WHO THIS POLICY APPLIES TO

This policy applies to all HAG employees, associates, advisors, interns, and partners including contractors, subcontractors, volunteers, and other members of the organisation.

Working with partners

HAG is committed to work with all partners to ensure they understand, and provide written agreement to work in line with, this policy. HAG is further committed to understanding any partner requirements and policies and providing written agreement to abide with these as well. Once written agreement of this policy and a discussion with the partners about mutual responsibility has taken place and been documented, it is the responsibility of the partner to implement the policy.

HAG will check in with partners on an annual basis to discuss how the policy has been implemented and provide any further support if required in relation to addressing implementation challenges.

PREVENTING FRAUD AND CORRUPTION

Humanitarian Advisory Group has a zero-tolerance approach to fraud and corruption in any form, under any circumstance. This includes fraud and corruption by staff, interns, contractors, partners or clients.

Fraud is defined as any action carried out with the intent to deliberately deceive for personal gain.

Fraudulent Activity or Fraud or Fraudulent means dishonestly obtaining a benefit, or causing a loss, by deception or other means, and includes incidents of attempted, alleged, suspected or detected fraud. Fraud also includes conduct or practice that could contravene the Australian offence of bribing a foreign public official and includes the making of a facilitation payment as set out in the Criminal Code Act 1995 (Cth).

Corruption is defined as the abuse of entrusted power for private gain, including bribery.
PREVENTING TERRORISM-FINANCING

The financing of terrorism is any process by which individuals or organisations fund or make assets available to other individuals or organisations that support terrorist operations or the operatives that perform terrorist acts.

Humanitarian Advisory Group staff are obligated to identify the risk of terrorism-financing within the operating context of their project and implement controls to safeguard funds from individuals or organisations that are directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act. This includes conducting due diligence on any contractor, partner, national consultant or grantee against the following databases:

1. Australian National Security Listed Terrorist Organisations, which contains a list of terrorist organisations that have been formally declared as involved in terrorism

2. Consolidated List, which contains a list of persons or entities that have been sanctioned under United Nations Security Council and Australian autonomous sanctions. Funding recipients can subscribe to receive updates of the consolidated list here.

Staff are obligated to report any suspicions of the diversion of funds or assets to terrorists, or terrorist organisations, to a HAG Director: Kate Sutton or Beth Eggleston or Compliance Focal Point.

Further information on Humanitarian Advisory Group’s policies on preventing terrorism financing can be found in our Engaging Partners, Consultants and Contractors Policy (see “Procurement”).

RISK - ASSESSMENT AND MANAGEMENT

This policy takes a risk-based, proportional approach to preventing and responding to fraud and corruption. Our responses and management measures will be specific to reduce and address risks within the specific contexts in which we work. This approach involves three steps.

1. Risk identification
2. Risk management planning
3. Apply appropriate mitigation steps and standards

Our Risk Management Policy outlines our approach to manage all risk, including fraud and corruption across our work. Specific aspects relevant to fraud and corruption are outlined below.
1. Risk identification

The purpose of this step is to consider fraud and corruption risks for both the organisation; its partners and in any given project. Risk assessments are to be undertaken prior to starting any new project. The assessment must be maintained annually, and updated more regularly if required (for example, for travel or a change in the circumstance of the activity).

HAG holds an internal risk management and safeguarding working group meeting quarterly to review ongoing and emerging risks, including fraud and corruption considerations, for HAG and our partners. Risk is also a standing item in monthly Director meetings and risk control strategies are implemented as a result of Director decisions in those meetings.

A more formal risk assessment of key aspects of company operations is undertaken every 2 years: the last formal independent risk assessment was undertaken in 2020 and the company is due to undertake the next independent risk assessment in 2022.

External risk audits conducted:

<table>
<thead>
<tr>
<th>Type of Audit</th>
<th>Date completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources risk audit</td>
<td>July 2018</td>
</tr>
<tr>
<td>General company-wide risk audit</td>
<td>June 2020</td>
</tr>
</tbody>
</table>
2. Risk management planning
For each risk, project leads, and where appropriate partners, are required to consider the action that can be taken to avoid or reduce the risk and the action that can be taken to mitigate the impact if the risk does occur.

Resources for protecting the organisation from fraud, corruption and bribery include:

3. Apply appropriate mitigation measures and standards
At an organisational level the following control measures are in place to manage risk:

- Risk assessments as a standing item for HR, Legal and IT in monthly Director meetings.
- Directors share quarterly financial reports with the team at quarterly meetings.
- KPIs (objectives and key results areas for the business) are measured and reported on at quarterly meetings.
- All staff, contractors, and partners are required to be bound by Humanitarian Advisory Group’s Code of Conduct and Terms and Conditions of Service that demand ethical, honest behaviour to the highest standard at all times.
- HAG Accounts manages the financial processes independently and provides monthly reports to HAG Directors including reporting on risk indicators.
- An accountant reviews the accounts annually and independently provides an end of FY financial report.
- An external auditor is contracted to provide annual audits on our largest contract for our Humanitarian Horizons program.
- External risk audits are conducted as required.

At the project level, controls and measures to manage any risk of fraud and corruption will be implemented by project leads, and where appropriate, accompanying partners.

When assessing fraud risks and identifying treatments staff should consider:

- the operating environment and associated risks
- possible methods for committing fraud,
- what might be attractive to a potential fraud perpetrator
- what existing treatments are in place to prevent or detect fraud
- how current prevention measures might be circumvented.

Staff may refer to the DFAT Fraud Control Kit for funding recipients for guidance on conducting risk assessments and managing fraud risk.
REPORTING AND INVESTIGATION

There are two types of reporting required under this policy:

- Mandatory and immediate (incident reporting) – Within two working days of becoming aware of the alleged incident, HAG staff and/or partners must report the fraud and corruption incident to HAG. Reports should be made via email and submitted to the Compliance focal point or Co-Director (Kate Sutton or Beth Eggleston ksutton@hag.org.au / beggleston@hag.org.au).

- Mandatory reporting (non-compliance reporting) – within three working days of becoming aware of any alleged Policy non-compliance; for example, failure to adhere to the fraud and corruption policy or principles. Reports can be made via email and submitted to the Compliance focal point or Co-Director (Kate Sutton or Beth Eggleston ksutton@hag.org.au / beggleston@hag.org.au).

Note the current Compliance focal point is: Operations and Admin, Kelly Nichols, reports can be sent direct to Kelly at knichols@hag.org.au or to admin@hag.org.au which is managed by the Compliance focal point and only accessible to that person.

Managers or Compliance Focal point receiving reports are required to immediately pass on the report to Co-Director Kate Sutton. The Co-Director has the responsibility of leading the response to the report, including the investigation. Where any alleged report concerns the Director, reports should be made to Compliance Focal Point (Operations and Admin, Kelly Nichols knichols@hag.org.au or admin@hag.org.au) who will appoint an independent investigator external to HAG.

Delegations
Where both Directors are on leave / unavailable an Executive will be appointed in an acting role. When Operations and Administration / Compliance Officer is on leave / unavailable an out of office will be established for the admin@ email address that receives reports directing emailers to the email address of a deputy Compliance Officer. The Deputy will not have access to the admin@ email to ensure HAG can maintain a culture of confidentiality.

Who reports and what is reported?
Where a Humanitarian Advisory Group representative and partner develops concerns or suspicions regarding fraud and corruption by a fellow worker, whether in the same agency or not, he or she must report such concerns. All staff and partners are expected to report any incident or suspected fraud and corruption incident, including policy non-compliance within the time frames outline above. Suspicions are adequate to require mandatory reporting.
Managing and investigating reports

Following submission of a report, if an investigation is required it will be led either by one or both Directors, the Compliance focal point, or if needed appointed external investigator. The decision to appoint an external investigator rests with the Directors, except in the event that the either Director is the alleged perpetrator (in which case it would sit with the Operations and Admin role).

Accurate records must be kept on the investigation process and outcomes. All records and documentation of reports and investigations (both process and outcomes) will be kept confidential and in a secure place.

Any Director or staff member who may manage and investigate reports are required to receive training to ensure investigators are trained on sensitive investigations and on a victim/survivor centred approach.

RECEIVING REPORTS

When a Director or Compliance Focal point receives a report they should follow this procedure:

1. Listen to the report seriously and treat the report confidentially. Invite the whistle-blower to bring another person to the interview if they choose to.

2. Ask for an account of what happened and take written notes – either in addition to the completed Incident Report form (if already completed by Whistle blower) or directly into the Incident Report form (if it hasn’t already been completed). Use the form as a guide for the information you need to ask for.

3. Check if the whistle-blower of the alleged incident needs any specific support and refer them to a suitable service as applicable.

4. Once the whistle blower has read the notes and agrees with their accuracy, discuss and agree on the next steps. Next steps may include:
   - Passing on the report to another person, either within HAG or externally;
   - An internal investigation being undertaken;
   - Referral to relevant law enforcement channels, where applicable;
   - Forwarding the report to a Client, where relevant.

If the report concerns policy non-compliance, take necessary steps to correct this and a written record of steps taken.

If investigation is not requested or consented to, or if the Director/Focal Point is satisfied that the conduct reported is not in breach of HAG’s fraud and corruption policy, then the Director/Focal Point should keep a full written record of the process and outcome.

If an investigation is requested or required because the Director/Focal Point believes a breach of the fraud and corruption policy has occurred, then the incident must be reported to the Directors for investigation or referred for external investigation.
INVESTIGATING REPORTS

As a first step HAG Directors will assess whether the investigation can be managed internally or if external independent assistance is required. In most cases of serious allegations that concern fraud and corruption, HAG will work with qualified professionals trained on investigations. Our independent partner is [https://www.worklogic.com.au](https://www.worklogic.com.au).

If the investigation is managed internally then the following steps will be taken:

1. Identify all people directly concerned with the incident and interview them separately and confidentially.
2. Interview the alleged perpetrator, separately and confidentially, and let the alleged perpetrator know what has been alleged. Give them a chance to respond to the accusation.
3. Listen carefully and keep detailed, written records of interviews and the investigation.
4. Keep records in a secure location, and separate from records of other reports, with access to these records limited to those for whom it is necessary.
5. Ensure confidentiality and minimise disclosure.
6. Decide on appropriate action based on investigation and evidence collected.
7. If the alleged behaviour would breach local laws determine if it is safe to report to local authorities. Make such reports where applicable.
8. Enact any disciplinary action decided on in line with the outcome of the investigation.
9. Update record of incident in the Safeguarding Incident Reports Log with the outcome of the report.

In signing this document, I understand and agree to abide by HAG’s Fraud and Corruption policy.

Name: ___________________________ Signature: ___________________________

Date: ___________________________