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Fairtrade ANZ Anti-Fraud and Corruption Policy

Introduction and Purpose

The purpose of this policy is to:

- Articulate Fairtrade ANZ's rejection of all forms of corruption and fraud, and its commitment to the highest standards in the conduct of all of its operations;
- Establish controls for all Fairtrade Australia and New Zealand Ltd (**Fairtrade ANZ**) personnel regarding the identification and prevention of corruption and fraudulent activity; and
- Ensure Fairtrade ANZ's operations and activities are conducted in an accountable, transparent and ethical manner.

Related Policies

- Control of Funds Policy;
- Counter-Terrorism Policy; and
- Procurement Policy.

Scope of Policy

This policy applies to:

- All personnel and associates of Fairtrade Australia and New Zealand, including permanent, fixed term and casual employees, contractors, interns, volunteers and Board and Committee members.
- All personnel, partners and subcontractors that are engaged by Fairtrade Australia and New Zealand.
- All Fairtrade ANZ funded projects (both in Australia, New Zealand and overseas), including their management, staff, volunteers, contractors and governing authorities.

Definitions

Corruption: the abuse of power for private gain, this includes financial corruption such as fraud, bribery and extortion and also non-financial forms such as the diversion of aid to non-target groups, allocation of resources in return for favours and preferential treatment for family or friends. These practices may be associated with coercion and intimidation of staff or beneficiaries who decline to participate in corruption.

Fraud: is dishonestly obtaining a benefit or causing a loss by deception or other means. This includes (but is not limited to):

- misappropriation of funds, supplies or other assets, including the use of assets for private purposes;
- falsifying costs or expenses or forgery, falsification or alteration of document;
- providing false or misleading information or failing to provide accurate information where there is an obligation to do so;

- seeking or accepting cash, gifts or other benefits from third parties in exchange for preferable treatment or personal benefit; and
- corruption or abuse of position.

A further list of examples of fraud and corruption is attached to this Policy.

Fairtrade ANZ's Commitment

1. Fairtrade ANZ has zero tolerance for fraud and corruption.
2. All incidents of suspected or known fraud and corruption must be reported, and will be assessed and, as appropriate, investigated. Fairtrade ANZ will pursue rigorously disciplinary and other actions against perpetrators of fraud, including recovery of financial loss suffered by Fairtrade ANZ.
3. Fairtrade ANZ is committed to preventing, identifying and addressing all acts of fraud and corruption against Fairtrade ANZ, through raising awareness of fraud risks, implementing controls aimed at preventing and detecting fraud and corruption, and enforcing this Policy.
4. Fairtrade ANZ acknowledges that it is a criminal offence under Australian and New Zealand law to commit or support corrupt or fraudulent activities, including bribery. Fairtrade ANZ also has an obligation to all stakeholders to ensure that all monies used and disbursed by Fairtrade ANZ are used only for their articulated purposes and that processes.
5. Fairtrade ANZ is committed to maintaining a culture of honesty and will not tolerate fraud or corruption in any aspects of its operations, including within its operations in Australia and New Zealand, and in the manner Fairtrade ANZ projects are delivered overseas by partner organisations.

Fraud and Corruption Prevention Measures

Awareness: Board members, staff members, consultants, contractors, volunteers and implementation partners must be aware of their responsibility to prevent fraud and corruption. The CEO and the Leadership Team must ensure all other staff as well as consultants, contractors, volunteers and implementation partners are aware of the requirements of this Policy, and reiterate the duty to all Fairtrade personnel and implementation partners to report instances of fraud and corruption.

All staff shall be vigilant in monitoring irregularities and the risk of fraud. Where staff are concerned about the level of fraud or corruption risk internally or within a project, or service agreement activity, they may consult with their supervisor or the CEO of Fairtrade ANZ for consideration as to whether investigation or further assessment is required. The additional assessment aims to identify and control an existing (but yet unidentified) risk of fraud, dishonest practices or financial irregularity.

Internal Processes: Fairtrade ANZ has established processes under its Control of Funds Policy and its Counter-Terrorism Policy which are designed to assist to protect its funds from the risk of fraud and corruption in Australia, New Zealand and in the developing countries where the projects it funds are located.

Building Fraud Prevention into Programme and Project Design: in order to reduce the risk of fraud and corruption in our overseas projects, Fairtrade ANZ will:

- seek to work with partnership organisations that can demonstrate a positive track record with open and transparent processes;
- identify and assess the risks in their programme or project areas, including the risk of fraud and corruption, and apply mitigating measures, taking due account of the level of risk involved;
- communicate its zero tolerance attitude towards fraud and corruption to all partner organisations and as part of all partnership agreements;
- incorporate mechanisms for fraud and corruption prevention into partnership agreements (such as regular milestone reporting and staged payments);

- maintain regular monitoring of all projects and ensure that Fairtrade ANZ employees, liaison officers and project managers are alert to guarding against fraudulent and/or corrupt practices;
- where appropriate, support its partner organisations and producer organisations in implementing financial and governance policies and procedures that assist in reducing the risk of fraud and corruption.

Reporting and investigations

1. Fairtrade ANZ will investigate all suspected acts of corruption and fraud in accordance with the process in the Fairtrade ANZ Complaints Handling and Whistleblowing Policy. All proven corruption and fraud will constitute grounds for dismissal (for employees) or termination (for partner organisations).
2. All Fairtrade ANZ staff and in-country liaison officers and project managers who suspect corruption or the commission of fraud must report their suspicions to their immediate supervisor, or the CEO, immediately. Any suspicion of fraud and/or corruption related to the CEO should be reported to the Chair of the Fairtrade ANZ Board.
3. The CEO is responsible for investigating all reported instances of suspected fraud or corruption. Reports of suspected corruption or fraud will be handled confidentially and the identity of the person making the report will not be revealed to the accused without their consent.
4. The CEO will inform the Fairtrade ANZ Board of any reports of suspected fraud and/or corruption, actions taken and resolutions (if any) at the next Board meeting following receipt of the report of sooner should the case be deemed serious.
5. Allegations of fraud, if substantiated by investigation, may result in disciplinary and/or administrative actions by Fairtrade ANZ.
6. Serious cases of fraud, whether suspected or proven, will be reported to the appropriate authorities.
7. Requests for confidentiality by persons making a complaint will be honored to the extent possible within the legitimate needs of the investigation. All investigations undertaken by the CEO will be confidential. Information will only be disclosed as required by the legitimate needs of the investigation.

Responsibilities

1. Fairtrade ANZ's Board of Directors has ultimate responsibility for the prevention and detection of corruption and fraud and is responsible for ensuring that appropriate and effective internal control systems.
2. Fairtrade ANZ's CEO is responsible for:
 - investigating reported instances of corruption and fraud;
 - explaining this policy to all Fairtrade ANZ employees and volunteers, including as part of the induction process for new staff; and
 - ensuring that all employees and partner organisations carry out the procedures here included to minimize the risk of supporting terrorist organisations or individuals.
3. Fairtrade Australia and New Zealand's managers and supervisors are responsible for:
 - assessing the risk of corruption and fraud within their area of responsibility;
 - communicating this policy to all partner organisations, and ensuring that partner organisations communicate this policy to their board members, staff, volunteers and contractors implementing funds and development activities funded by, or through Fairtrade ANZ.
 - where appropriate, educating partner organisations and producer organisations about corruption and fraud detection and prevention, including designing and implementing appropriate training and development programs to aid compliance with this policy.
 - facilitating the reporting of suspected corruption and fraudulent activities

4. All employees and volunteers are responsible for complying with this policy.

Document Control

This policy will be available in the shared Fairtrade Australia and New Zealand drive for all employees and in its website.

A copy of this policy will be provided to any person or organisation on request.

For More Information

For more information or to report any concerns/violations, please contact info@fairtrade.com.au or info@fairtrade.org.nz

Approval and Review

This policy will be reviewed once every 3 years.

Last Approved By Board: 21 May 2018

Scheduled Review Date: May 2021

Attachment 1: Examples of Fraud and Corruption

Examples of fraud, corruption and other dishonest practices include, but are not limited to, the following actions:

- Forging documents, preparing false entries in Fairtrade ANZ systems or making false statements to obtain a financial or other benefit for oneself or another/others;
- Collusion or other anti-competitive scheme between suppliers during a procurement process;
- Providing information in relation to an insurance claim or another entitlement that the claimant knows to be false;
- Using another's IT identity or password, or creating false identities/passwords, without consent or authority in order to manipulate Fairtrade ANZ's processes or cause the approval or denial of actions;
- Improper payments prohibited by this policy, including bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage. These payments should not be confused with reasonable and limited expenditures (as agreed with the CEO, or relevant director) for gifts, business entertainment and other legitimate activities directly related to the conduct of Fairtrade ANZ's business.
- Failing to disclose a financial or familial interest in a business or outside party while participating in the award/management of a contract to the benefit of that business or outside party;
- Processing the cost of personal travel as part of an official travel;
- Making misrepresentations, including educational credentials or professional qualifications, on a personal history form in the context of a job application;
- Falsifying documents, making false statements, preparing false entries in Fairtrade ANZ's systems or other deceptive acts to the detriment of someone, to disfavor, or to discredit a person, programme or the organization.
- Payments securing an improper advantage, including a decision to select Fairtrade ANZ to provide any products or services, or to provide Fairtrade ANZ with more preferential terms, including, but not limited to, providing any confidential, proprietary or competitor information that may provide Fairtrade ANZ an improper advantage;
- Payments to influence any act or decision of a government or third party employee in his or her official capacity;
- Payments to induce a government or certification organization or third party employee to perform or fail to perform any act;
- Payments inducing a government employee to use his or her influence with a government or government instrumentality to affect or influence any act or decision of a government or instrumentality; and
- Payments inducing a government employee to perform a routine duty or service, commonly referred to as "facilitation payments".