investigations undertaken in accordance with this policy, including actions taken or proposed to be taken.
12. Fully investigating with impartiality and according to the principles of natural justice, any suspected financial wrongdoing, fraud or corruption.

## 5. Definitions

***Collusive or Coercive Practice*** is an arrangement between two or more parties designed to achieve an improper outcome/benefit, including influencing improperly the actions of another party.

***Corruption*** is dishonest activity by MWIA staff, which is contrary to the interest of MWIA. An incident of corruption includes financial wrongdoing, fraud or deception and accepting benefits which may be perceived to conflict with work duties or using work related information for personal benefit.

***Financial Wrongdoing, Fraud or Misconduct*** are forms of dishonesty, deceit or false representation which may be used to gain an unjust or unlawful advantage or benefit. Some examples of fraud and corruption are given below. However, this is not intended to be a comprehensive list, and fraud and corruption are not limited to these activities:

- any theft or misappropriation of funds or assets;
- any irregularity in the handling or reporting of monetary transactions;
- fraudulent financial or performance reporting;
- sale or use of MWIA's intellectual property or '*commercial in confidence*' information to gain a personal advantage.
- seeking or accepting anything of material value from vendors, consultants or contractors doing business with MWIA in breach of policy;
- fraudulent tendering by managers involving external parties;
- credit card fraud;
- unauthorised use or misuse of property, equipment, materials or records;
- any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes;
- any claim for reimbursement of expenses where the expenses were not applied to purposes for the exclusive benefit of MWIA; or
- misuse of position and the dishonest performance of functions, duties or obligations to gain financial or other benefits for self or other parties.

**Money Laundering** includes:

- the conversion or transfer of property/assets, knowing that such property/assets is derived from criminal activity or from an act of participation in such criminal activity, for the purpose of concealing or disguising the illicit origin of the property/assets or of assisting people involved in the commission of such activities;
- the concealment or disguise of the true nature, source, location, disposition, and movement with respect to ownership of property/assets, knowing that such property is derived from criminal activity or from an act of participation in such activity;
- the acquisition, possession or use of property/assets, knowing, at the time of receipt, that such property/asset was derived from criminal activity or from an act of participation in such activity; or
- 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.

**Serious Misconduct** is corrupt or criminal conduct which occurs when a MWIA representative:

- acts corruptly or corruptly fails to act in the course of their duties;
- corruptly takes advantage of their position for the benefit or detriment of any person; or
- commits an offence which carries a penalty of two or more years imprisonment. Corrupt conduct tends to show a deliberate intent for an improper purpose and motivation and may involve misconduct such as the deliberate failure to perform the functions of office properly; the exercise of a power or duty for an improper purpose; or dishonesty.

Some examples of serious misconduct are given below, however this is not intended to be a comprehensive list and are not limited to these activities:

- Abuse of office;
- Blackmail;
- Bribery, including bribery in relation to a tender or funding;
- Deliberately releasing confidential information;
- Extortion;
- Obtaining or offering a secret commission;
- Fraud or stealing;
- Forgery; or
- Perverting the course of justice.

## 6. Responsibilities

Role	Responsibilities
<b>MWIA Board</b>	<ul style="list-style-type: none"> <li>• Approves and supports the Financial Wrongdoing Policy.</li> <li>• Oversees implementation and ensures all reporting requirements are fulfilled.</li> <li>• Ensures that appropriate resources are made available to allow the Financial Wrongdoing Policy to be implemented effectively.</li> </ul>
<b>ARFC</b>	<ul style="list-style-type: none"> <li>• Provides independent advice to the Chair of the MWIA Board regarding MWIA’s governance, risk, control and compliance frameworks, internal audit activities and its annual financial reporting responsibilities/obligations.</li> <li>• Oversees the overall approach towards fraud and corruption control including the effectiveness of this framework.</li> </ul>
<b>Executive Officer</b>	<ul style="list-style-type: none"> <li>• Ensures that appropriate resources are made available to allow the Financial Wrongdoing Policy to be implemented effectively.</li> <li>• Is accountable for taking all practical measures to implement this Financial Wrongdoing Policy.</li> <li>• Works with key personnel to develop and implement the Financial Wrongdoing Policy.</li> <li>• Facilitates a regular review of this Financial Wrongdoing Policy.</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>• Are familiar with the content of this Financial Wrongdoing Policy and procedures, and their obligations to report suspected financial wrongdoing.</li> <li>• Are observant, aware of key risk indicators, and report any concerns as detailed in the reporting guidelines.</li> </ul>

## 7. Procedure

### 7.1 Reporting a Suspected Policy Breach

All those operating under the scope of this policy, have a responsibility to report and prevent financial wrongdoing, fraud, corruption or money laundering, regardless of how the situation came to their attention.

Reporting suspected financial wrongdoing, fraud, corruption or money laundering not only allows individual cases to be investigated but drives the improvement of MWIA’s risk management practices.

MWIA is committed to complying with the following protocols when receiving a report of a suspected breach of this policy.

1. MWIA encourages employees to discuss their questions, concerns, suggestions or complaints with their supervisor. Refer to *APPENDIX A* for a list of red flag indicators of possible financial wrongdoing, fraud, corruption or money laundering.
2. If the employee is not comfortable speaking with a supervisor or is not satisfied with the supervisor’s response, the employee is encouraged to speak with a more senior manager, the Executive Officer or the Chair of the MWIA Board.
3. Allegations may be received in writing, orally in person or by telephone, by post, email, via text message or online via the MWIA website. Where a verbal statement is made, appropriate notes will be taken, and the employee will be required to sign the document.

## CONTACT DETAILS FOR REPORTING A SUSPECTED BREACH OF THIS POLICY

**MWIA Executive Officer:**

**Hannah George**

**Email:** [mwiaexecutiveofficer@loreto.org.au](mailto:mwiaexecutiveofficer@loreto.org.au)

**Phone:** +61 448 393 479

**Postal address:**

Mary Ward International Australia  
PO Box 4082  
Auburn South VIC 3122  
Australia

**Email:** [mwiaustralia@loreto.org.au](mailto:mwiaustralia@loreto.org.au)

**Phone:** +613 9813 4023 (during office hours)

**Website :** [mwia.org.au/contact-us](http://mwia.org.au/contact-us)

**MWIA Chair of the Board:**

**Dr Leoni Degenhardt AM**

**Email:** [mwiachair@loreto.org.au](mailto:mwiachair@loreto.org.au)

**Phone:** +613 9813 4023 (office)

**Street address:**

Mary Ward International Australia  
Level 2, 257 Auburn Road  
Hawthorn East VIC 3122  
Australia

4. All employees have the right to make a disclosure in accordance with MWIA's Whistleblower Protection Policy.
5. Supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations in writing to the Executive Officer who has the responsibility to investigate all reported complaints.
6. Where a suspicion or allegation is about the Executive Officer, it will be directed to the Chair of the MWIA Board and the Chair of the ARFC.
7. MWIA's Executive Officer shall immediately notify the Chair of the ARFC of any concerns or complaints regarding corporate accounting practices, internal controls or auditing and work together until the matter is resolved.
8. The Executive Officer will acknowledge receipt of the reported violation or suspected violation in writing.
9. All reports will be added to the internal financial risk reporting register, promptly investigated and appropriate corrective action taken, if warranted.

### **7.2 Investigating a Suspected Policy Breach**

The Executive Officer has the primary responsibility for the investigation of all alleged breaches of this policy unless he or she is the subject of the allegation, in which case the allegation will be reported to the Chair of the MWIA Board and the Chair of the ARFC to determine the appropriate course of action.

The Executive Officer will consult, as appropriate, with relevant MWIA staff/board directors in relation to the conduct of any investigation. Depending on the circumstances, an external investigator may be engaged.

MWIA is committed to complying with the following protocols when investigating a report of a suspected breach of this policy.

1. After an initial review and determination that the allegation warrants additional investigation, the Executive Officer will determine, in consultation with the Chair of the

MWIA Board and the Chair of the ARFC, the investigative arrangements to be put in place. The Executive Officer will consider the appropriateness of suspending from duty the person under investigation.

2. Should the Executive Officer determine that suspension from duty is necessary for the integrity of the investigation and to prevent any possible further offence, the person will be provided in writing with the reasons for being suspended and assurance that he or she will have an opportunity to respond in writing before any disciplinary action is contemplated, unless the matter has been referred to the Police.
3. The Executive Officer has the discretion to decide whether and when to advise the person concerned of the details of the suspected or alleged fraud or corruption, taking into account all of the circumstances, including the seriousness of the matter and possible referral to the Police.
4. Where the allegation of fraud or corrupt conduct is made against the Executive Officer:
  - The Executive Officer must be notified immediately by the Chair of the MWIA Board and asked to stand aside pending an investigation;
  - A probity advisor is to be engaged to advise the Chair of the MWIA Board and Chair of the ARFC on the handling of the matter. This may include the engagement of an investigator to conduct an investigation; and
  - A report may also be made to the Police.
5. Where the allegation of fraud or corrupt conduct is made against a board director, the Executive Officer is to be notified immediately who then informs the Loreto Province Leader and/or the Police.
6. In all circumstances, where MWIA's investigation indicates that serious fraudulent or corrupt activity may have occurred, the matter will be reported to the Police.
7. Where the matter has been referred to Police for investigation and the investigation results in prosecution of the alleged offender, the person will be suspended from duty until such time as the case is decided.
8. If the reported offence is substantiated by the investigation and any subsequent prosecution, disciplinary action, up to and including dismissal, will be taken by the Executive Officer, in consultation with the Loreto HR Manager in accordance with MWIA's Employment Policies and Procedures.

#### Security of Evidence

Once suspected fraud or corruption is reported to the Executive Officer, immediate action will be taken to prevent the removal, alteration, or destruction of relevant records and materials. 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. The records must be adequately secured for the investigation and for their provision to the Police if required.

#### Confidentiality

All participants in a fraud investigation shall keep the details and results of the investigation confidential. Notwithstanding this, the investigator, in consultation with the Executive Officer, may disclose particulars of the investigation, on appropriate confidentiality undertakings, to potential witnesses, if such disclosure would assist the investigation.

### Protection of Person Disclosing the Fraud

No member of MWIA staff shall:

- be dismissed or threatened to be dismissed, disciplined or suspended or threatened to be disciplined or suspended;
- be imposed of any penalty; or
- be intimidated or coerced

because the employee has acted in accordance with the requirements of this policy. Any violation of this section will result in disciplinary action including dismissal. This does not prevent disciplinary action where the person making the disclosure is also involved in the fraudulent or corrupt behaviour or where the disciplinary action is not related to the disclosure and is reasonable in the particular circumstances.

Employees who knowingly make false allegations will be subject to discipline up to and including dismissal.

### Media Management

Any member of staff contacted by the media with respect to an investigation shall refer enquiries to the Executive Officer or his/her designate. The alleged investigation shall not be discussed with the media by any person other than through the Executive Officer or designate.

## **7.3 Completing an investigation**

### Compliance, Monitoring and Review

The Executive Officer will review the systems and processes in place with a view to implementing changes to prevent future occurrences of fraud or corrupt conduct.

If required, an internal auditor will be engaged to conduct an audit to ensure that the recommendations have been satisfactorily implemented and appropriate controls are in place.

### Reporting

Any investigation report will be submitted to the Executive Officer, the Chair of the MWIA Board and the Chair of the ARFC (if not the subject of the allegation), on a strictly confidential basis. If the report concludes that the allegations are founded and are sufficiently serious to warrant it, the report will be forwarded to the Police, if the matter has not already been referred to them.

The Executive Officer, in conjunction with the Chair of the ARFC, will determine which avenues will be pursued, including court ordered restitution, to obtain recovery of MWIA's property from the offender, or other appropriate source(s).

In cases where there is reasonable evidence that serious criminal fraud may have been committed by the Executive Officer, Chair of the MWIA Board or the Chair of the ARFC, the matter should be referred to the Province Leader, the Police or other relevant authority.

The Executive Officer shall ensure that MWIA's insurers are informed of any allegation of fraud which might give rise to a claim under its insurance policies.

The Executive Officer may seek professional legal assistance to ensure that any investigation preserves the integrity of any criminal investigation, protects innocent persons, limits the potential for unnecessary litigation and meets MWIA's requirements for proper investigation and adoption of natural justice principles.

### Records Management

Upon completion of the investigation, including all legal and personnel actions, any records, documents and other evidentiary material will be returned to the Executive Officer to arrange secure storage in line with the recognised MWIA recordkeeping system.

## 8. Related Policies, Legislation and Documents

### Internal Policies

- *Loreto Code of Conduct*
- *Conflict of Interest Policy*
- *Counter Terrorism Policy*
- *Financial Delegations Policy*
- *Fundraising and Donations Policy*
- *Grievance Policy*
- *Privacy Policy*
- *Risk Management Policy*
- *Whistleblower Protection Policy*

### Legislation

- *ACNC Governance Standards*
- *ACNC External Conduct Standards*
- *Australian Criminal Code Act 1995 (Cth)*
- *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*
- *The ICAC Act*
- *OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions*

## 9. Policy Governance

Approved by: Chair, Mary Ward International Australia Board  
Endorsed by: Chair, MWIA Audit Risk and Finance Committee  
Support: MWIA Executive Officer  
Review: This policy will be reviewed in July 2024 (every three years or earlier if required)

<b>Responsible Person</b>	<b>Date Created</b>	<b>Scheduled Review date</b>
MWIA Board	June 2018	July 2024
<b>Contact</b>	<b>Version</b>	<b>Status</b>
Hannah George (Executive Officer)	2.1	Final
<b>Authorisation name</b>	<b>Authorisation signature</b>	<b>Date of authorisation</b>
Dr Leoni Degenhardt AM (Chair)		7 October 2021

## APPENDIX A: Financial Wrongdoing, Fraud, Corruption and Money Laundering

### RED FLAG INDICATORS

<b>Internal</b>
Unexplained and/or sudden sources of wealth
Excessive secrecy in relation to work
Employees who are aggressive or defensive when challenged, and/or controlling of certain colleagues
Poorly reconciled cash expenses or customer accounts including lost receipts
Employees known to be under external financial pressure
Employees who delay providing information or who provide different answers to different people
Employees under apparent stress without identifiable pressure
Employees making procedural or computer enquiries inconsistent or not related to their normal duties
Managers who avoid using the Organisation's Procurement Procedures (e.g. Excessive use of petty cash or credit cards to purchase items outside the procurement framework)
Employees who appear to make a large number of mistakes, especially those leading to financial loss
Employees with competing or undeclared external business interests
Employees (especially managers) with too much hands-on control
Employees refusing to take leave
Customers or suppliers insisting on dealing with just one individual
Complex payment requests
Unusual transfer of funds
<b>External</b>
Invoices which look different to previous invoices issued by the same provider
Lack of supporting evidence, or falsified supporting evidence, that eligibility criteria for grant or community funding has been met
Expenditure has exceeded approved budgets for grant funding but there is not adequate information to explain the variance
A high volume of transactions from one service provider may indicate collusion
Attempts to obtain sensitive information such as usernames, passwords and credit card details (e.g. Phishing emails)
Requests for cash payments or payments to or receipts from unknown third parties
Unusually high payments to agents or other contractors
Proposed foreign partner owned or recommended by Government official or relative or insisting on sole control of Government approvals
Lack of transparency in foreign expense or accounting records
Evidence that a portion or all of a consultancy or other payment has been passed on as a bribe or otherwise in contravention of this policy
Any other suspicious circumstances or conduct proposed by others which the employee is concerned may breach this policy