

The Uniting Church in Australia

Assembly – Finance and Administration Manual

Section 6 – Governance Policies


(6.10) Fraud Prevention Policy

Document History

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Approval and Distribution

The following table lists the approvals for this document.

Name / Position / Committee	Approval	Initial / Date
Colleen Geyer, Assembly General Secretary	Supported	 April 2018
AFARC	Approved	PA February 2018

Overarching Policy Framework

This Policy is to be read in conjunction with Section 6 Governance Policies – Introduction. This sets out the Assembly Business Units to which this Policy applies, together with the Scope of the Policy and overarching Principles, Policies, Procedures and Guidelines.

Policy Statement

1. The Assembly and its Agencies will not tolerate fraud under any circumstances;
2. All people associated with the Assembly or its Agencies have an obligation to act ethically;
3. All people associated with the Assembly and its Agencies have an obligation to be alert to fraud and to report suspected fraud; and
4. All parties who report suspected fraud have the protection of anonymity as set out in the Assembly's Whistleblower Policy.

People associated with the Assembly and its Agencies include employees, volunteers, Ministers, consultants, vendors, contractors and outside agencies doing business with, or on behalf of, the Assembly or its Agencies.

Any investigative activity relating to any irregularity or suspected irregularity will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the UCA.

Each Assembly Agency or Business Unit must take responsibility for the development of appropriate controls. Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. People associated with the Assembly and its Agencies

are encouraged to be aware of the types of improprieties that might occur within their area of responsibility and to be alert for any indication of irregularity. Any irregularity that is detected or suspected must be reported immediately to the relevant manager, the relevant National Director, the National Director – Strategic Finance and Administration or the Assembly General Secretary. The latter coordinates all investigations with other affected areas, both internal and external.

Further Information and Guidelines

The Appendix contains additional information that applies as Policy Guidance to those Assembly Agencies and Business Units for which annual accounts are prepared by the Assembly's Accounting Unit. The Appendix may be of assistance to other Assembly Agencies or Business Units.

Related Governance Policy

- 6.13 Conflicts of Interest Policy
- 6.15 Whistleblower Policy

Access to Relevant Reference Material

The Fraud Prevention Policy will be included on the Assembly's Intranet.

Policy Owner

National Director – Strategic Finance and Administration.

Appendix – Policy Guidance

The Appendix contains additional information that applies as Policy Guidance to those Assembly Agencies and Business Units for which annual accounts are prepared by the Assembly's Accounting Unit, namely:

- Frontier Services;
- Uniting Aboriginal and Islander Christian Congress (UAICC);
- UnitingCare Australia;
- UnitingWorld; and
- The Assembly Fund.

The Appendix may be of assistance to other Assembly Agencies and Business Units.

Actions Constituting Fraud

Fraud is defined as the dishonest obtaining of or endeavouring to obtain some financial advantage or the causing of some financial loss. It includes, but is not limited to:

- any dishonest or fraudulent act;
- embezzlement;
- misappropriation of funds, securities, supplies, or other assets;
- loan to another party for which purpose the funds were not designated;
- payment or acceptance of bribes, false invoicing, substandard goods, undisclosed rebates or kickbacks as part of any procurement processes;
- fictitious employees on the payroll;
- impropriety in the handling or reporting of money or financial transactions;
- profiteering as a result of insider knowledge of UCA activities;
- disclosing confidential information to outside parties;
- accepting or seeking anything of material value (monetary or in kind) from mission partners who are the recipient of funds or services from UCA;
- accepting or seeking anything of material value (monetary or in kind) from contractors, vendors, or persons providing services/materials to the UCA;
- destruction, removal, or inappropriate use, without authority, of records, furniture, fixtures, vehicles and/or equipment; and
- inappropriate personal use of Assembly assets.

The Assembly's policies, procedures and guidelines relating to Human Resources (HR) and Employment are accessible on the Assembly or Uniting Resources websites. Some Assembly Agencies have their own HR and Employment policies. Behaviour that is inconsistent with the relevant HR and Employment Policies may constitute fraud, particularly if it relates to activities such as the giving or receiving of gifts, the use or misuse of a Gift Register, conflicts of interest or the provision of an inaccurate CV.

In order for managers and staff to be aware of what constitutes fraud and their obligations, every Agency will conduct annual Fraud Awareness training. The opportunity should also be taken to discuss what constitutes corruption and conflicts of interest. The need to disclose gifts as per these guidelines should also be discussed.

The Fraud Prevention Checklist attached may be used as an annual review by the National Director – Strategic Finance and Administration.

Gift Register

The Assembly expects that employees and volunteers will perform their duties impartially, and that their personal interests will not conflict with their duties. Accepting gifts or hospitality can give the impression that an employee or volunteer will favour a particular person or organisation when making decisions or taking action. This may not be the intention of either party, but impressions are important. Real or potential conflicts of interest must be avoided, and duties must be performed with good-will and as transparently as possible.

Gifts Received

Guidelines on whether a gift should be politely declined are included in 6.13 Conflicts of Interest. However in some cultures, declining a gift may cause offence. In this situation, the gift may be accepted on behalf of and given to the Assembly or Assembly Agency. All individual gifts received by Assembly or Assembly Agency employees, volunteers or their near family/friends must be recorded on the relevant Gift Register if the value of the gift is \$500 or more (monetary or in kind) and the gift is given because of the employee's or volunteer's role. Also, no individual can accept a gift of over \$500. **Gifts of \$500 or more in value must be recorded, whether they are accepted or declined.** Exception: the Gift Register does not record gifts that are given to support volunteers undertaking approved duties unless there is a personal benefit to the volunteer beyond the basic level of support.

The senior executive officer of each Assembly Business Unit, or their delegate, is to maintain a Gift Register in respect of their Business Unit, and must be advised of all relevant gifts or offers of gifts as soon as possible. Where an employee or volunteer receives gifts valued at less than \$500 each, they must also be recorded on the Gift Register if the total value in a twelve month period is \$1,000 or more. The Gift Register must include: the name of the employee or volunteer; the name of the donor/organisation; address and contact details; a description of the gift; and the estimated value of the gift. Failure to advise the senior executive officer of each Assembly Business Unit, or their delegate, of gifts that should be recorded on the Gift Register may constitute misbehaviour.

Whenever an entry is made in the Gift Register, it should be advised to the National Director – Strategic Finance and Administration, for tabling at AFARC annually.

Section 5 of the Uniting Church's Code of Ethics and Ministry Practice also provides direction regarding Gifts and Fees.

Entertainment

Business-related hospitality, such as meals for guests, is permitted, which includes visiting partners overseas. However, occurrences should be kept to a minimum and the costs reasonable.

Hospitality must always be paid for by the most senior employee or Minister in attendance and the expense authorised by their manager through the normal approval process.

Irregularities

Alleged issues concerning an employee's moral, ethical, or behavioral conduct should be dealt with by management in a way that is consistent with the relevant HR policy. Issues relating to accusations that are not made in good faith should also be dealt with by management. If there is any question as to whether an action constitutes fraud, contact the Assembly General Secretary for guidance.

Investigation Process

The Assembly General Secretary has primary responsibility for the investigation of all suspected fraudulent acts, as defined in the Fraud Prevention Policy. Depending on circumstances, the investigation may be delegated to the National Director – Strategic Finance and Administration, to the National Director of an Assembly Agency, to another member of staff, or to an appropriate expert. The General Secretary has an obligation to keep the Assembly President and the Assembly Finance, Audit and Risk Committee (AFARC) informed of any significant unfolding issues. Care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

All inquiries concerning any activity under investigation should be directed to the General Secretary or the person delegated to undertake the investigation. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter". Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

If the investigation substantiates that fraudulent activities have occurred, the General Secretary will issue a written report to the President and to the AFARC. Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the General Secretary after consultation with the President, the AFARC and senior management. Other punishments may range from warnings to termination of employment, depending on the seriousness of the offence. Reporting to Police and/or relevant Government Funding bodies will be undertaken when necessary.

In all cases, restitution of any misappropriated money/assets will be required.

Confidentiality

The Assembly treats all information received confidentially. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the UCA from potential civil liability.

Reporting Suspected Fraud

A person who discovers or suspects dishonest or fraudulent activity involving the Assembly or an Assembly Agency in any way must immediately contact the relevant manager, the relevant National Director, the Assembly National Director – Strategic Finance and Administration or the Assembly General Secretary. The person may remain anonymous. The person should be asked not to discuss the issue, not to contact the person involved, and not to investigate the issue further unless requested to do so by the person appointed to conduct the investigation.

Authority for Investigating Suspected Fraud

The Assembly General Secretary, or his/her delegate, will have:

- free and unrestricted access to all Assembly records and premises, whether owned or rented; and
- authority to examine, copy, and/or remove all or any portion of the contents of files (including computers and computer data/programs), desks, cabinets, and other storage facilities on the premises when it is within the scope of the investigation. This applies without the prior knowledge or consent of any individual who might use or have custody of any such items or facilities.

As well, any person appointed to conduct a particular investigation will have the same access and authority in respect of matters relating to the investigation.

Termination of Employment or Volunteer Status

If an investigation results in a recommendation to terminate the employment of an individual or to conclude a volunteer relationship, the recommendation may need to be reviewed by outside legal counsel or by an HR/IR consultant before any such action is taken. The person conducting the investigation does not have the authority to terminate the employment of an employee or to conclude a volunteer relationship. Such a decision must be made in a way that is consistent with the HR and Employment arrangements in place for the Assembly Business Unit. Refer to the Investigation Process above.

Fraud Prevention Checklist

	Questions to Ask	Any Further Action Required?
1	Effective Governance Body?	
2	Effective Audit Committee?	
3	Culturally acceptable business practices for overseas activities?	
4	Conflicts of Interest recorded and treated seriously?	
5	Procedures in place to detect and report unusual payments?	
6	Increase in amounts owing to creditors?	
7	Adequate information regarding financial performance?	
8	Regular deferral of capital expenditure?	
9	Adequate explanations of budget variance?	
10	Is forecast liquidity a problem?	
11	Adequate review and analysis of budget vs. actual?	
12	Any deterioration in Key Ratios?	
13	Have expense accounts increased?	
14	Deferment of any statutory payments?	
15	Non-payment of any insurance premiums?	
16	Significant decline in turnover?	
17	Slowdown in receipt of financial reports?	
18	Losses incurred?	
19	Detailed formal external audit and management letter?	
20	Information flow delayed?	
21	Resignation of key staff or Governance Body members?	
22	Audit reports reveal management disagreements?	
23	Management, AFARC and ASC open to new ideas?	
24	Sufficient review of compliance with legislative requirements?	
25	Employee morale low, turnover high?	
26	Key personnel take holiday leave regularly?	
27	Restricted access to non-public organisational information?	
28	Adequate separation of cheque raising and cheque signing?	
29	Satisfactory asset register?	
30	Appropriate written controls on electronic banking?	
31	Appropriate written controls on access/authorisation of credit cards?	
32	Any significant qualifications in the auditor's report?	
33	Unqualified accounting staff or Governance Body Treasurer?	

Gift Register (example)

Date Given or Received	Date Declared	Estimated Value of Gift (\$)	Description of Gift	Given by	Recipient	Retained by	Reason for Acceptance
1/12/2012	15/1/2013	\$1,700	Chinese Figurine	Christian Council of China	National Director of UnitingWorld	Uniting World Office	Growing partnership with UCA
31/1/2013	3/2/2013	\$900	Conference and all meals	Hilton Hotel	Assembly's Manager of Special Events	recipient	Networking opportunities
15/6/2012	1/3/2013	\$100	Monthly \$100 book vouchers	Koorong Books	Assembly's Communications Manager	Assembly Office	Inclusion in an office Library

Address and contact details for all Gift Recipients:

