

Fraud Prevention and Risk Management Policy

1. Introduction

- 1.1** As a registered charity, BuildAid Missions must ensure that its funds are used for its charitable purpose. Fraud can mean that charitable funds are directed away from the purpose of BuildAid and result in significant reputational risk.
- 1.2** Fraud involves an act of dishonesty where a person secures an unauthorised benefit. Examples of fraud include:
- (a) individuals making “purchases” with charity monies with falsified invoices;
 - (b) putting individuals on the payroll who are not providing services to the charity.
- 1.3** BuildAid wants to promote consistent organisational behaviour by providing guidelines and assigning responsibilities for the development of fraud risk management controls and conduct of investigations.

2. Scope

- 2.1 This policy applies to all directors, volunteers and Board members of BuildAid.

3. Principles

- 3.1 Board members are required to take reasonable steps to protect BuildAid assets and ensure funds are being used for BuildAid charitable purposes.

4. Responsibilities

- 4.1 It is the responsibility of the Board to ensure that:
- (a) fraud is prevented and detected within BuildAid;
 - (b) BuildAid assesses and take steps to mitigate or remove risks;
 - (c) appropriate and effective internal control systems are in place; and
 - (d) any breaches of this policy that come to the attention of the Board are dealt with appropriately.
- 4.2 It is the responsibility of the Board to ensure that:
- (a) this policy is implemented, and compliance is monitored;
 - (b) the directors are aware of and understand the policy;

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- (c) they facilitate the reporting of suspected fraudulent activities
- (d) educate directors/volunteers/contractors about fraud prevention and detection
- (e) instances of fraud reported to the Field Director are dealt with and investigated in accordance with this policy.

5. Policy

5.1 BuildAid will not tolerate fraud in any aspect of its operations.

5.2 BuildAid will:

- (a) assess fraud-related risks and take mitigating steps;
- (b) educate board members, directors and volunteers on fraud prevention and detection;
- (c) have mechanisms for reporting of suspected fraudulent activity; and
- (d) respond to suspected fraudulent activity.

6. Fraud Risk Assessment

6.1 The Board must carry out an annual fraud risk assessment.

6.2 The completed risk assessment may be conducted through a sub-committee but must be reviewed by the full Board and tabled at a Board meeting for discussion.

6.3 The Board will:

- (a) assess and prioritise risks identified; and
- (b) approve any additional or amended controls to remove or lessen fraud-related risks.

6.4 The Field Director must implement approved controls.

7. Education

7.1 The Field Director will ensure that induction processes for volunteers and Board members include training and education on this policy, fraud prevention, reporting and detection.

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8. Reporting procedure

- 8.1 Reporting of fraud may be done in line with the Whistle-blower policy.
- 8.2 All volunteers/contractors/board members have the responsibility to report suspected fraud.
- 8.3 Any volunteer or contractor who suspects fraudulent activity must immediately notify the Field Director about the concern.
- 8.4 In situations where the volunteer or contractor notifies their supervisor, the supervisor must then notify the Field Director (or the Chairman of the Board in circumstances where the suspected fraud involves the Field Director).
- 8.5 Any person reporting a fraud, or suspected fraud, shall not be penalised for raising a concern of this nature.
- 8.6 The Field Director (or Chairman of the Board) must begin by using the BuildAid Fraud incident report form.

9. Responding to suspected fraudulent activity

- 9.1 Upon notification of an allegation pertaining to fraud, the Field Director (or Chairman of the Board) will promptly arrange to carry out an initial review into the allegation.
- 9.2 After an initial review and a determination that the suspected fraud warrants additional investigation, the Field Director (or Chairman 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.
- 9.3 Once a suspected fraud is reported, immediate action must 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.
- 9.4 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.

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9.5 BuildAid will also pursue every reasonable effort, including Court ordered restitution, to obtain recovery of any losses from the offender.

10. Reporting fraud to authorities

10.1 The Field Director (or the Chair of the Board) must notify the police or relevant law enforcement authority of any suspected criminal activity.

11. Compliance with this policy

11.1 If there is reason to believe that this policy has not been complied with, The Field Director or Chairman of the Board must investigate.

11.2 If it is found that a person has failed to comply with this policy, the Board or Field Director may act against them, including disciplinary action up to and including dismissal (or termination of an individual's right to work as a contractor or volunteer).

12. Appeals

12.1 The person accused of fraud may appeal the outcome of the investigation.

12.2 The person must supply sufficient evidence to support their position in claiming their innocence in the matter.

12.3 If an appeal is lodged, the Field Director (or Chairman of the Board) must receive the appeal and investigate the matter as a matter of priority before any disciplinary measures are undertaken.

Date: 26/07/2021

Signed: _____ (Board Administrator)

Print Name: Murray Brown

Signed: _____ (Director)

Print Name: Ian Walter