



RAWCS Fraud, Corruption and Counter-Terrorism Policy

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1. Introduction

1.1 *Who we are*

- 1.1.1 Rotary Australia World Community Service Ltd (RAWCS) is a registered charity with the Australian Charities and Not-for-profits Commission (ACNC). We back doing good by supporting and facilitating a broad range of humanitarian and development projects, both in Australia and in developing countries. RAWCS administers three Tax Deductible funds:
1. **Rotary Australia Overseas Aid Fund (RAOAF):** This fund supports efforts by Rotary Clubs, Rotary Districts and other partners to deliver humanitarian assistance in developing countries. RAOAF focuses on both sustained development and immediate disaster response, working collaboratively with communities to deliver impactful, sustainable projects to meet identified needs.
 2. **Rotary Australia Benevolent Society (RABS):** RABS supports Rotary Clubs, Rotary Districts and other partners to respond to specific community challenges within Australia. It offers an avenue for wider community involvement through tax-deductible donations. The Rotary Australia Compassionate Grants Projects within RABS uses matching funds from donations, such as those provided by Dick Smith's Trust, to assist Australians facing hardship.
 3. **Rotary Australia Relief Fund (RARF):** This fund is dedicated to responding to national appeals and efficiently disbursing funds to appropriate aid projects. RARF's focus is on mobilising rapid support during national crises, such as natural disasters, providing a structured channel for public generosity to be transformed into effective aid. This fund acts as a hub for contributions from both Rotary and non-Rotary sources, ensuring swift and effective aid delivery to disaster-affected areas.

1.2 *Purpose*

- 1.2.1 This policy sets out our commitment to complying with relevant laws and any contractual obligations applicable to us relating to fraud, corruption, bribery, anti-money laundering and counter-terrorism.
- 1.2.2 It also provides a guide for our people on what to do if there is actual or suspected non-compliance.

1.3 *Scope and Governance*

- 1.3.1 This policy applies to RAWCS and all of its administered funds and subsidiaries – referred inclusively within this policy as RAWCS
- 1.3.2 This policy applies to all RAWCS staff, volunteers, Board members, committee members, suppliers and contractors. Within this policy all of these are represented by the term: “**our people**”. It also extends to all our partners.

1.3 Policy References

1.3.1 Relevant legislation and standards:

- *Australian Charities and Not-for-profits Commission Act 2012* (Cth) and *Australian Charities and Not-for-profits Commission Regulations 2013* (Cth), in particular:
 - ACNC Governance Standards 1 and 3
 - ACNC External Conduct Standards 1 and 3
- *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth)
- *Autonomous Sanctions Act 2011* (Cth)
- *Charter of the United Nations Act 1945* (Cth)
- *Criminal Code Act 1995* (Cth)
- ACFID Code of Conduct

1.3.2 Related RAWCS policies:

- RAWCS Code of Conduct
- RAWCS Delegation Policy
- RAWCS Whistleblower Policy and Procedure
- RAWCS Complaints Policy and Procedure
- RAWCS Privacy Policy
- RAWCS Conflict of Interest Policy

1.4 Definitions

Term	Definition
Fraud	To dishonestly obtain or arrange a benefit by deception or other means. Examples include: • theft such as stealing property, petty cash, gift cards, donations, client funds or corporate assets; • falsification of records, accounts or documents to deceive; • dishonesty destroying or concealing accounts or records • embezzlement or misappropriation of funding or other assets; • misuse of assets or property for personal benefit; and • forgery or issuing false or misleading statements with intent to obtain financial advantage or deceive.
Corruption	Dishonestly obtain a benefit by misuse of power, position, authority or resources. Examples include: • bribery, extortion & blackmail; • secretly giving or accepting gifts & benefits in return for preferential treatment to the giver; • collusion, false quotes, false invoices or price fixing; • manipulating design & specifications or processes for personal gain or to conceal defects; • complicity in excessive billing or submission of false support or documents or concealment of documents; • falsifying job qualifications or work or safety certifications; • nepotism (favouring relatives); and • privacy breaches or data manipulation with intent to cause harm.

Money Laundering	A process of moving money or property through the economy in a way that hides its illegal origins or intended criminal purpose.
Terrorist	Any organisation or individual on whom Australia has imposed sanctions under the <i>Charter of the United Nations Act 1945</i> (Cth) and regulations made under that Act, the <i>Autonomous Sanctions Act 2011</i> (Cth) and regulations made under that Act or who is listed in a relevant list.
Relevant List	List of proscribed entities of the Australian government, being: - Consolidated List is a list of all persons and entities listed under Australian sanctions laws: https://www.dfat.gov.au/international-relations/security/sanctions/consolidated-list - Listed terrorist organisations under the <i>Criminal Code Act 1995</i> (Cth) maintained by Australian National Security: https://www.nationalsecurity.gov.au/what-australia-is-doing/terrorist-organisations/listed-terrorist-organisations - the World Bank's List of Ineligible Firms and Individuals: https://www.worldbank.org/en/projectsoperations/procurement/debarred-firms; and - the Asian Development Bank's Sanction List: https://www.adb.org/who-we-are/integrity/sanctions

2. Principles

2.1 Guiding Principles

- 2.1.1 **Integrity:** We uphold the highest standards of honesty and ethical conduct in all transactions and interactions.
- 2.1.2 **Transparency:** We are committed to open and clear communication regarding financial practices, anti-corruption and counter terrorism measures.
- 2.1.3 **Accountability:** We ensure all our actions and decisions are subject to oversight and our people are answerable for their conduct.
- 2.1.4 **Compliance:** We will take all reasonable steps to prevent fraud, corruption, money-laundering, and/or engaging with terrorist organisations and will act promptly when actual or suspected activities are detected, ensuring that all violations are thoroughly investigated and appropriately addressed.

3. Policy Commitments

3.1 Fraud and Corruption

- 3.1.1 We have no tolerance for any fraud or corruption involving:
- any of our people or partner organisations; or
 - any of our funds or resources.
- 3.1.2 Every dollar taken by theft or fraud reduces our ability to maintain the same level of frontline services to people in need or will reduce back-office support to compensate for the loss.

- 3.1.3 Reputational damage arising from poor fraud control procedures can lead to a significant decline in confidence in RAWCS and have an adverse impact on donations and funding, leading to a severe impact on the services we deliver and back-office support than the initial theft.

3.2 *Anti-money laundering*

- 3.2.1 We will only transfer funds to a third party where:
- the third party has been reviewed and cleared in the manner set out in this policy; and
 - the transfer is directly to an account of the third party itself; and the account is with a financial institution that is not on a relevant list.
- 3.2.2 Where we receive gifts of funds, property or securities (including any cryptocurrency), we will use reasonable endeavours to identify the donor, subject to our Privacy Policy.
- 3.2.3 We will not be a conduit for the transfer of funds on behalf of any party within or outside Australia unless required under a written agreement with another entity.

3.3 *Counter-terrorism*

- 3.3.1 We will exercise due diligence to prevent our assets and resources (including funds) from supporting, directly or indirectly, any of the following entities and their activities:
- a terrorist (being a person, group or organisation who is listed in a relevant list as defined below); and
 - any organisation or individual on whom Australia has imposed sanctions under the Charter of the *United Nations Act 1945* (Cth) and regulations made under that Act, the *Autonomous Sanctions Act 2011* (Cth) and regulations made under that Act or who is listed in a relevant list.
- 3.3.2 We will take all reasonable, practicable efforts to ensure that any funding provided by RAWCS is not used to support terrorist activity.
- 3.3.3 We will ensure our people and partners are made aware of their obligations under Australian law relating to terrorist financing and of the level of risk that RAWCS may be exposed to in respect of terrorist financing.
- 3.3.4 We will take reasonable steps to ensure that we do not associate in any way with any person who is an individual or organisation of the type described above.

3.4 *Screening and due diligence*

- 3.4.1 RAWCS is committed to the prevention of financial wrongdoing and managing all donor funds with honesty, transparency and accountability in our financial operations. Our internal financial control procedures and risk management processes minimise the risk and ensure that funds are not misused but are properly managed and disbursed.
- 3.4.2 We adopt best practice principles to ensure that our activities are not associated with any fraud, corruption and terrorist individuals or organisations and that funds are not misused to support any form of terrorist activity. When we assess the suitability of a prospective project and/or implementing partner or subcontractor, we will consider their awareness of terrorism financing risks and counter-terrorism measures.

- 3.4.3 We will ensure that our accounts are with financial institutions registered with the Australian Transaction Reports and Analysis Centre (AUSTRAC) and not on a relevant list.
- 3.4.4 We will only transfer funds through our accounts or to our own people. Where we receive cash or non-cash forms of money (such as traveller's cheques, cheques and money orders) other than through a financial institution that is already registered with AUSTRAC, we will declare the receipt to AUSTRAC where required.

3.5 Controls and monitoring

- 3.5.1 We are committed to ensuring that all our people and partners are aware of counter-terrorism and anti-fraud and corruption measures set out in this policy and we will take steps to mitigate against any of our assets, funds, resources and equipment becoming support for criminal activity.
- 3.5.2 RAWCS commits to a robust framework which prevents, deters, and detects fraud, corruption, money-laundering and will put in place appropriate controls and procedures, to achieve this commitment.
- 3.5.3 We will ensure that our people are aware of the level of risk that they may be exposed to in relation to terrorism financing and, where risk is evident ensure that precautions are in place.
- 3.5.4 It is the responsibility of all our people to adhere to these controls and procedures, carrying out their work in such a way as to prevent fraud, corruption, money-laundering in all forms occurring in the workplace.
- 3.5.5 These controls will include regular monitoring of transactions and the engagement of internal and external audit professionals.
- 3.5.6 In working with our partners and communities, we will take reasonable steps to ensure that the issues of fraud, corruption, money-laundering and terrorism are discussed with them during negotiations for entering an arrangement and we will ensure that any subsequent project or funding agreements or memorandum of understanding contain relevant undertakings in relation to counter-terrorism and preventing fraud, corruption and money laundering.
- 3.5.7 We will identify and monitor the level of risk that we may be exposed to in relation to terrorism financing, and where risk is evident, take necessary precautions.

3.6 Reporting

- 3.6.1 Under this policy and the RAWCS Code of Conduct, our people are obliged to report any suspicion or allegation of prohibited practices, money laundering or the financing of terrorism that involve RAWCS activities, operations, people or partners immediately after becoming aware of the matter.
- 3.6.2 There are different scenarios through which a case of corruption or fraud may come to the attention of RAWCS:
- independent evaluation and auditing process conducted as per our partnership and project agreement requirements;
 - the lodgement of a complaint that notifies us of observed or suspected instances of corruption and fraud;
 - such a complaint could be identified either domestically or internationally and derived from within or outside the organisation.

- 3.6.3 It is in everyone's interests to prevent fraud and corruption from occurring and to speak up if they suspect fraudulent or corrupt behaviour.
- 3.6.4 Incidences of suspected fraud or corruption must be reported immediately to the National Manager Projects and Volunteers and/or the CEO.
- 3.6.5 The RAWCS Whistleblower Policy and Procedure provides reporting mechanisms and protective arrangements to encourage our people to speak up about possible wrong doing for early resolution.
- 3.6.6 RAWCS will seek to recover losses sustained through acts of fraud or corruption through all available avenues.
- 3.6.7 All incidents of fraud and corruption will be reported to external parties, where appropriate.
- 3.6.8 We will immediately investigate any domestic or international reports of terrorist risks to enable prompt prevention, mitigation, response and reporting through the following actions:
- any action, individual or organisation we suspect may be in support of terrorist activity is reported to DFAT and the Australian Federal Police or the National Security Hotline within 24 hours, including any suspicious activity or if any link is discovered between funds provided by RAWCS and a terrorist organisation or terrorist individual;
 - if we discover that any partner organisation or any recipient of RAWCS funds is on, or is subsequently added to, the Consolidated List or List of Terrorist Organisations, we would also immediately withdraw all support, including any funding.

4. Breach of Policy

- 4.1 All breaches of this policy, or where parties mislead or hinder investigations into potential violations, must be reported to the National Projects Manager and/or CEO, and may result in disciplinary action, termination and/or criminal prosecution.

5. Roles and Responsibilities

Roles	Responsibilities
National Board of Directors	• Overall responsibility for ensuring this policy complies with our legal and ethical obligations. • Approving this policy and holding the CEO accountable to how effectively this policy is implemented. • Ensuring that there is a risk framework in place and that organisational risks, which have been identified and assessed, are subject to proper mitigation, monitoring and reporting. • Ensuring that internal reporting processes identify and manage the key risks and report major control weaknesses, as well as any systemic and recurring governance problems, as they are identified.
CEO	• Responsible for ensuring this Policy is upheld. • Ensuring that there are programs and controls in place to address risk including fraud and corruption risk and that those controls are effective • Informing the Board of any concerns relating to fraud, corruption and anti-terrorism and providing progress reports on risk management.

	• Ensure that there are controls in place to address risk, including fraud, corruption and terrorism and that those controls are effective.
National Manager Projects & Volunteers	• Ensuring all project participants are aware of, and comply this policy. • Assisting project participants to responsible for managing risk, including fraud, corruption and terrorism • Fostering a culture of integrity by actively promoting and supporting whistleblowing channels to report unethical behaviour or policy violations.
All our people	• Must be familiar with, comply with and implement this policy and manage fraud, corruption, money laundering and terrorism risks. • Not engage in any fraudulent or corrupt conduct. • Be continually alert to the possibility of fraud or corruption incidents and to internal control lapses. • Inform their manager/supervisor of any suspected incidents or control lapses or weaknesses.

6. Policy Distribution

- 6.1 We will ensure that all our people are notified of and made aware that they are required to comply with the policy.
- 6.2 We will ensure our partners are familiar with this policy, and comply with implementing suitable antiterrorism financing and anti-money laundering practices and processes and further comply with applicable anti-terrorism financing and anti-money laundering laws and regulations
- 6.3 This policy will be available on our website and shared with our people.

7. Review

- 7.1. We are committed to continuous improvement to our policy, procedures and practices. This policy will be reviewed at least every three years by the CEO and approved by the National Board of Directors to ensure it is working in practice and updated as required.
- 7.2 Feedback on this and other policies is openly encouraged from our people, partners, stakeholders and the communities we work with. Feedback, as well as emerging good practice and collaborative lessons learnt across the development sector, will be used to strengthen this and related policies and procedures.

8. More information

- 8.1. If you have a query about this policy or need more information, you can contact us via:
- email: info@rawcs.org.au
 - phone: +61 2 8833 8306
 - post: Rotary Australia World Community Service Ltd
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