



Partner Housing Australasia (Building) Incorporated
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 Web: www.partnerhousing.org
 Pro-bono professional services and funding for South Pacific
 village infrastructure, housing, water, sanitation and training.



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Partner Housing is a signatory to the ACFID Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.

Anti-fraud and Anti-corruption Policies and Procedures



Declaration – These policies and procedures have been approved by the Partner Housing Australasia (Building) Incorporated General Meeting of 3 April 2023. They set out the means of complying with the “Constitution & Code of Conduct”, and the requirements of the Australian Department of Foreign Affairs and Trade (DFAT) and the Australian Council for International Development (ACFID).

Signed

Rod Johnston, President, Partner Housing Australasia (Building) Incorporated

Adoption of Document Revisions

Reference	Revision	Date of Adoption	Principal Amendments
P23040357	1	3 April 2023	Revision to align with Vision, Mission, Values & DFAT requirements

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Vision

Partner Housing Australasia is an entirely voluntary organisation, which aims to transform the lives of people living in Asia-Pacific villages by improving the cyclone, earthquake, and tsunami resistance of their houses, clinics, schools, and community buildings; and by providing clean water supplies and hygienic sanitation.

Commitment

Consistent with the vision, Partner Housing Australasia and its Partner Organisations are committed to fighting fraud, corruption, and money laundering.

Code of Conduct

Partner Housing Australasia is a signatory to the ACFID Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory, we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability, and integrity. The following policies and procedures have been developed to reflect the vision, and to simultaneously ensure consistency with the ACFID Code of Conduct.

Scope

These Policies and Procedures apply to Partner Housing Australasia, its Partner Organisations, Representatives, and any guests who might accompany these people to the locations where the programs are implemented. The “Policy” expands the organisation’s vision, mission, and values; together with satisfying the DFAT and ACFID requirements, and the “Procedures” set out the means of implementing policy. An associated “Training” document provides additional material and background, and “Compliance and Audit Record” documents provide the relevant records of compliance and verification.

Definitions

A comprehensive set of definitions is set out in “Constitution & Code of Conduct”.

Partner Organisations are those bodies working with Partner Housing Australasia to implement the programs. For purposes of this document, they include (but are not limited to) Vision for Homes [PNG] and South Ranongga Community Association [SRCA]).

Representatives is the term used to describe collectively the Board Directors, Managers, Volunteers, Staff (if so engaged), Contractors and Consultants who administer the programs and projects.

Volunteer means a person who carries out executive, management, administrative, operations, design, project management and/or similar functions (whether executed in Australia or overseas) on a probono basis, under the direction of the Chief Executive Officer (on behalf of the Board). A Volunteer may also be a Member or a Director. Partner Housing Australasia is an entirely voluntary organisation. Volunteer does not include “Contractors” or “Consultants”, who provide goods or services on a probono or commercial basis, or people who provide minor assistance on a casual and infrequent basis.

Risk Analysis is a systematic use of available information to determine how often specified events may occur and the magnitude of their likely consequence. For purposes of this policy, Risk Analysis, and associated terms (including those listed herein) are as defined in ISO 31000 and AS/NZS 4360.

Fraud against the Commonwealth means dishonestly obtaining a benefit, or causing a loss, by deception or other means. It includes:

- theft,
- accounting fraud, (false invoices, misappropriation etc.)
- unlawful use of, or obtaining property, equipment, material or services,
- causing a loss, or avoiding and/or creating a liability,
- providing false or misleading information to the Commonwealth,
- failing to provide information to the Commonwealth when there is an obligation to do so,
- misuse of Commonwealth assets, equipment, or facilities,
- making or using false, forged or falsified documents,
- wrongfully using Commonwealth information or intellectual property.

People usually associate fraud with monetary or material benefits. Gains are not only about monetary or material benefits. For example, a person can receive benefits by giving away sensitive or classified information.

Corruption is a type of fraud. Corruption is a misuse of entrusted power for private gain. The Commonwealth defines corruption as:

- Conduct that involves, or that is engaged in for the purpose of, the staff member abusing his or her office as a staff member of the agency.
- Conduct that perverts, or that is engaged in for the purpose of perverting, the course of justice.
- Conduct that, having regard to the duties and powers of the staff member as a staff member of the agency, involves, or is engaged in for the purpose of, corruption of any other kind.

A fraud risk assessment identifies fraud risks and corresponding controls to minimise or mitigate the identified risks.

A fraud control strategy is the plan for how fraud will be managed or controlled in an organisation or program.

Collusion is a deceitful agreement or compact between two or more persons or organisations, aimed at defrauding a third party. Collusion against DFAT could involve DFAT officers, funding recipients and/or other parties.

Internal Fraud is fraud committed by a DFAT officer, and is generally dealt with under the Public Services Act 1999. For locally engaged staff (LES) at posts, the LES Code of Conduct applies in conjunction with local employment law. Corruption is a type of internal fraud.

External Fraud is fraud committed by a party external to the Commonwealth, for example, funding recipient entrusted with the use of public funds. It can be dealt with under a range of civil or criminal provision, contract clauses, or other mechanisms depending on the location of the incident.

Money Laundering is defined as the process of concealing the origin of money, obtained from illicit activities such as drug trafficking, corruption, embezzlement or gambling, by converting it into a legitimate source.

Policy

E3.7 Prevention, detection and investigation of fraud and the prevention of corruption

Partner Housing Australasia and its Partner Organisations shall ensure the prevention, detection, investigation, and elimination of fraud and corruption, through the following policies.

- a) Partner Housing Australasia and its Partner Organisations shall operate sound financial management systems, including clear segregation of duties, delegations of authority, documented financial policies and procedures, sound internal controls and clear reporting and review mechanisms, fully described in the associated policies and procedures documents.¹
- b) Partner Housing Australasia and its Partner Organisations shall ensure that staff report suspicions or evidence of fraud, corruption, or money laundering to the appropriate authorities, such as DFAT, AUSTRAC and the Australian Federal Police.
- c) Partner Housing Australasia and its Partner Organisations shall provide guidance and training on prevention, detection, or investigation of fraud, corruption, or money laundering.
- d) Partner Housing Australasia and its Partner Organisations shall ensure the reporting of suspected or actual fraud, corruption, or money laundering, through the ISO 9001-based “Nonconformance Reporting” procedures.
- e) Partner Housing Australasia and its Partner Organisations shall ensure that whistle blowers are afforded protection, in accordance with the Complaints Handling, Whistle Blowing and Incident Management Systems Policies and Procedures (P23040317).
- f) Partner Housing Australasia and its Partner Organisations shall dismiss any person, (Volunteer, Staff or Contractor) reasonably suspected of fraud, corruption, or money laundering, and shall report them to the police.
- g) Partner Housing Australasia and its Partner Organisations shall refuse assistance or donation from organisations or person who is convicted (or reasonably suspected) of fraud, corruption, or money laundering.

¹ Refer also to the following Policies and Procedures documents–

P23040351-1 Funding Management Policies & Procedures

P23040352-1 General Ledger and Project Ledgers Policies & Procedures

P23040353-1 Financial Control, Authorisations, Auditing Policies & Procedures

P23040354-1 Partner Financial Risk Management Policies & Procedures

P23040355-1 Financial Risk Management Policies & Procedures

Responsible Personnel

The person with overall responsibility for implementing this policy is the Chief Executive Officer (CEO), with delegated responsibility to the Finance Manager and Regional Managers.

Procedures

Review of these Policies and Procedures

The policies and procedures set out in this “Policies and Procedures” document shall be reviewed at each Annual General Meeting, as part of the scheduled general policy review.

Risk Analysis

The CEO shall implement the following:

- Ensure that the Partner Organisation Manager visits each current and proposed work site, conducts discussions with the village residents, and determines the factors that are likely to affect the risk of fraud and corruption resulting from the proposed project. This determination shall be emailed to the Partner Housing Australasia CEO and to the Regional Manager.
- Carry out thorough desk research into the potential risk of fraud and corruption resulting from the proposed and current projects.
- Based on the determination and desk research and the input from the Partner Organisations, prepare a Risk Analysis for fraud and corruption, considering both Partner Housing Australasia and the implementing Partner Organisation.
- Assess and prioritize the risk of fraud and corruption associated with each program and its component projects, and determine the appropriate mitigation actions (risk treatment).
- Record the Risk Analyses and the mitigation actions in the Strategic Plans appropriate to each program.
- Summarize the Risk Analyses and the mitigation actions in a Risk Register.
- Implement the proposed mitigation actions (risk treatment).
- During regular reviews, consider the effectiveness of the mitigation actions (risk treatment) and report to the Board.

Detecting, Reporting and Eliminating Fraud and Corruptions

The CEO, and delegated Managers, shall –

- a) Ensure that the personnel responsible for raising funds, accepting donations and executing international programs are trained in the relevant aspects of anti-fraud, anti-corruption and anti-money-laundering laws and practices.
- b) Report any fraud and suspected fraud through the ISO 9001-based “Nonconformance Reporting and Improvement Request.”
- c) Ensure that whistle blowers are afforded protection, in accordance with Policy No. P23040317-1 Complaints, Whistle Blowing, Incidents
- d) Report any suspected fraud, corruption or money laundering to the appropriate police force and any other appropriate government instrumentality, including AUSTRAC.

- e) At each Board Meeting, Directors shall declare any potential, perceived or actual conflict of interest or potential pecuniary gain. If such conflicts of gains exist, that person shall not participate in any deliberations on the matters. See also P23040312-1 Conflict-of-Interest Policies & Procedures.
- f) In the case of donations exceeding AUD \$ 10,000 (or the local equivalent, PGK 25,000 or SBD 60,000), the Responsible Managers shall ensure that they are not an unwitting participant in fraud, corruption or money-laundering. This shall include the following.
- Consult an experienced certified anti-money-laundering specialist (who has particular experience in government requirements and anti-money laundering) to carry out the necessary due diligence and to undertake rigorous checks.
 - Consult the appropriate part of the DFAT website
 - If there is any doubt as to the integrity of the donor or donation, consult AUSTRAC.
- g) Before accepting exceeding AUD \$ 10,000 (or the local equivalent, PGK 25,000 or SBD 60,000), Partner Housing Australasia and its Partner Organisations shall enter in to a Memorandum of Understanding (MOU) with any Donor. The MOU shall have a sufficient cooling off period to allow the appropriate checks to be carried out. The conditions of acceptance of any donation shall include (but are not limited to):
- There must be an agreed MOU and subsequent Contract with the Donor, which spells out in detail the responsibilities and authorities, together with the specification of project deliverables.
 - Partner Housing Australasia must have control of donation expenditure, within the limitations of the MOU and Contract.
 - Partner Housing Australasia (through its consultants) must control the construction; and
 - Partner Housing Australasia shall only accept a donation if it meets these requirements.
- h) The CEO, in consultation with the Finance Manager, shall ensure that its accounts are audited annually by a qualified and experienced auditor.
- i) The Finance Manager shall obtain from implementing Partner Organisations financial annual acquittals to for the expenditure of all donations and grants made by Partner Housing Australasia.
- j) The Finance Manager shall obtain from implementing Partner Organisations financial accounts, balance sheet, and profit-and-loss statements for their organisations, including programs that were not funded by Partner Housing Australasia.
- k) The CEO, in consultation with the Regional Managers, shall implement the following program funding and administration practices, aimed at detecting and minimising fraud –
- a. Provide standardised designs, costed bills of quantities and standardised cost estimates for materials, labour and overheads for all programs funded (or partially funded) by Partner Housing Australasia. This enables close scrutiny of expenditure.
 - b. Monitor and report to the Board quarterly the financial performance and construction outcomes of each program.
 - c. Where necessary (such as major purchases for the Solomon Islands water reticulation program), Partner Housing Australasia shall pay directly the suppliers of materials, components and transport Labour and minor costs are re-imbursed on receipt of invoices which are reviewed by the Partner Housing Australasia Regional Manager and approved in accordance with the delegation of authority.

Partner Organisations MOU Requirements

For donor-funded programs (including, but not limited to programs funded by DFAT), Partner Housing Australasia shall ensure that its MOUs reflect the anti-fraud and anti-corruption requirements the donor organisation. This shall include requirements that –

Partner Housing Australasia, Vision for Homes, South Ranongga Community Association, other Partner Organisations, and their personnel shall

- *not engage in any fraud. Fraud must be actively prevented and detected, including by the partners personnel;*
- *adhere to the relevant conflict of interest and confidentiality clauses;*
- *ensure that the partner or its personnel do not make or cause to be made, receive or seek to receive any offer, gift, payment or benefit of any kind, which could be construed as an illegal or corrupt act;*
- *within one month of Project Start Date: conduct a fraud risk assessment and produce a fraud control strategy in compliance with the Commonwealth Fraud Control Framework available at <https://www.ag.gov.au/integrity/publications/commonwealth-fraud-control-framework>;*
- *ensure risk assessments and strategies contain appropriate fraud prevention, detection, investigation and reporting processes and procedures;*
- *ensure that personnel are responsible and accountable to the funding recipient for preventing and reporting fraud as part of their routine responsibilities. (This includes reporting potential fraud matters within five (5) business days. A template of the 'Fraud Referral Form' is located here.);*
- *respond within five (5) business days to any further requests for information by DFAT;*
- *investigate any fraud and bear the cost of the investigation in accordance with any directions or standards required by DFAT;*
- *have access to an investigator (internal or appointed) that possesses the minimum qualifications specified in the Australian Government Investigation Standards or an equivalent agreed to by DFAT;*
- *provide reasonable assistance and bear associated costs should DFAT choose to appoint its own investigator in accordance with the contract terms;*
- *report any suspected offenders identified as part of the investigation to the appropriate law enforcement agencies, unless the Director of DFAT- Fraud Control Section agrees otherwise in writing;*
- *repay funds lost to fraud committed by the recipient organisation, their employees or contractors, including taking recovery action in accordance with recovery procedures (including civil litigation) available in the partner country;*
- *act in accordance with the Commonwealth Procurement Rules, of which due diligence assessments are a component.*

Compliance and Auditing

The CEO shall implement the following:

- Initiate the required monitoring, evaluation and learning functions associated with this “Policies and Procedures” document.
- Initiate both internal and external auditing, consistent with ISO 9001 principles of the policies and procedures herein.
- Ensure that the compliance with the policies and procedures herein, and the associated internal and external audits, are recorded in the associated “Compliance and Audit Records” documents.

Training

The CEO shall ensure that Directors and Managers have an understanding of the policies and procedures for detecting and eliminating fraud. To achieve this end, the CEO shall distribute a reference and link to this “Policies and Procedures” document to all Directors, Manager, and Partner Organisation Managers, and other personnel working on behalf of the organisation. (Partner Housing Australasia is a voluntary organisation and does not employ staff).

The Finance Manager shall –

- a) Be a practising Chartered Accountant;
- b) Undertake routine Continuing Professional Development, required by CPA registration.
- c) Participate in the 10-hour online CPA Australia “Financial Investigation and Forensic Accounting” (see below);
- d) Study the DFAT anti-fraud training material (see below); and
- e) Provide instruction to the other Partner Housing Australasia Directors

All Directors and Managers shall –

- a) Receive training by the Finance Manager (or delegated Trainer) in the detection and elimination of fraud, as set out in the DFAT and CPA training material; and
- b) Study the DFAT anti-fraud training material (see below).

DFAT Fraud Toolkit - YouTube <https://www.youtube.com/watch?v=nH4QMF3zfrM>

fraud-control-toolkit-for-funding-recipients.docx (live.com)

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.dfat.gov.au%2Fsites%2Fdefault%2Ffiles%2Ffraud-control-toolkit-for-funding-recipients.docx&wdOrigin=BROWSELINK>

Financial Investigation and Forensic Accounting

10-hour online CPA Australia <https://www.cpaaustralia.com.au/contact-us>

Description

This online course will arm you with key knowledge on fraud detection, investigation and prevention based on real life experiences of forensic practitioners. Also take this opportunity to learn new approaches to fraud and become more effective in your work.

Key topics

- The forensic accountant as an expert witness
- Forensic investigation
- Forensic technology
- Recording and case presentation
- Fraud detection tools and techniques
- Fraud and corruption control

This course consists of one online course, a downloadable PDF learning manual and one online assessment.

Learning objectives

- Discuss current trends in fraud and corruption in Australia and globally.
- Implement fundamental techniques in the investigation & detection of fraud.
- Describe how to prepare and present a forensic case involving allegations of fraud.

- Provide guidance on fraud prevention principles as promoted by AS 8001:2008 Fraud and Corruption Control.

Audience

This course is specially designed for:

- Public practitioners including sole practitioners at the partner and director level
- Those working in Government (federal, state, local and business/enterprise)
- Academic professionals
- Practitioners in insolvency, auditing (internal and external), risk and advisory.