



1 Introduction

The Leprosy Mission Australia (TLMA) is committed to ensuring the appropriate allocation of funds to our projects and staff resources. TLMA acknowledges that in some circumstances our finances and resources may be compromised due to dishonesty and lack of integrity. It is TLMA's intention to maintain an honest and just system of managing our resources and finances.

It is the purpose of this policy to address the issues of fraud, bribery and corruption and ensure that misconduct consistent with these activities is fully investigated and based on findings take proper action.

1.1 Definitions

Fraud is defined as wrongful deception intended to result in financial or personal gain. Fraud is an act carried out either by an internal source (staff, Board member, volunteer etc.) or external source (anyone else) with the deliberate intention of deceiving TLMA, its donors, beneficiaries, or the general public to gain a personal advantage, or cause loss to another.

Bribery is defined as offering, promising, giving, accepting, or soliciting of money, a gift or other advantage, as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organisation's activities.

The purpose of a bribe is to "induce a person to perform improperly a relevant function or activity" or to reward a person for the improper performance of such a function or activity to gain any commercial, contractual, regulatory or personal advantage.

A bribe can take many forms and be of any size. Where the offer or receipt is intended for an employee's family or friends, or when bribery takes place through third parties, it is still considered a bribe.

Bribery includes but is not exhaustive of:

- Abnormal cash payments being received or given
- Lavish gifts being received or given
- Invoices being agreed in-excess of contract without reasonable cause
- Payments or gifts to facilitate or speed up process, or to gain favours
- Extortion – the situation where someone demands money to do his legal job in a legal way and would refuse to perform this responsibility until they receive a gift
- Extending excessive hospitality.

Corruption is a form of dishonesty or fraudulent activity undertaken by a person with a position of authority or organisation entrusted, often to acquire illicit benefit. It can also be the abuse of entrusted power for private gain.¹

¹ ACFID Financial Wrongdoing Policy - Definitions (<https://acfid.asn.au/financial-wrongdoing-policy/part-2-good-practice-guidelines-and-tips>)

Corruption includes but is not exhaustive of:

- Acts committed at a high level that distort policies or the central functioning of the organisation, enabling leaders to benefit at the expense of the public good.
- everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, government departments and other agencies.
- manipulation of policies and rules of procedure in the allocation of resources and financing by decision makers, who abuse their position to sustain their power, and status in an organisation

2 Scope of Policy

This policy applies to all TLMA staff members, TLMA Board members, volunteers, consultants, contractors, and agents. Every member of staff and associated person acting for, or on behalf of, TLMA is responsible for maintaining the highest standards of business conduct. Roles and responsibilities are set out below:

2.1 The Board

The TLMA Board are responsible for:

- creating a culture of Zero Tolerance toward financial wrongdoing;
- providing governance guidance for TLMA in relation to financial wrongdoing;
- holding CEO and management team accountable to this Policy.

2.2 Senior Management

Senior management are responsible for:

- ensuring this Policy is upheld, regularly updated, and will inform the Board of any concerns relating to financial wrongdoing that may present risk to TLM, its personnel, beneficiaries, partners, reputation, operations or other activities;
- ensuring that appropriate risk assessment and mitigation controls are put in place and regularly reviewed;
- ensuring procedures, practices, plans and operations align with this Policy;
- ensuring that all entities and relevant personnel are trained to be aware of, and understand, this Policy and their responsibilities under it.

It is TLMA's intent to restrict unauthorised transactions and access to resources that are not within scope of an employee's role or function of their position. Every person involved in any business transaction must disclose any conflict of interest.

3 Commitment

It is TLMA's commitment to ensure that our business practices are consistent with our values and our Code of Conduct.

TLMA has a zero-tolerance approach to corrupt conduct by our workers and partners. TLMA is committed to ensuring our staff are aware of their requirements to report any issues of corruption, or suspected corruption by TLMA workers or partners. It is mandatory for TLMA workers to immediately advise either the SafeCall, Designated Safeguarding Officer (DSO), Designated Safeguarding Lead (DSL), Deputy DSL, CEO or Board Safeguarding Lead of any form of corruption or financial wrongdoing including bribery, fraud, money-laundering, breach of sanctions or terrorism

financing occurring in our operations and programs and a full investigation will be conducted by the relevant leads and reported back to TLMA Board and/or TLMA Governance and Risk Committee.

It is important to highlight that corruption is a serious form of misconduct and if substantiated against a TLMA worker, will be dealt with in accordance with TLMA's Disciplinary Procedure (refer to TLMA Staff Manual).

TLMA is committed to the following:

- The highest standards of ethical conduct and integrity in its business activities in Australia and overseas, including Implementing Countries.
- Implementing effective measures to prevent, monitor and guard against financial wrongdoing by adopting a risk management approach.
- Taking measures to prevent corruption and financial wrongdoing in our work.
- Fully investigating and dealing with any instances of alleged or suspected financial wrongdoing, including bribery, fraud, money-laundering, or terrorism financing.
- The protection of Whistleblowers who reveal incidents of financial wrongdoing, bribery, fraud, money-laundering or corrupt conduct in line with TLMA's Whistleblowing Policy.
- Maintaining a "zero tolerance" attitude towards corruption and financial wrongdoing. TLMA will not tolerate any form of bribery, fraud, money laundering, terrorism financing or breach of sanctions by its staff members, Board members, partners, agents, consultants or volunteers or any person or body acting on its behalf.
- Promote honesty, fairness and transparency in all its dealings, including working with partners in Implementing Countries to ensure that they have a local compliant policy and are committed to taking appropriate action in response to any allegation of financial wrongdoing or corruption amongst their personnel.
- Immediately reporting any case of suspected or detected financial wrongdoing to the Department of Foreign Affairs and Trade (DFAT), where DFAT monies are involved for TLMA projects.
- Adhering to the sanctions² imposed by the Australian government (including the sanction regimes implemented by the United Nations Security Council) in relation to particular countries, goods and services, or persons and entities in the development of our partnerships, programs, and operations.

4 TLMA Reporting Responsibilities

TLMA is required to adhere to several standards and legislative requirements that shape our operations. It is our obligation to ensure our standards align with the requirements of ACFID, ACNC, DFAT, TLMI, Australian Federal Police and local authorities where applicable as outlined in our Safeguarding Procedures.

² Australian Government sanctions outlined on DFAT's website (<https://dfat.gov.au/international-relations/security/sanctions/Pages/sanctions.aspx>)

4.1 Other Entities

It is TLMA's intention to advise any other relevant authority of corruption matters involving TLMA workers or partners if required. TLMA will cooperate with legal entities involved with the investigation or prosecution of TLMA workers in relation to corruption matters.

5 Accountability

TLMA is committed to advising workers of their obligations under this policy. Therefore, we will ensure regular training is conducted with TLMA workers and partners for integration of these standards with all operations and our practice.

It is our intention to integrate strategies within our business operations in accordance with DFAT's Fraud Control Self-Assessment Checklist³ (Attachment 2). Refer to Anti-Corruption Procedure for further details.

It is our commitment to excellence and integrity that drives our strategy for improved performance and systems. We are dedicated to ensuring that our beneficiaries, donors, and partners are confident that we are conducting our operations in a manner that aligns with our values and responsibilities.

6 Breach of this Policy

Anyone found to have breached this Policy, including failing to report fraud, bribery or anti-corruption concerns or co-operate with investigations, will face appropriate action from TLMA to the extent of our authority. The consequences may amount to one or more of the following (this is a non-exhaustive list):

- a) Disciplinary action, which may amount to dismissal of staff
- b) Termination of engagement for Board members, volunteers, and other representatives.
- c) Termination of contract for consultants/contractors
- d) Suspension/withdrawal of funding/support and ending the relationship with TLMA for Members, Partners, and Suppliers.
- e) The matter being reported to the relevant law enforcement and other agencies where appropriate.

7 Contacts

Contacts to whom a complaint can be made can be found on the [Safeguarding](#) page on our website.

8 Key Legislation and Standards

- [Australian Charities and Not-for-profits Commission Act 2012](#)
- [Australian Charities and Not for profits Commission Amendment \(2018 Measures No. 2\) Regulations 2018](#)
- [Criminal Code Act 1995](#)
- [Criminal Code Amendment \(Theft, Fraud, Bribery and Related Offences\) Act 2000](#)
- ACNC [Governance Standards](#) and [External Conduct Standards](#)
- [ACFID Code of Conduct](#)
- [DFAT Fraud Strategy Statement](#)
- [DFAT Fraud Control Toolkit](#)

³ Obtained from DFAT Fraud Control Toolkit, Version 1.2, November 2018 (<https://dfat.gov.au/about-us/publications/Documents/fraud-control-toolkit-for-funding-recipients.pdf>)

9 Related Documents

TLMA:

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- Child and Vulnerable Adults Protection Policy and Procedure
- Code of Acceptance and Refusal of Donations Policy
- Counter-Terrorism Policy
- Currency Exchange Policy
- Finance and Administration Manual
- Partnership and Participation Policy
- Risk Management Policy
- Safeguarding Policy and Procedure
- Staff Manual
- Disciplinary Guidelines
- Whistleblowing Policy and Procedure

TLM's wider Safeguarding and protection measures are implemented through the following policies and procedures:

- Safeguarding Policy
- Safety and Security Policy
- Whistleblowing Policy

10 Policy Review

This Policy will be reviewed in 2 years, or as required.

10.1 Revision History

Version	Date	Author	Summary
5.0	15 July 2021	Nerida Collard	New draft created for next revision
5.1	26 April 2023	Geraldine Toh, Nerida Collard	Amended for FAC review
5.2	15 August 2023	Nerida Collard	Amended to include repercussions of breach

Version	Date	Approved by
1.0	4 May 2015	TLMA Board
2.3	30 April 2018	TLMA Board
3.4	4 March 2019	TLMA Board
4.3	28 June 2021	TLMA Board
5.2	25 September 2023	TLMA Board

11 Attachments

1. Key Definitions and Concepts
2. DFAT Fraud Control Self-Assessment Checklist

Attachment 1: Key Definitions and Concepts

Beneficiary	An individual in receipt of programs, services, and assistance from TLMA. In most cases, this is a person located in one of the six countries we have programs operating in and may be affected by leprosy and/or disability.
Bribery	<p>The promise or delivery of a benefit in order to influence the receiver’s behaviour.⁴ It is the offering, promising, giving, accepting, or soliciting of money, a gift, or other advantage as an inducement to do something that is illegal or a breach of trust in the course of carrying out an organisation’s activities.⁵</p> <p>The purpose of a bribe is to “induce a person to perform improperly a relevant function or activity” or to reward a person for the improper performance of such a function or activity to gain any commercial, contractual, regulatory, or personal advantage.</p> <p>The term bribery includes but is not exhaustive of:</p> <ul style="list-style-type: none"> • abnormal cash payments being received or given; • lavish gifts being received or given; • invoices being agreed in excess of contract without reasonable cause; • payments or gifts to facilitate or speed up process, or to gain favours; • extortion, that is, the situation where someone demands money to do his or her legal job in a legal way and would refuse to perform this responsibility until he or she receives a gift; and • excessive hospitality.
Corruption	<p>Is a form of dishonesty or fraudulent activity undertaken by a person with a position of authority or organisation entrusted, often to acquire illicit benefit.</p> <p>The abuse of entrusted power for private gain.⁶</p> <p>Corruption includes but is not exhaustive of:</p> <ul style="list-style-type: none"> • Acts committed at a high level that distort policies or the central functioning of the organisation, enabling leaders to benefit at the expense of the public good. • everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, government departments and other agencies.

⁴ DFAT Fraud Control Toolkit, November 2018, p28 (<https://dfat.gov.au/about-us/publications/Documents/fraud-control-toolkit-for-funding-recipients.pdf>)

⁵ Anti-Bribery Principles and Guidance for NGOs, Bond for International Development and Mango, June 2011 (https://humentum.org/sites/default/files/free_resources/NGO-anti-corruption-principles-final-Oct-2011.pdf)

⁶ ACFID Financial Wrongdoing Policy - Definitions (<https://acfid.asn.au/financial-wrongdoing-policy/part-2-good-practice-guidelines-and-tips>)

	<ul style="list-style-type: none"> manipulation of policies and rules of procedure in the allocation of resources and financing by decision makers, who abuse their position to sustain their power, and status in an organisation
Customer/s	An individual, or group, providing donations or purchasing goods or services (e.g. visiting TLMA-funded IC programs and projects) from TLMA in support of people affected by leprosy.
Designated Safeguarding Lead (DSL)	<p>A person specifically designated and trained to receive Safeguarding, CAVAP and Whistleblowing concerns and complaints. The DSL will ensure appropriate supports are implemented to assist individuals impacted by Safeguarding issues.</p> <p>TLMA Deputy DSL will support the DSL in these tasks or will lead these activities in any event where the DSL may be unavailable or it may be inappropriate for the DSL to undertake these duties, for example, if Safeguarding allegations have been raised against the DSL.</p> <p>For further information regarding the DSL's role and responsibilities refer to Safeguarding Policy.</p>
Financial Wrongdoing	Behaviour that is illegal or immoral with regards to financial transactions. Includes bribery, corruption, fraud, money-laundering, terrorism financing and violation of sanctions imposed by the Australian government. ⁷
Fraud	<p>"Dishonestly obtaining a benefit, or causing a loss, by deception or other means."⁸ It extends beyond the legal definition of fraud to benefits obtained that can be both tangible, such as money or objects, and intangible, including power, status or information. Hence, it encompasses activities and/or behaviours broader than misuse of monies.</p> <p>Examples of fraud:</p> <ul style="list-style-type: none"> misappropriation of funds forgery / altering cheque and / or receipt details misuse of organisational assets falsifying, forging, or using false documentation, qualifications, or credentials.
Money Laundering	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. ⁹
Notifier	A person who discloses Safeguarding or suspected Safeguarding issues/concerns.

⁷ ACFID Financial Wrongdoing Policy – Definitions (<https://acfid.asn.au/financial-wrongdoing-policy/part-2-good-practice-guidelines-and-tips>)

⁸ DFAT Fraud Strategy Statement (<https://dfat.gov.au/about-us/corporate/fraud-control/Pages/fraud-control.aspx>)

⁹ ACFID Financial Wrongdoing Policy – Definitions (<https://acfid.asn.au/financial-wrongdoing-policy/part-2-good-practice-guidelines-and-tips>)

Partner	An organisation or group executing a project, program or undertaking work in the name of TLMA or The Leprosy Mission. The Partner group is required to sign and adhere to Partnership Agreement with TLMA.
Sanctions	<p>Imposed restrictions on activities that relate to countries, goods and services, or persons and entities.</p> <p>The Australian Government implements United Nations Security Council (UNSC) sanctions regimes and Australian autonomous sanctions regimes. Australia is obliged to implement UNSC sanctions regimes as a matter of international law. In addition, the Australian Government implements Australian autonomous sanctions regimes as a matter of Australian foreign policy. Australian sanction laws establish serious criminal offences, including for contravening a sanctions measure without a sanctions permit granted by the Minister for Foreign Affairs or the Minister's delegate. Penalties include up to ten years in prison and substantial fines.¹⁰ DFAT maintains a Consolidated List of all persons and entities designated for the purposes of sanctions regimes implemented under Australian sanction laws.¹¹</p>
Terrorism Financing	<p>Intentionally providing or collecting funds and being reckless as to whether those funds would be used to facilitate or engage in a terrorist act.¹²</p> <p>For further details regarding TLMA's position, refer to the Counter-Terrorism Policy.</p>

¹⁰ DFAT Australia and sanctions (<https://dfat.gov.au/international-relations/security/sanctions/Pages/about-sanctions.aspx>)

¹¹ DFAT Consolidated List (<https://dfat.gov.au/international-relations/security/sanctions/pages/consolidated-list.aspx>)

¹² ACFID Financial Wrongdoing Policy – Definitions (<https://acfid.asn.au/financial-wrongdoing-policy/part-2-good-practice-guidelines-and-tips>)

Attachment 2: DFAT Fraud Control Self-Assessment Checklist

Best Practice	Mandatory	2.1 Fraud Prevention Considerations	Y	N	N/A
	●	Your organisation has conducted a fraud risk assessment and produced a fraud control strategy within one month of the project start date			
	●	The fraud control strategy has been communicated to staff			
	●	Approach to fraud risk assessment has been established, including its oversight			
	●	An oversight protocol for the implementation and testing of controls has been outlined			
	●	Your organisation includes fraud and anti-corruption clauses in its contracts, MOUs, other types of arrangements with your partner organisations			
	●	Formal mandatory training is provided on fraud and anti-corruption			
	●	Refresher training is mandatory on a regular basis			
	●	Records of staff who have completed training are kept			
	●	Staff understand and are trained in applying the 'Value for Money' principles			
	●	Policies and procedures are in place to guide decision-making			
	●	Conflict of interest policy and process is clear for internal and external persons			
	●	Service delivery is substantiated before invoices are paid			
	●	Fraud risk assessments and fraud control strategies are reviewed and updated on a 6 monthly basis to ensure risks and treatments are appropriate			
	●	Checks of the identities of employees, suppliers and downstream partners have been carried out			
	●	Responsibilities and performance expectations are clearly articulated			
	●	Compliance strategies have been communicated to stakeholders			
	●	Communication strategies articulate what compliance looks like			
	●	An early-intervention and compliance plan is in place to respond to any issues			
	●	Funding is traceable			
	●	Separation of duties occurs where applicable			
	●	Official information or security classified information is handled in compliance with all relevant security requirements specified in the Commonwealth Protective Security Policy Framework			

Best Practice	Mandatory	2.2 Fraud Detection Considerations	Y	N	N/A
	●	Funding is tracked			
	●	Assurance activities are conducted to validate expenditure			
	●	Data is collected to inform compliance with DFAT arrangements			
●		Critical fields are analysed in the records system (e.g. a database)			
●		Internal or external persons undertake evaluations or reviews			
	●	Information is recorded in the records system			
●		Data is compared to similar benchmarked programs to provide a comparison			
	●	Quality of outputs is measured (site visits, photo evidence, desktop reviews)			
	●	The format of the financial acquittal complies with DFAT's requirements			
	●	Action is taken if the acquittal is inadequate			
●		Where possible, funds are acquitted progressively			
	●	Acquittals are checked and signed off by the authorised person			
	●	A mechanism for staff to report fraud to your organisation exists			
	●	A mechanism for the public to report fraud to your organisation exists			
	●	Staff and members of the public can report fraud anonymously to your organisation			
	●	Internal reviews of compliance with internal policies and DFAT's arrangement are conducted regularly			

Source: <https://www.dfat.gov.au/about-us/publications/Pages/fraud-control-toolkit-for-funding-recipients>