

## PREVENTION OF FINANCIAL WRONGDOING POLICY

Policy number	FFM-1	Version	002
Responsible person	Chris Armitage	Approved by Board	6 January 2020
Date for Next Revision	18 December 2022		

### PURPOSE

Global EverGreening Alliance (Alliance) aims to ensure that its resources are used only for appropriate purposes and to comply with all laws, regulations and responsibilities governing fraud, bribery, corruption, terrorism financing and money laundering hereinafter referred to as Financial Wrongdoing in all countries in which the Alliance operates.

This policy seeks to ensure that all parties are aware of their responsibilities for identifying exposures to financial wrongdoing and for establishing controls and procedures for preventing such activity and/or detecting such activity when it occurs. It is further intended to provide a clear statement to staff forbidding any illegal activity or financial wrongdoing for the benefit of the organisation and assurance that any and all suspected financial wrongdoing will be fully investigated.

### 1. DEFINITIONS

- a) **Actions that may constitute fraud:** Fraud is defined in this policy as an act carried out either by staff, volunteers, contractors, partners or clients with deliberate intention of deceiving the Alliance, donors, beneficiaries or the general public to gain a personal advantage to themselves or any third party, including fraud for the benefit of the organisation, or cause loss to another. Fraudulent acts may include, but are not limited to:
- impropriety in the handling or reporting of money or financial transactions;
  - misappropriation of funds, supplies, or other assets (e.g. use of agency vehicles for personal purposes such as shopping by individuals not entitled to do so);
  - profiteering as a result of insider knowledge of agency activities;
  - disclosing confidential and proprietary information to outside parties;
  - misrepresentation in a job application (e.g. falsifying qualifications or credentials);
  - accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the agency; and
  - destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or any similar or related irregularity.

- b) **Actions that may constitute corruption:** Corruption is defined in this policy as an act carried out either by staff, volunteers, contractors, partners or clients of directly or indirectly offering, giving, soliciting or receiving any form of bribe, kickback, payment or anything of value to or from any person or organisation including government agencies, individual government officials, private companies or their employees. Gifts, loans, fees, rewards, entertainment, holidays, travel, special personal services, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the organisations activities. Global EverGreening Alliance prohibits bribery, corruption and extortion in all forms.
- c) **Actions that may constitute bribery:** Bribery is defined in this policy as the offering, promising, giving, accepting or soliciting of money, gifts or other advantage as an **inducement** to do something that is illegal or a breach of trust in the course of carrying out Global EverGreening Alliance's activities.
- d) **Actions that may constitute 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.
- e) **Actions that may constitute money laundering:** Money laundering is defined in this policy as dealing with the proceeds of crime or an instrument of crime. Dealing with the proceeds of crime includes receiving, possessing, concealing or disposing of money or other property as well as importing, exporting or engaging in a banking transaction relating to money or other property. Where an innocent third party receives money that is the proceeds of crime and the person has no knowledge of that fact, receipt of the money does not constitute money laundering.

## SCOPE

In relation to financial wrongdoing this policy sets out expectations for the behaviour and standards of professional and personal conduct for the Alliance's employees, members of Board, volunteers and contractors (collectively referred to as personnel for the purposes of this Policy). These expectations will also be included in MOUs with funded partners.

## POLICY

The Board of Global EverGreening Alliance has ultimate responsibility for the prevention and detection of financial wrongdoing. The Board is responsible for ensuring that appropriate and effective internal control systems are in place. All managers must ensure that they are aware of the mechanisms in place within their area of control to:

- a) assess the risk of financial wrongdoing;
- b) educate their staff about financial wrongdoing prevention and detection; and
- c) facilitate the reporting of suspected financial wrongdoing.

All Global EverGreening Alliance personnel share in the responsibility for the prevention and detection of financial wrongdoing in their areas of responsibility. All Global EverGreening Alliance personnel have the responsibility to report suspected financial wrongdoing. Any financial wrongdoing by a member of staff may constitute grounds for disciplinary action, including summary dismissal or termination of their engagement. However, Global EverGreening Alliance, at its sole discretion, may vary its procedure or approval to dealing with an allegation of financial wrongdoing.

## PREVENTION

Financial wrongdoing prevention accounting procedures are incorporated in the Alliance's procedures related to cash management, credit card use, business transactions, and investment. All Complaints of suspected financial wrongdoing will generally be investigated. The Alliance may, at its discretion, refer any suspected financial wrongdoing to police or other external authority.

Financial wrongdoing prevention and detection issues will be included in relevant staff development and induction activities. Partners, vendors and contractors will be required to agree to and abide by relevant policies, procedures or requirements in respect to financial wrongdoing.

## REPORTING PROCEDURES

Please refer to the reporting procedure set out in the Alliance's Whistleblowing Policy. A key obligation of DFAT funded projects is to report all cases of suspected, alleged or committed fraud or corruption within five business days of becoming aware of the fraud or corruption.

## CONTROLS

The Alliance will ensure the opportunity and extent of Financial Wrongdoing is minimised through the implementation of the following controls:

- a) Thorough employee recruitment processes, including mandatory police checks and interview of previous employers and referees;
- b) Physically securing any valuable assets and sensitive information;
- c) Clear organisation of responsibilities and reporting lines;
- d) Separation of duties to ensure that key functions and controls are not performed by the same member of staff;
- e) Complete and secure audit trails;
- f) Budgetary and other financial reports; and
- g) Periodic reviews conducted by independent bodies, such as audits.

## RELATED POLICIES AND PROCEDURES

GEA Whistleblower Policy  
GEA Ethical Fundraising Policy  
GEA Ethical Procurement Policy  
GEA Fraud Risk Management Policy

## REVISION HISTORY

Revision Date	Revision no:	Summary description of revision(s) made	Section(s) changed:
18 December 2019	1	Formatting, terrorism clauses, need to be included in partnership agreements with implementing partners	Purpose, Scope, Definitions

## **AUTHORISATION**

A handwritten signature in black ink, appearing to read 'C. Armitage', with a long horizontal flourish extending to the right.

Christopher Armitage

Board Secretary

6 January 2020

Global EverGreening Alliance Ltd