POLICY G015: FRAUD AND ANTI-CORRUPTION POLICY

Responsible person:	CEO	Version:	2.2
Approved by Board of Directors on:	27 February 2019	Scheduled review date:	May 2027

PREAMBLE

This policy was written by So They Can (Australian Entity) for use across all So They Can offices. So They Can operates five offices registered in each of Australia, Kenya, Tanzania, New Zealand, the USA and England & Wales, which are part of the So They Can Global Alliance. In this policy, 'CEO' means CEO of So They Can (Australian Entity). Unless specified otherwise the 'Board' refers to the board of So They Can (Australian Entity). This policy is intended for all So They Can staff, Board members and volunteers, in all 6 So They Can offices. So They Can procedures are consistent with So They Can policies.

DEFINITIONS

Fraud

This policy adopts the *Commonwealth Fraud Control Framework's 2014* definition of fraud as 'dishonestly obtaining a benefit or causing a loss by deception or other means'. This includes:

- Theft
- Obtaining property, a financial advantage or any other benefit by deception
- Causing a loss, or avoiding or creating a liability by deception
- Providing false or misleading information, or failing to provide information where there is an obligation to do so
- Making, using or possessing forged or falsified documents
- Bribery, corruption or abuse of position
- Unlawful use of computers, vehicles, telephones and other property or services
- Divulging confidential information to outside sources
- Hacking into, or interfering with a computer system, and
- Any offences of a like nature to those listed above.

So They Can, due to the added risks of delivering programs in challenging overseas environments and in consideration of the DFAT Fraud and Anti-Corruption Guidance for DFAT Partners has extended this definition to expressly forbid all facilitation payments.

Facilitation payments are defined under section 70.4 of the *Australia Criminal Code Act 1995*. The code defines these as payments to foreign public officials for the 'sole or dominant purpose of expediting or securing the performance of a routine government action of a minor nature.' Facilitation payments are indistinct from bribes in many jurisdictions.

Corruption – So They Can defines corruption as the abuse of entrusted power for private gain. Corruption can be large or small scale, political in nature and is usually perpetrated for financial gain.

- Large scale corruption can consist of acts that distort policies or the general functioning of the State.
- Small scale corruption refers to the abuse of power by lower to mid-level government officials.
- Political corruption refers to the abuse of power to manipulate policies of institutions for political gain.

So They Can Representatives – are all individuals and institutions who act on behalf of So They Can regardless of whether or not there is a formal legal agreement between them and So They Can. This includes, but is not limited to, all trustees, members, directors, employees, contractors, consultants, advisors, volunteers, and implementing partners irrespective of which country their role is situated. In this document So They Can refers any or all of the international So They Can entities registered in Australia, New Zealand, Kenya, Tanzania and USA.

POLICY STATEMENT

So They Can has an obligation to all stakeholders to ensure that all financial and in – kind resources used and disbursed by So They Can are used only for their articulated purposes and that processes are in place to protect those funds from fraud both in Australia but and in all other countries where So they Can works.

So They Can will uphold all laws relevant to countering corruption and fraudulent activity in all jurisdictions in which it works and expects all project partners to uphold relevant legislation in their local jurisdictions.

All So They Can Representatives must report without delay all cases of attempted, alleged, suspected or detected fraud and corruption. All cases of fraud and corruption are handled in a confidential, prompt and professional manner in accordance with procedures set in So They Can Complaints Policy and So They Can Whistleblowing Policy.

All proved corruption and fraud will constitute grounds for dismissal. Serious cases of fraud, whether suspected or proven, will be reported to the relevant civil authorities

PRINCIPLES

The So They Can Fraud and Anti-corruption policy is based on the "Zero tolerance" principles which in practice means that So They Can will:

- investigate all alleged instances or reports of fraud and corruption to determine the nature and extent of the fraud
- apply appropriate administrative or contractual sanctions, including termination of engagement
- seek prosecution of offenders and the application of appropriate penalties, including through referral to local law enforcement authorities overseas and/or the Australian Federal Police, and
- seek the recovery of misappropriated funds or assets.

A zero tolerance approach to fraud and corruption does not mean that all fraud and corruption can be avoided or prevented. Instead a zero tolerance approach represents a set of principles and actions that

are applied by So They Can to prevent, detect, investigate and respond to fraud and corruption in order to effectively manage risks. These are outlined in Attachment A – Fraud and Corruption Control Plan.

POLICY IN ACTION

By adopting this Policy So They Can management commits to:

- Adopting a risk management approach to the prevention, detection and investigation of suspected fraudulent activity that is incorporated into its business process, management practices, internal controls and related activities;
- Training So They Can representatives in ethics, privacy and fraud and bribery awareness including their responsibility to report potential fraud matters within 24 hours of detection.
- Supporting internal and external processes for safe reporting of wrongdoing (So They Can Whistleblowing and Complaints Handling Policy) and ensuring So They Can Representative have received training on these policies and are familiar with the reporting and investigation procedures.
- Prosecution and application of appropriate sanctions against those who have committed fraud.
- Adherence to the So They Can Conflict of Interest Policy including ensuring that So They Can Representatives do not make or cause to be made, receive or seek to receive any offer, gift, payment or benefit of any kind, which could be construed as an illegal or corrupt act.
- Reporting suspected or detected cases of fraud to the donor and taking all necessary actions to achieve recovery of misappropriated funds or assets. On a regular basis keep the donor informed of the progress of its efforts to recover the subject of fraud or corruption.
- Managing program finances and assets including the use and maintenance of asset registers.

RELATED DOCUMENTS

- So They Can Policy and Manual Register
- So They Can Whistleblowing Policy
- So They Can Complaints Policy
- So They Can Conflict of Interest Policy
- So They Can Finance Manual
- DFAT Fraud & Anti-corruption Guidance for DFAT Partners

Date	Version	Comment
May 2018	1.0	
February 2019	2.1	Review of the policy in line with DFAT requirements
10 December 2019	2.2	Changed reporting obligation from 5 days to 24 hours since detection
31 May 2021	2.2	Regular policy review, no amendments, grammar corrected
22 March 2023	2.2	Regular policy review, no amendments except for updated preamble
21 May 2025	2.2	Regular Policy review, added England

		& Wales entity to preamble

ATTACHMENT A

So They Can Fraud and Corruption Control Plan

So They Can has a zero-tolerance policy towards Fraud and Corruption and takes its responsibilities most seriously. So They Can has a range of policies and procedures in place that are designed to minimise exposure to fraud, corruption and terrorism funding.

So They Can has clear procedures for reporting alleged fraud and corruption.

Financial systems are in place to ensure that expenditure of So They Can funds is carefully managed. To this end as part of its Procurement Policy So They Can follows a principle of "Value for Money" which ensures expenditure is economical, efficient, effective and ethical. There is a clear process of separation of duties in the approval of expenditure.

So They Can exercises due diligence in ensuring that all payments are made in line with our policies and procedures. No funding is provided to organisations outside of the So They Can Global Alliance which limits risks for terrorism financing.

So They Can has an Audit and Risk Committee which is active in identifying fraud and corruption risk and responsible for recommending appropriate risk controls and reports.

So They Can will work with DFAT and the Police should there be an allegation of fraud or corruption which requires investigation.

In the unlikely event of fraud or corruption being alleged or identified, So They Can has an effective risk management strategy which would manage the current risk and ensure revised training and diligence checks are implemented as part of a learning process.

So They Can is an organisation with integrity at all levels. It ensures that all fundraising, expenditure and program delivery is within ethical guidelines, free of conflict of interest and open to regular and thorough auditing process.

So They Can Anti-Fraud or Corruption Procedures

Reporting can be verbal or in writing, and is done in one of two ways:

1. Reporting directly to supervisor including Country Director, CFO, CEO or a Board Director.
2. Reporting through an online platform Whispli available to all So They Can Representatives to report concerns of suspected or anticipated wrongdoing or unethical behaviour by another person, or a group of persons, within the So They Can organisation in an entirely safe way. The person making the report can chose to provide his/her contact details, only available to the person investigating the Incident Report, or to remain anonymous.

So They Can will report any suspicions of the diversion of funds or assets to terrorists, or terrorist organisations, to:

- National Security Hotline – 1800 123 400
- DFAT Sanctions Section – sanctions@dfat.gov.au]
- Transnational Crime Section – transnational.crime@dfat.gov.au

The procedures for investigation of an actual or a suspected fraud are aligned with investigation procedures contained in So They Can Whistleblowing Policy as follows.

If an incident report is submitted through Whispli it goes directly to the CEO, the CFO and the Head of the So They Can Audit and Risk Committee).

If an incident report is received directly by the CFO, Country Director or Board Member, he or she will also forward to the CEO.

The CEO responds to the author of the complaint thanking them for their concern and bringing it to So They Can's attention and informing them the matter will be investigated.

The CEO will instruct the case manager to investigate. The Board, the CEO, or the relevant Country Director will become the case manager in charge of the investigation according to:

- If a complaint is about a So They Can Country Director then the CEO will manage the investigation.
- If the complaint is about the CEO then the CFO and Head of ARC will instruct the So They Can Board to manage the investigation.
- Where a complaint does not involved the CEO, and the complaint is of a medium or high risk as specified by a Risk Rating matrix in So They Can's Risk Management Policy, the CEO will inform the So They Can International Board and relevant in country Board of the complaint.

The case manager will do an initial assessment to confirm it is a valid report and begin investigation. This can include corresponding with the informant via the Whispli platform or another channel if details are disclosed by the information. The case manager will keep the So They Can Board and/or the CEO updated on the progress of the investigation.

Once the case manager has finalised their investigation and report, management and the informant will be updated. At this point, the case manager will hand everything over to So They Can executive management for any subsequent action to take place.

Where the complaint is medium or high risk the CEO will inform the author and the Boards of the result of the investigation.

Representatives may also raise their concerns verbally or in writing with their immediate manager, Project Supervisor or Country Manager, or, if not comfortable with doing so, they have the option to raise the matter

directly with the CEO or a Board director, and should include full details together with any supporting evidence that may be available. They should state they are using the Whistleblowing Policy and specify whether they wish for their identity to be kept confidential. People choosing to raise their concerns in writing must use the template So They Can Incident Report contained within So They Can Incident Management Plan.

Action where the investigation does not establish Fraud or Corruption

Where the So They Can Executive Management Team determines that fraud or corruption has not occurred, the file will be closed and parties to the investigation will be notified. Where the investigation related to an allegation against an employee, the employee's file will not contain any record of the allegation, investigation or report.

Action where the investigation establishes Fraud or Corruption

Where the So They Can Executive Management Team determines that fraud or corruption has occurred, So They Can will notify and work with Police as required. So They Can will initiate disciplinary proceedings against employees who it determines have engaged in fraud or corruption. Such action may result in dismissal of such employees. So They Can will take appropriate actions against volunteers, consultants, contractors, suppliers and partners who it determines having engaged in fraud or corruption, including termination for cause, and such individuals/companies will not be eligible for further work with So They Can. Where So They Can is the victim of a fraud or corruption, it may attempt to recover the losses it has sustained including through legal proceedings.

Follow-Up Reports on Actions Taken

So They Can's Audit and Risk Committee will be provided with status reports on actions taken by the So They Can Executive Management Team on all complaints received.

Protection against Retaliation

Individuals who believe retaliatory action has been taken against them because they have reported fraud or corruption should forward all information and documentation to support their complaint to the CEO or CFO depending on the circumstance. Reports of retaliation will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The allegation will be investigated by the CFO who will make recommendations to the CEO on appropriate action to be taken.