

<b>Policy Name</b>	Fraud Prevention and Control Policy		
<b>Approver</b>	Board	<b>Owner</b>	Chief Risk Officer
		<b>Lead</b>	Senior Manager - Risk
<b>Version</b>	<b>Date of Approval</b>	<b>Summary of changes made</b>	<b>Next review due</b>
1.0	1 February 2017	Approved as Board Policy Statement 18	
2.0	25 August 2023	Expansion of policy to include misuse of funds and update reporting avenues	2026

## 1 Purpose

- (a) Australian Red Cross has a zero-tolerance approach for Fraud or misuse of funds.
- (b) Australian Red Cross safeguards funds from fraud, misuse or erroneous use through maintenance of:
  - (i) A culture of high integrity in the behaviours of Australian Red Cross People;
  - (ii) Compliance with applicable laws, contractual and other obligations, and Australian Red Cross policies; and
  - (iii) Appropriate accountability to donors, funders, corporate and other partners, supporters, and Australian Red Cross People.
- (c) Any Fraud at Australian Red Cross:
  - (i) Breaches our risk management and compliance frameworks and Code of Conduct;
  - (ii) May be a breach of the law, or a criminal offence;
  - (iii) Damages the integrity, financial capacity and reputation of Australian Red Cross; and
  - (iv) Significantly inhibits the capacity of Australian Red Cross to achieve its purpose.

## 2 Scope and Audience

This Policy:

- (a) Applies to all Australian Red Cross People.
- (b) Applies to all contractors working with Australian Red Cross.
- (c) Does not apply to people engaged solely in connection with Lifeblood.

**Note:** Lifeblood has a separate policy dealing with fraud and corruption. Details are available at [lifeblood.com.au](http://lifeblood.com.au)

## 3 Policy

### 3.1 What is Fraud?

- (a) **Fraud** is a crime. It requires intent. People who commit fraud try to get benefits for themselves or others by being dishonest.
- (b) Fraud may be initiated against Australian Red Cross either internally or externally.
- (c) Fraud may be committed through a variety of mechanisms, including but not limited to:
  - (i) The theft of money, goods or property from Australian Red Cross, its partners or any other related party;
  - (ii) unlawfully obtaining and using Red Cross information or restricted data;
  - (iii) providing false or misleading information;
  - (iv) using fake documents and invoices;
  - (v) misusing funds;
  - (vi) unlawful disclosure of official information;
  - (vii) accounting fraud (e.g. false invoices, misappropriation);
  - (viii) fraudulently claiming leave, travel and other entitlements;
  - (ix) misuse of credit cards, assets, equipment or other facilities;
  - (x) misuse of position, authority or status.

### 3.2 Zero Appetite for Fraud

Australian Red Cross has no appetite for Fraud and is committed to preventing and dealing promptly and appropriately with all instances of suspected Fraud.

### 3.3 Achieving a Fraud free Australian Red Cross

Australian Red Cross will take steps to be free of Fraud by:

- (a) Providing systems, tools, and resources (including identification of roles and responsibilities) to support:
  - (i) prevention;
  - (ii) detection; and
  - (iii) investigation of Fraud;
- (b) Promoting and providing training in Australian Red Cross Code of Conduct;
- (c) Providing training in sound practices to prevent and control Fraud and misuse of funds;
- (d) Complying with contractual and other reporting obligations to funders and statutory bodies; and
- (e) Complying with reporting obligations to external law enforcement or regulatory bodies.

### 3.4 Misuse of funds

- (a) Australian Red Cross takes seriously its obligations to ensure donations and grants are used in accordance with prescribed objectives (including intent statements), funding purposes and contractual agreements.
- (b) **Misuse of funds** occurs when Australian Red Cross financial, cash management or grant disbursement policies and procedures are not followed.
- (c) **Misuse of funds** is distinct from simple procedural errors that may occur from time to time during Australian Red Cross operations ('error').
- (d) Misuse of funds under any circumstances constitutes a breach of this policy, including in circumstances where intent to defraud or dishonesty is not evidenced or unclear.
- (e) Australian Red Cross will:
  - (i) use information and data to detect and respond to the misuse of Australian Red Cross funds;
  - (ii) continue to improve our processes to reduce opportunities for people to misuse funds; and
  - (iii) assess all instances of misuse of funds to determine indicators of potential fraud.

### 3.5 No appetite for Bribery and Corruption

- (a) Australian Red Cross will not tolerate any Bribery and Corruption to any extent (a zero-tolerance approach).
- (b) **Bribery and Corruption** includes:
  - (i) Offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, improper or a breach of trust, including:
    - (A) Making, offering, soliciting, or receiving any money, property, services, gratuities or other benefits directly or through third parties:
      - (1) For an improper purpose, including personal gain or personal influence (for the person or any other person) or to the detriment of Australian Red Cross.
      - (2) With the design or intention of influencing decision making or outcomes.
      - (3) To facilitate access to resources for an improper purpose, personal gain or personal influence.
    - (B) Offering, giving, or receiving facilitation payments, even if the conduct is customary.
  - (ii) Dishonest actions that cause a breach of the public's trust in Australian Red Cross.
  - (iii) Misuse of information to achieve personal gain or a gain for another person or body.

### 3.6 Australian Red Cross People obligations

All Australian Red Cross People (including contractors) must:

- (a) Not engage in Fraud, misuse of funds, bribery or corrupt conduct.
- (b) Act within the spirit and intent of this policy.
- (c) Act with and promote integrity in all use of Australian Red Cross funds.
- (d) Comply with the Code of Conduct, and all Australian Red Cross policies and procedures.
- (e) Undertake training on Fraud as determined by Australian Red Cross.
- (f) Be alert to recognise indicators of possible Fraud.
- (g) Comply with the code of conduct of a partner organisation when working with them.
- (h) Identify, address, and promptly report any suspected Fraud.

- (i) Must ensure full compliance with disbursement criteria, procedural approach and escalation requirements.

### 3.7 Raising Concerns and Reporting

- (a) Incidents, near misses and concerns of Fraud can be reported as part of Speak Up both through Australian Red Cross website:
  - (i) External users: for more information see at Australian Red Cross website via 'Speak Up' page: [redcross.org.au/speakup/](http://redcross.org.au/speakup/)
  - (ii) Internal users: [The Lounge > Departments > Risk and Compliance > Speak Up Report It.](#)
- (b) Australian Red Cross Members can also make a direct report to the Chief Risk Officer.
- (c) If the concern you wish to raise relates to Fraud by the Chief Executive Officer or Chief Financial Officer, the report must be made to the Chief Risk Officer for provision to the Audit & Risk Committee Chair and President (as Responsible Persons under the Whistleblower Policy).
- (d) Australian Red Cross may have an obligation to report suspected Fraud to the police and/or any relevant funding body.
- (e) Australian Red Cross will investigate all reports of Fraud or Misuse of funds. Internal or external investigators may be appointed to investigate all reports.

### 3.8 Breaches of this Policy

- (a) Any breaches of this policy may lead to disciplinary action. Depending on the severity of the breach, such disciplinary action may include reprimand, formal warning, demotion, stand down, suspension, or termination.
- (b) Breaches of applicable laws or regulations may also result in prosecution by the appropriate authorities.

## 4 Other

### 4.1 Definitions

Term	Definition
<b>Australian Red Cross</b>	Australian Red Cross Society
<b>Australian Red Cross People</b>	As the context requires, all employees, volunteers, and members of Australian Red Cross
<b>Bribery and Corruption</b>	See definition at section 3.5(b)
<b>Fraud</b>	Fraud is defined in section 3.1.
<b>Intent</b>	<p>The statement of intent should clearly articulate the purpose of the fundraising activities, provide a high-level overview of the activities the charity will support with donated funds, and identify Australian Red Cross operating parameters.</p> <p>The intent may also be referred to as the 'appeal intent', emergency appeal intent, or 'fundraising intent' depending on the type of Fundraising Activities</p>
<b>Lifeblood</b>	Australian Red Cross Lifeblood, the trading name of Australian Red Cross Blood Service established under Rule 19.1
<b>Misuse of funds</b>	<p>An allocation of Australian Red Cross funds, or funds for which Australian Red Cross is acting as the custodian (e.g. funds being disbursed on behalf of a partner or funding body), which does not align with the requirements of Australian Red Cross policies and procedures.</p> <p>Misuse of funds includes circumstances where relevant contractual obligations, including those connecting to guidelines and procedures of a funding body, are not adhered to.</p>

### 4.2 Related Documents

- (a) Code of Conduct.
- (b) Complaints, Concerns and Feedback Policy.
- (c) Finance policies and procedures.
- (d) Interests, Conflicts, Gifts and Hospitality Policy.

- (e) Incident Management & Reporting Approach.
- (f) Procurement policies and procedures.
- (g) Whistleblower Policy.

**4.3 Related legislation / standards**

- (a) ACNC - The External Conduct Standards; Protect your charity from Fraud Guide
- (b) Fundraising Institute of Australia Code