

# ANTI-FRAUD and ANTI-MONEY LAUNDERING POLICY

## **POLICY STATEMENT**

Student Volunteer Placements International (SVPI) has a zero-tolerance policy towards fraud, money laundering and other corruption. We recognise that our work occurs in a challenging environment where there are risks of fraud and money laundering, both overseas and in Australia. It is essential that we conduct a thorough risk analysis of our projects and implement our Anti-Fraud and Anti-Money Laundering Policies through our entire operations to address this danger.

## **DEFINITIONS**

Fraud is defined according to the Commonwealth Fraud Control Guidelines as dishonestly obtaining a benefit, or causing a loss, by deception or other means.

Fraud can include:

- The misappropriation of funds for private gain;
- Theft such as stealing property;
- Misuse of property e.g. office space for private gain;
- Bribery of foreign public officials to implement work;

- Diversion of aid to non-target groups;
- Preferential treatment for family and friends;
- Coercion or intimidation of staff, volunteers or beneficiaries to ignore or participate in corruption;
- Manipulating or falsifying financial or other documents for private gain.

Private gain can refer to individual benefits, as well as benefits received by communities, ethnic groups, religious groups, political organisations, corporations or militia.

### **OUR COMMITMENT:**

SVPI recognises the importance of fraud and money laundering prevention and aims to create an organisational culture that discourages any fraudulent or corrupt activities. Fraud and money laundering negatively impact our members, beneficiaries, sponsors, staff, team, volunteers, partner organisations and seriously damage public confidence in our ability to undertake sustainable humanitarian and development work. We are committed to preventing fraud and money laundering through our strict policies of:

- Vetting staff, volunteers and our partner organisations on a best practice basis;
- Educating staff, members, team and volunteers on fraud and money laundering prevention;
- Ensuring our partner organisations implement fraud and money laundering prevention;
- Rigorously monitoring financial transactions;
- Rigorously monitoring project implementation, management and outcomes;
- Internal auditing;
- Fraud and money laundering detection, reporting and investigation.

### **SCOPE OF POLICY:**

SVPI recognises that the prevention and detection of fraud and money laundering is the responsibility of every member of our organisation, including members, staff, team

and volunteers, as well as our overseas partner organisations. As such, it is the responsibility of SVPI to create an ethical culture encouraging fraud and money laundering prevention. All our members, staff, team and volunteers must adhere to and commit to abide by our Anti-Fraud and Anti-Money Laundering policy and understand that it is their responsibility to prevent fraud by reporting suspected incidents to the organization's President.

### **PREVENTING FRAUD AND MONEY LAUNDERING:**

SVPI employs an effective financial management program that allows us to record, track and reconcile funds raising and donation revenue with funds deployed in various projects and programs. Regular project/program budgets are prepared and tracked closely to detect any variance in expenditure. Budget reviews are undertaken regularly.

SVPI also rigorously monitors the design, implementation, management and results of our overseas projects and programs. We believe that monitoring and evaluation is a crucial part of determining the success of our projects and partners, and a key part of our measures of success is ensuring fraud and money laundering does not occur. This includes:

1. A process where SVPI works with the Partner to complete implements a program or project with proper Due Diligence, including the Project Plan and Project Budget.
2. A process during and after the project where SVPI conducts monitoring discussions with the Project Leader and our Partner Organisation. This monitoring includes internal monitoring from SVPI representatives on-site, as well as independent third-party monitoring on-site. The frequency of the monitoring varies according to the type of project undertaken.

### **REPORTING FRAUD AND MONEY LAUNDERING:**

SVPI has a "zero tolerance" attitude towards fraud and/or money laundering. This means that any case of alleged, suspected or detected fraud and/or money laundering must be reported immediately to the SVPI President and/or Board.

**SVPI shall:**

- Investigate all reported cases of alleged, suspected or detected fraud and/or money laundering;
- Report any alleged, suspected or detected fraud and or money laundering to the Chief Executive Officer of AUSTRAC (the Australian Transaction Reports and Analysis Centre – [www.austrac.gov.au/](http://www.austrac.gov.au/)) and/or the Customs Authorities ([www.customs.gov.au/](http://www.customs.gov.au/)) and/or The Australian Federal or local Police Authorities. ([www.afp.gov.au/](http://www.afp.gov.au/) or [www.police.nsw.gov.au/](http://www.police.nsw.gov.au/))
- Prosecute or apply other appropriate sanctions against those who have committed fraud and /or money laundering;
- Seek the recovery of misappropriated funds or assets wherever possible;
- Where the funds defrauded relate to institutional donors, such as the Australian Government, the donor should be informed in accordance with contractual requirements.

## **ROLES & RESPONSIBILITIES**

All individuals working for SVPI, whether paid or volunteer, will adhere to this policy and are responsible for ensuring their actions are in line with this policy. Such individuals are also responsible for notifying the board if they believe this policy is not being followed.

## **POLICY REVIEW**

This policy will be reviewed every two years, or more frequently as appropriate.

## **FURTHER ASSISTANCE**

Representatives who have questions or concerns or require further information in relation to these policies and procedures should contact members of the board or the program supervisor, or where that is not practicable the President of SVPI.

## **POLICY PREPARED BY:**



Neville Neal, President

**Date:** 01/03/2013

## **RATIFIED BY:**



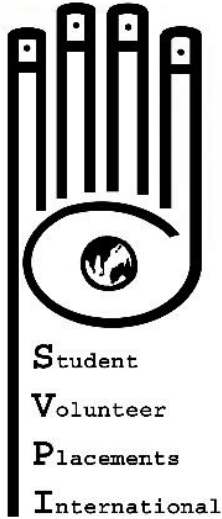
Neville Neal, President

**Date:** 01/03/2013



Benita Morris, Vice President

**Date:** 01/03/2013



**Partner statement:**

Children's Welfare Organization of Nepal (Nepal) (CWON Nepal) agrees to abide by the principles of this policy and to work constructively to achieve the objectives stated in this policy. CWON Nepal also undertakes to adhere to local laws and to be proactive in ensuring that no funds are made available to listed terrorist organisations or made available to a person/s that may misuse funds to either directly or indirectly support a terrorist act.

Keshab Khanal

President Children's Welfare Organization of Nepal

**Date:** 10/12/2013

