

**About this document**

This document is part of a suite of resources developed by Matrix to assist organisations delivering Emergency Relief services in Australia. We gratefully acknowledge the generous assistance provided by the following organisations, who provided examples of their own documents to inform the development of this set of resources.

**Institute of Community Directors Australia**

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https://www.communitydirectors.com.au/

**Using this document**

This resource is intended to provide a starting point for the development of appropriate Emergency Relief service forms, policies, procedures, processes and other documents. It is provided as a ‘white label’ template, which means that it may be customised to suit the needs of your organisation. Text in *italics and highlighted in blue* indicates customisation is required. Matrix strongly recommends that the whole document is carefully reviewed to ensure that the details are compliant with your organisation’s funding agreements, contracts, service standards and policies. We have kept formatting to a minimum, as your organisation may require specific formatting to be applied to the final document.

Your organisation’s decision making or delegation policies and procedures should be followed to ensure appropriate approvals are obtained.

It is good practice to review and update any formal documents on a regular basis. We have included a ‘document review’ field in the footer of this document for this purpose.

Please contact Matrix on (freecall) 1800 628 749 or mobct.com.au if you have any questions or problems using this resource.

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| --- | --- | --- | --- |
| Policy number | <<insert number>> | Version | <<insert number>> |
| Drafted by | <<insert name>> | Approved by Board on | <<insert date>> |
| Responsible person | <<insert name>> | Scheduled review date | <<insert date>> |

***Please note that this is a template policy for guidance only. For assistance in tailoring this policy to suit your organisation, or for legal advice at a pre-agreed price or training in this area, please do not hesitate to contact Moores to discuss how we can meet your needs. Please call the NFP-Assist Legal Hotline on (03) 9843 0418 or email to*** ***NFPassist@moores.com.au******.***

## **Introduction**

Just like commercial organisations, not-for-profit organisations may be subject to fraudulent activity and must therefore implement effective prevention strategies to minimise legal and financial exposure.

## **Purpose**

The purpose of this Policy is to:

1. Ensure that all parties are aware of their responsibilities regarding the identification and prevention of fraudulent activity.
2. Ensure that staff/volunteers/contractors understand who to report to in the event that they suspect fraudulent activity.
3. Provide a step-by-step guide to respond to an allegation regarding fraudulent activity.
4. Express a clear statement to staff/volunteers/contractors forbidding fraudulent activity for the benefit of the organisation.

## **Policy**

[Name of Organisation] will not tolerate fraud in any aspect of its operations.

[Name of Organisation] 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, length of service or relationship with the organisation 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 relevant and appropriate authorities such as the police and the ombudsman.

Any person who suspects the commission of a fraud, related to the operations of [Name of Organisation], is required to immediately report it to a manager / appropriate person in authority within [Name of Organisation]. Any person reporting a fraud, or a suspected fraud, shall not be penalised for raising a concern of this nature.

## **Authorisation**

[Signature of Board Secretary]
[Date of approval by the Board]
[Name of Organisation]

For assistance in tailoring this policy to suit your organisation, or for legal advice or training in this area, please do not hesitate to contact Moores for a pre-agreed price to discuss how we can meet your needs. Please call the NFP-Assist Legal Hotline on (03) 9843 0418 or email to NFPassist@moores.com.au.



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| Drafted by | <<insert name>> | Approved by CEO on | <<insert date>> |
| Responsible person | <<insert name>> | Scheduled review date | <<insert date>> |

## **Responsibilities**

The **Board** of [Name of Organisation] 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 dealing with and investigating instances of fraud reported to them.

All **managers** must ensure that they:

* Assess the risk of fraud within their area of control;
* Educate staff/volunteers/contractors about fraud prevention and detection; and
* Facilitate the reporting of suspectedfraudulent activities.

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

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

## **Reporting**

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

Any staff member, volunteer or contractor who suspects fraudulent activity must immediately notify their supervisor or the CEO about the concern.

In situations where the staff member, volunteer or contractor notifies their supervisor, the supervisor must then notify the CEO (or the Chair of the Board in circumstances where the suspected fraud involves the supervisor or CEO).

**Step-by-step guide: Responding to suspected fraud**

1. Upon notification an allegation pertaining to fraud, the CEO (or Chair of the Board) will promptly arrange to carry out an initial review into the allegation.
2. After an initial review and a determination that the suspected fraud warrants additional investigation, the CEO (or Chair of the Board) shall coordinate the investigation with the appropriate law enforcement officials or external investigator as deemed appropriate. Internal or external legal representatives will be involved in the process, as deemed appropriate.
3. Once a suspected fraud 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 relevant records / information and placing them in a secure location, limiting access to the location where the records / information currently exists, and preventing the individual suspected of committing the fraud from having access to the records / information.
4. If an allegation of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal (or termination of an individual’s right to work as a contractor or volunteer), shall be taken by the appropriate level of management.
5. The organisation will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of any losses from the offender.

Where a prima facie case of fraud has been established, the matter shall be referred to the relevant authorities. If an allegation is made in good faith, but it is not substantiated by the investigation, no action will be taken against the complainant.

The organization will make every effort to keep the investigation confidential; however members of the management team may need to be consulted to assist with a review / investigation.

## **Related Documents**

Mechanisms pertaining to fraud prevention shall be incorporated into the organisation’s accounting and human resources policies and procedures including (but not limited to):

* [Authority to Sign Cheques Policy](http://www.ourcommunity.com.au/files/policybank/AuthoritytoSignChequesPolicy2015.doc)
* [Reimbursement of Expenses Policy](http://www.ourcommunity.com.au/files/policybank/ReimbursementofExpensesPolicy2015.doc)
* [Credit Card/Financial Transaction Cards Policy](http://www.ourcommunity.com.au/files/policybank/CreditCardFinancialTransactionCardsPolicy2015.doc)
* [Acceptable Use of Electronic Media Policy](http://www.ourcommunity.com.au/files/policybank/AcceptableUseofComputersInternetEmailPolicy2015.doc)
* [Acceptable Use of Vehicles and Equipment Policy](http://www.ourcommunity.com.au/files/policybank/AcceptableUseofVehiclesEquipmentPolicy2015.doc)
* Cash Management & Income Handling Policy
* [Staff Recruitment Policy](http://www.ourcommunity.com.au/files/policybank/StaffRecruitmentPolicy2015.doc)
* [Staff Induction Policy](http://www.ourcommunity.com.au/files/policybank/StaffInductionPolicy2015.doc)

## **Authorisation**

[Signature of CEO]
[Name of CEO]
[Date]

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