



Heartprint Financial Wrongdoing Prevention and Awareness Policy

Purpose

This policy sets out Heartprint's policy regarding the prevention, detection and investigation of suspected financial wrongdoing by employees and others with a business relationship with the organisation.

Scope

This policy applies to any wrongdoing or suspected wrongdoing, including fraud, corruption, terrorism financing, money laundering and violation of sanctions imposed by the government of the legal entity. This policy applies to staff and volunteers, Board Directors, vendors, contractors, and any other party with a business relationship with Heartprint including overseas implementing branches or partners.

Definitions

Fraud

"Fraud" is defined as dishonestly obtaining a benefit, or causing a loss, by deception or other unlawful and/or unethical means. It extends beyond the legal definition of fraud to benefits obtained that can be both tangible and intangible. It encompasses activities and/or behaviours broader than misuse and theft of money.

This definition of fraud includes the following:

- Forgery or alteration of documents (cheques, bank drafts, bank statements, time sheets, invoices, quotations, agreements, etc.) or bank accounts belonging to Heartprint.
- Misrepresentation of information on documents.
- Misappropriation of funds, supplies, or assets.
- Theft, disappearance, or destruction of assets.
- Improprieties in the handling or reporting of money or financial transactions.
- Authorising or receiving payments for goods not received or services not performed.
- Authorising or receiving payment for hours not worked.
- Inappropriate use of the organisation's records and disclosing confidential and proprietary information to outside parties, without consent.

Corruption

"Corruption" is defined as the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include:

- Bribery, whether offered or accepted including acceptance of funds / other benefit to alter a decision such as supplier or beneficiary selection, payment of funds to secure a

favourable outcome either personally, such as for a promotion, or for the benefit of connected parties.

- Conspiracy
- Extortion

Money Laundering

“Money Laundering” is defined as the process of concealing the origin, ownership or destination of illegally or dishonestly obtained money and hiding it within legitimate economic activities to make them appear legal.

Violation of Sanctions imposed by government

Government Sanction laws implement sanctions agreed by the United Nations Security Council, or are made autonomously or against those that appear on the terrorist list.

Terrorism Financing

“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.

Board

“Board” means the Board of Directors

Management

“Management”, means the General Manager, Managers, Supervisors and other individuals who manage or supervise funds or other resources, including managing staff.

Staff and Volunteers

‘Staff and volunteers’ are people who hold contracts with Heartprint, whether this be a permanent contract, fixed term contract or volunteer agreement.

Person

The term **‘person’** or **‘persons’** refers to one or many participants, staff and/or volunteers.

Policy and policy principles

Policy

Heartprint is committed to protecting funds and other property entrusted to it by donors from attempts by members of staff, volunteers, the public, contractors, sub-contractors, partners, partner staff, or Board members, to gain financial or other benefit by deceit. We will take all reasonable steps to prevent financial wrongdoing; and will act promptly when actual or suspected financial wrongdoing identified.

Policy principles

Heartprint:

- Maintains a ‘zero tolerance’ attitude towards financial wrongdoing. Financial wrongdoing, regardless of who this is committed against, will constitute misconduct and may be grounds for dismissal. It may lead to actions to recover any losses sustained by Heartprint as a result of such wrongdoing (including referral to law enforcement authorities)

- Requires that all staff must report any case of suspected or detected wrongdoing immediately it is detected or suspected. Reports must be made in good faith and be as thorough as possible. False or malicious allegations may result in disciplinary actions
- Adopts a risk management approach to the prevention, detection and investigation of suspected fraudulent and corrupt activity that is incorporated into its business processes, management practices, internal controls and related activities.
- Commits to creating an organisational culture that prevents wrongdoing, including senior management example, stringent recruitment processes, monitoring and evaluation to ensure funds are spent as expected, in-house training and appropriate reporting mechanisms.
- Will prosecute or apply other appropriate sanctions against those who have committed fraud and engaged in corrupt conduct.

Responsibility

- The governing body of Heartprint have ultimate responsibility for the prevention and detection and investigation of financial wrongdoing and for ensuring that appropriate internal control systems are in place.
- All personnel are responsible for: ensuring that they are familiar with and comply with financial wrongdoing policies and procedures; conducting themselves with integrity and avoiding financial wrongdoing of any kind; demonstrating awareness of prevention of financial wrongdoing practices; and reporting all suspected cases of financial wrongdoing as soon as possible in line with the policy.
- The General Manager is responsible for the design of the internal control environment to ensure that financial wrongdoing is prevented.
- The General Manager is responsible for ensuring that the internal control environment is effective.
- All staff are responsible for operating in accordance with the internal control environment.
- The Board are responsible for oversight of the internal control environment.
- Managers have a responsibility to: be aware of areas in their sections that have high risk of financial wrongdoing; role model a zero tolerance for financial wrongdoing culture within their teams and throughout the organisation; ensure that prevention of financial wrongdoing policies and procedures are communicated and understood amongst their teams; and understand the applicable legal environment for their areas.
- The GM is responsible for managing the investigation process, including appointment of the investigation team, consideration of reporting the financial wrongdoing to external bodies (in consultation with the governing body), and deciding on disciplinary action. If the GM is implicated in the financial wrongdoing, this responsibility reverts to the Chair of the governing body.
- All managers should ensure that they assess the risk of financial wrongdoing in their areas of responsibility, are alert to any indicators of such conduct, ensure that their teams are trained in financial wrongdoing awareness and facilitate reporting of any suspected financial wrongdoing.
- All staff and volunteers have responsibility for preventing and detecting financial wrongdoing.
- Every employee of Heartprint has an obligation to assist in upholding this policy. The Board has responsibility for the monitoring and review of this policy.

Reporting of Financial Wrongdoing

All employees have a duty to report concerns they have, or information provided to them, about the possible fraudulent or corrupt activity of any employee, Board member, contractor, vendor, or any other party with an association with Heartprint.

Any employee who has a reasonable basis for believing wrongdoing has occurred must report the suspected act immediately.

Wrongdoing can be reported orally in person or by telephone, or in writing to a supervisor or a more senior manager. Where reports are made orally we will ensure the report is documented and followed up.

If the employee suspects that the supervisor or manager could be involved, or could have a conflict of interest; then the employee should report the matter to a more senior manager or the GM.

Where the whistleblower wishes to remain anonymous the report can be addressed to:

Email: Information@heartprint.org.au

Any person who reports an actual or suspected fraud in good faith, shall be protected as set out in the published Whistle-Blower Policy.

If at any time, a staff member believes that the action taken in response to the matter reported is inappropriate or insufficient; the employee must notify the GM in the first instance and then, the Board.