

Financial Wrongdoing Policy

Functional Area: Management

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Board Resolution: UWB20220623-9

1 Context

UnitingWorld operates in a complex and changing international environment. We rely on the support of community, government and corporate donors to deliver international programs according to our mandate and charitable purpose. We place a high priority on our responsibility to protect funding and ensure funds are used for the purpose intended.

We recognise that the risks of financial wrongdoing will vary across country, sector and project and will depend on variables such as the type of project, and the overall governance environment and general corruption level in countries where our partners operate. We acknowledge that we work with communities where conditions are difficult, where the people we work with are under significant financial stress and some local systems may be corrupt or fragile.

We recognise that terrorism threatens stability, security and prosperity in Australia and in the countries where we have programs with our partners. UnitingWorld recognises the risks associated with international funds transfers and the potential misuse by individuals or other organisations to finance or support terrorist activity.

This policy and related documents set out how risks will be assessed and how strategies will be developed for the prevention, detection, and control of financial wrongdoing. It is intended to promote awareness and prevent support being provided to terrorism and money laundering. The policy seeks to prevent, detect and deter the deliberate or unknowing facilitation or support of terrorist groups or organisations, or individuals associated with terrorism and/or organisational crime.

UnitingWorld acknowledges its obligations under both Australian laws and the laws of countries where our partners operate and is committed to ensuring that the people within the scope of this policy are aware of their obligations and that there are procedures in place to minimise the risk of all financial wrongdoing including the support for individuals and organisations associated with terrorism or money laundering.

2 Scope

This policy applies to all UnitingWorld representatives, defined as any personnel undertaking tasks on behalf of UnitingWorld, as per the Governance Framework. UnitingWorld representatives are accountable and responsible for fraud and corruption control, and the prevention and awareness of counter-terrorism financing and anti-money laundering. This policy and related documents outline mechanisms for the prevention and detection of financial wrongdoing in projects, partnerships and organisation decision making. It applies to operations in Australia as well as overseas.

Financial wrongdoing includes:

- fraud,
- corruption,
- bribery,
- money-laundering,
- terrorism financing,
- breach of sanctions imposed by the Australian government,
- theft of funds or property,
- false accounting,
- forgery or unauthorised alteration of a document,
- failing to declare a conflict of interest,
- creating an unauthorised liability
- wrongfully using information or intellectual property or
- actions to gain non-monetary benefits such as power, status, control or information.

In line with UnitingWorld's Mandate and Constitution, and our obligations to the Department of Foreign Affairs and Trade (DFAT) and the Australian Council for International Development (ACFID), this list supplements the Uniting Church in Australia National Assembly (Assembly) Fraud Prevention Policy definitions and examples of what constitutes financial wrongdoing.

3 Policy Commitments

Principle 1: We will promote a culture of honesty, integrity and trust; cultivating an ethical and transparent environment where all personnel actively participate in responsible stewardship of the organisation's resources and reputation.

Principle 2: We will use robust financial and programming policies, procedures and audit mechanisms, including adherence to recognised standards, to manage our finances and identify financial wrongdoing.

Principle 3: We will use risk management methodology to identify and control financial wrongdoing risks in all of our operations and programs.

Principle 4: We will make all reasonable efforts to ensure that funds for our international activities are not being directed to anything other than the intended purpose, and specially not to terrorist activities or to individuals or organisations linked with terrorism.

Principle 5: We will act immediately on discovery of any instance of financial wrongdoing including terrorism financing in any part of our operations and programs, to stop the wrongdoing, hold perpetrators to account, identify root causes and risks, and implement systemic change to reduce the likelihood of repetition.

4 Policy implementation

4.1 Establishing and maintaining a culture to minimise financial wrongdoing

- UnitingWorld Representatives will sign the Code of Conduct (Code) under the Professional Conduct Policy.
- UnitingWorld representatives **must** report actual or suspected financial wrongdoing and other breaches of the Code, including any known or suspected links with any organisation or individual associated with terrorism or money laundering.
- UnitingWorld Representatives, including in partner organisations, will understand their responsibilities and their obligations to report wrongdoing. We will support our partners in strengthening their capacity to meet their undertakings in MOUs and LOAs.
- UnitingWorld Representatives will receive training regarding correct financial procedures and what constitutes a breach of these requirements. Financial wrongdoing risks, prevention and reporting training will be provided at induction and in regular updates thereafter to ensure Representatives are aware of risks and minimise opportunities for financial wrongdoing. Representatives are expected to be continually aware of the risks of financial wrongdoing and to minimise the opportunities and situations where such wrongdoing can occur.

4.2 Financial and Programming Policies and Processes

- UnitingWorld will maintain a suite of policies and procedures that act together to prevent and address financial wrongdoing, implemented using due diligence processes. Relevant policies are listed below in Related Resources.
- UnitingWorld will have procedures to review project expenditure by partners at regular intervals, and require partners to appropriate record keeping, reporting and audit practices.
- Prevention of financial wrongdoing will be covered in all agreements with UnitingWorld Representatives and partner agreements such as Memoranda of Understanding or Letters of Agreement.
- UnitingWorld will complete an annual Fraud Control Checklist, to be submitted to and approved by the Board.
- UnitingWorld will follow good practice (informed by DFAT, ACNC and ACFID standards) for financial management and identifying financial wrongdoing. Our processes for finance and resource management will include (but are not limited to):
 - Conducting financial transactions where possible through regulated financial institutions;
 - Maintaining oversight of the whole program and keeping records of assistance provided to program partners and any third parties;
 - Conducting follow-up checks (including internal and external audits) to ensure assistance is delivered as intended and financial records are accurate;
 - Providing periodic counter-terrorism financing and anti-money laundering awareness raising and training to Representatives and program partners, based on the level of risk; and
 - Reporting suspicious activity to the relevant funding body and/or the Australian Federal Police, as required.
- Our processes to identify financial wrongdoing will include:
 - Internal reviews and office audits
 - Program evaluation and monitoring awareness during reviews

- Internal audits
- External audits
- Robust grievance and investigation procedures

4.3 Risk Management, Mitigation, and Control Measures

- In line with our Risk Management Policy, UnitingWorld will, at least every quarter, perform risk assessments related to financial wrongdoing in its operations and programs. Mitigation strategies will be designed and will be proportionate to the extent of the identified risk.
- UnitingWorld will conduct financial risk assessments as part of establishing new partnerships, new projects or new phases of projects.
- Each project will have a separate risk management plan that includes financial wrongdoing and risk control measures. This will be monitored by the International Program Manager (IPM), supported by the Head of Programs .
- UnitingWorld will have procedures to review expenditure items, including but not limited to credit card use, travel, employee reimbursements, and asset audits.
- UnitingWorld will conduct terrorism screening for its Representatives and for its partners, in accordance with the Counter Terrorism Screening Procedure.
- UnitingWorld will conduct pre-employment screening in accordance with the Counter Terrorism Screening Procedure.

4.4 Terrorism Financing Prevention

- We will undertake checks of individuals and organisations receiving funds against:
 - the Attorney General's Department List of Terrorist Organisations (includes all organisation listed by the Australian Government as terrorist organisations under the Criminal code because they advocate the undertaking of a terrorist act),
 - the DFAT Consolidated List (lists persons and entities subject to a targeted financial sanction imposed by resolution of the United Nations Security Council),
 - The World Banks Listing of Ineligible Firms and Individuals;
 - and other lists as warranted by our risk assessments.
- We will comply with relevant Commonwealth, State and Territory anti-terrorism laws, including Part 5.3 of the Criminal Code Act 1995 (Cth); and Part 4 of the Charter of the United Nations Act 1945 (Cth).
- We will comply with all relevant anti-terrorism laws in the foreign countries in which our partners operate where we collaborate on international activities.
- We will periodically check UnitingWorld representatives, against the proscribed terrorist lists.
- Where funds are provided to program partners as UnitingWorld Representatives, UnitingWorld will:
 - Use our best endeavours to confirm their identity, credentials and good standing, including, where appropriate, obtaining police and reference checks;
 - Require assurances from the program partner that it will not provide funding or make assets available to a terrorist organisation; and
 - Use our best endeavours to ensure the program partner is aware of, and seek assurances that the partner will comply with, all applicable laws (whether in Australia or overseas) in respect of counter terrorism or anti-money laundering as well as relevant UnitingWorld policies.

4.5 Reporting Financial Wrongdoing

- UnitingWorld representatives will be trained on how to report suspected acts of financial wrongdoing.
- We will report any incident of financial wrongdoing related to funds from an institutional donor to the donor, in line with the relevant grant agreement requirements.
We will make all mandatory reports to the DFAT, the Australian Charities and Not-for Profits Commission (ACNC) and other statutory bodies as required.
- A person who discovers or suspects dishonest or fraudulent activity directly or indirectly involving UnitingWorld will be required to immediately report it to, as appropriate, UnitingWorld's National Director, UnitingWorld's Head of Operations, the Assembly National Director – Strategic Finance and Administration or the Assembly General Secretary

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4.6 Investigating Financial Wrongdoing

Investigations will be promptly conducted by appropriately skilled and experienced personnel. Investigations will follow Assembly Fraud Prevention Policy and UnitingWorld's Complaints and Incident Handling Policy, and relevant Procedures. We will maintain confidentiality in accordance with Assembly Privacy Policy and UnitingWorld's Whistleblowing Policy.

4.7 Addressing Financial Wrongdoing

- Any detected cases of financial wrongdoing by UnitingWorld staff will result in disciplinary action including possible dismissal.
- In the case of financial wrongdoing by partner staff working on UnitingWorld funded activities, UnitingWorld will use its strongest influence to require prompt and appropriate disciplinary action, and to close underlying management and governance gaps to mitigate future exposure. UnitingWorld may withhold funding until risks are adequately mitigated.

4.8 Action on Discovery of Terrorism Financing

- UnitingWorld will immediately withdraw all support, including funding, if we discover that any partner organisation or contractor is on, or is added to, the Consolidated List or List of Terrorist Organisations.
- UnitingWorld will report to the Australian Federal Police or the National Security Hotline as appropriate any suspicious activity including diversion of funds or resources, or if any link is discovered between funds provided by us and a terrorist organisation or individual terrorist.

4.9 Roles and Responsibilities

A culture of Prevention of Financial Wrongdoing starts with strong leadership and role clarity. At UnitingWorld, the Board, Finance Audit and Risk Committee, National Director, Head of Operations, Management, and staff all have roles in the organisation's risk control.

Board

- Ensure they conduct themselves ethically;
- Establish policy in relation to prevention of financial wrongdoing;
- Ensure effective policies to support the prevention of financial wrongdoing are in place;
- Promote a culture that ensures that prevention of financial wrongdoing is integral to how things are done;
- Monitor and provide oversight of the internal control environment for the prevention of financial wrongdoing; and
- Delegate to the National Director the task of implementing policy.

Finance Audit and Risk Committee

- Work with management to ensure that the policy is effectively implemented; and
- Provide advice to the Board on the internal control environment for the prevention of financial wrongdoing.

National Director

- Implement the prevention of financial wrongdoing and related policies;
- Ensuring an effective internal control environment for the prevention of financial wrongdoing;
- Report to the Board and the Finance Audit and Risk Committee on prevention of financial wrongdoing in a way that allows the Board and the Finance Audit and Risk Committee to discharge their responsibilities;
- Promote prevention of financial wrongdoing as part of the culture of the organisation; and
- Ensure effective reporting and investigation.

Head of Operations

- Ensure we screen potential staff during recruitment for financial wrongdoing, including undertaking verbal referee checks;

- Ensuring they are aware of areas in their sections with a high risk of financial wrongdoing;
- Model a culture of honesty, integrity and trust within their teams and throughout the organisation;
- Oversee quarterly reporting on prevention of financial wrongdoing through risk and compliance reporting and ensure that all staff are appropriately involved;
- Support the National Director and the Board in discharging their responsibilities; and
- Ensure that appropriate induction and on-going monitoring and training takes place.

Management and Staff

- Ensuring that they are familiar with and comply with financial wrongdoing policies and procedures;
- Play a collective role in the prevention of financial wrongdoing;
- Implement quarterly reporting on prevention of financial wrongdoing through risk and compliance reporting and ensure that all staff are appropriately involved;
- Support the Head of Operations, National Director and the Board in discharging their responsibilities;
- Ensure that responsibilities of Partner staff and contractors are documented in the relevant agreements and training is provided as necessary; and
- Ensure that appropriate induction and on-going monitoring and training takes place.

5 Related Resources

- UnitingWorld [Risk Management Policy](#)
- UnitingWorld [Complaints and Incident Handling Policy](#)
- UnitingWorld Finance Policy
- UnitingWorld [Protection and Safeguarding Policy](#)
- UnitingWorld [Whistleblower Policy](#)
- UCA National [Assembly Conflict of Interest Policy](#)
- UCA National Assembly [Fraud Prevention](#) Policy
- UCA National Assembly [People and Relationships Policy](#)
- UCA National Assembly [Whistleblower Policy](#)
- [ACFID Code of Conduct](#)
- DFAT Policies and documents including but not limited to: Fraud Policy Statement; Fraud Control Toolkit; Value for Money Principles; Bribery and Facilitation Payment Factsheet; Counter Terrorism webpage: <https://www.dfat.gov.au/international-relations/security/counter-terrorism/Pages/counter-terrorism>
- Attorney General's National Security webpage: <https://www.ag.gov.au/national-security/australias-counter-terrorism-laws>

6 Glossary of Terms

All reasonable efforts: The need for positive action and a common-sense approach, based on the level of risk, to meet legal obligations and avoid inadvertently funding terrorist activity or other forms of financial wrongdoing. In the case of anti-money laundering, it refers to a set of laws, regulation and

procedures intended to prevent criminals from disguising illegally obtained funds so they appear to have been legitimately obtained.

Breach of Sanctions: violation of sanctions imposed by the Australian Government

Bribery: the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages Transparency International Anti-Corruption Glossary (<https://www.transparency.org/glossary/term/bribery>)

Conflict of Interest: UnitingWorld representatives have a duty under common law to act in the best interests of the organisation in which they serve. They should act in good faith and should not seek to gain any personal benefits from their service for themselves, their families or their friends. Conflicts of interest can be real, potential or perceived. They can be direct or indirect. They can involve financial, personal, influence and loyalty aspects. (Assembly Conflict of Interest Policy).

Corruption: the abuse of entrusted power for private gain (Transparency International Anti-Corruption Glossary)

Counter Terrorism: the practice, techniques and strategy used to combat or prevent terrorism including the measures put in place to ensure assets used or provided do not provide direct or indirect support or resources to organisations and/or individuals associated with Terrorism (adapted from ACFID definition).

Facilitation Payments: A facilitation payment is a payment of minor value provided in return for securing a minor, routine government action that should have been completed without any such payment (see S70.4 of the Commonwealth Criminal Code Act 1995) (DFAT Fraud Control Checklist)

Fraud: Dishonestly obtaining a benefit, or causing a loss, by deception or other means (Commonwealth Attorney-General's Department Fraud Control Framework).

Intellectual Property: The expressions "industrial property" and "intellectual property" are used to describe the rights affording protection to creative and intellectual effort and include copyright, designs, patents, trademarks, circuit layouts, plant varieties and confidential information. (<https://colemangreig.com.au/plain-english-guide-to-intellectual-property/>)

Money Laundering: the process of concealing the origin, ownership or destination of illegally or dishonestly obtained money and hiding it within legitimate economic activities to make them appear legal (Transparency International Anti-Corruption Glossary)

Proscribed Terrorist Lists: Refers to the lists of suspected terrorists or supporters of terrorists.

Terrorism Financing: intentionally providing or collecting funds and being reckless as to whether those funds would be used to facilitate or engage in a terrorist act (Living Safe Together definition referenced by ACFID).

UnitingWorld Representative: anyone undertaking tasks on behalf of UnitingWorld.

Whistleblower: A person who reports suspected wrongdoing, including suspicion of fraud, misuse of resources, neglect of duties or a risk to health and safety (ACFID Code of Conduct definition).

7 Review Schedule

Date of next review: June 2025