

FRAUD & CORRUPTION PREVENTION POLICY & PROCEDURES

VERSION	3
PERSON RESPONSIBLE	Rozana Australia CEO
DATE OF BOARD SIGN OFF	27 April 2021
LAST UPDATED	27 September 2023
SCHEDULED REVIEW DATE	September 2025

POLICY AMENDMENTS

This is a working document and subject to amendment. This Policy will be available in English, Hebrew and Arabic.

Any suggestions about this Policy should be directed to the Rozana Australia CEO so changes can be considered. Any amendments or changes to the Policy will be submitted to the Board for endorsement.

The CEO is responsible for maintaining this document, including updating confirmed changes, informing staff of the changes, and disseminating the latest version across the organisation.

Any changes or amendments involve the following steps:

- Updating the Document Version table on the first page;
- Updating the relevant provision in this manual;
- Replacing the updated version of the manual e.g., shared drives, Intranet;
- Printing a hard copy of the updated manual for the office;
- Communicating the changes to all staff; and
- Archiving the old version of manual.

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1. PREAMBLE

This policy was written by Rozana in Australia. It may be used as a template across all Rozana offices. Rozana operates five offices registered in each of Australia, USA, Canada, UK and Israel, which are part of the Rozana Global Alliance. In this policy, 'Chair' means Chair of Rozana International. Unless specified otherwise the 'Board' refers to the board of Rozana Australia.

2. PURPOSE

Rozana has a zero-tolerance approach towards fraudulent and corrupt activity or behaviour. It is committed to conducting all aspects of organisational and program management in a transparent and accountable manner to support good governance.

The purpose of this Policy is to articulate Rozana's position against fraud, bribery and corruption to Board members, staff, volunteers, project partners and consultants. As an agency supported under the Australian NGO Cooperation Program (ANCP), this Policy is consistent with the Fraud Policy Statement of the Department of Foreign Affairs and Trade (DFAT), the Australian Corporations Act 2001 (for whistleblowers), and the Australian Government Investigation Standards (2003 and 2011).

Rozana acknowledges that the developing country in which it works is an inherently difficult environment with, often, weak governance arrangements and attitudes towards accountability and transparency different to those in Australia. The paying of bribes encourages corruption, which, like fraudulent acts, is something that can further harm those already disadvantaged by diverting goods, services and opportunities away from them. It also is considered a high risk that such actions will prevent the objectives of Rozana's programs being achieved.

3. DEFINITIONS

Fraud: *'Dishonestly obtaining a benefit, or causing a loss, by deception or other means'* (Commonwealth Fraud Control Guidelines 2011 and DFAT Fraud Factsheet, October 2015). This definition extends beyond the legal definition of fraud to include benefits obtained that can be both tangible and intangible. It thus encompasses activities or behaviours broader than the misuse or misappropriation of monies or assets.

Examples of fraud include:

- Misappropriation of funds
- Altering documents
- Falsifying signatures
- Misuse of Rozana assets
- Providing false information to Rozana
- Unauthorised disclosure of confidential information

- Theft of funds or assets
- Bias, cronyism or nepotism

Bribery: *The offering, promising, giving, accepting or soliciting of money, gifts or other advantage as an inducement to do something that is illegal, where a payment is not legitimately due, where it is offered with the intention of influencing a person in the exercise of their duties, or where it is a breach of trust in the course of carrying out an organisation's activities.*

4. POLICY AND POLICY PRINCIPLES

Rozana does not tolerate fraud or corruption by staff or related third parties, including any of Rozana's Representatives. Rozana staff are required to be watchful for fraud, corruption or any suspicious behaviour, and report it to the Rozana Australia CEO. All reported incidents will be appropriately investigated.

4.1 Fraud and Corruption Intolerance and Reporting Obligations:

Any incidence of fraud or corruption or suspicious behaviour should be reported to the Rozana Australia CEO:

CONTACT DETAILS

Rozana Australia CEO

confidential@projectrozana.org

+61 3 9272 5600

PO Box 2400, Caulfield Junction, Vic 3161 Australia

If the complaint is against the Rozana Australia CEO, please contact the International Board Chair at:

Rfinkel@projectrozana.org

+61 3 9272 5600

PO Box 2400, Caulfield Junction, Vic 3161 Australia

Any suspicion of fraud or corruption can also be reported through official Whistleblower channels via a secure and confidential third-party whistleblowing and incident reporting platform: <https://whistleblowersoftware.com/secure/RozanaReporting> as per Rozana's Whistleblower policy (see Rozana website for details).

Any incident reported to an affiliate country office should immediately be escalated to the Rozana Australia CEO.

4.2 Internal Escalation Process:

All CEO's in overseas affiliates will have in place an internal escalation process to ensure appropriate management awareness and expeditious handling. In consideration of local context and donor requirements, if any, Rozana requires to the maximum extent possible, the reporting of fraudulent and corrupt behaviour to the proper authorities in any given country. Any exception must be justified in writing by the respective CEO to the Board.

4.3 Sufficiency of Investigations.

Fraud and corruption and allegations of fraud and corruption will be appropriately investigated after considering severity, credibility, potential for reputational damage, and applicable donor requirements. Investigations will generally be led by the CEO of the respective affiliate country and external resources as necessary, including, but not limited to, legal counsel, external audit firms, etc. In the case of the CEO being under investigation for fraud and corruption, the Board Chair of the country office in question will lead the investigation.

4.4 Confidentiality of Reports and Investigations; Non-retaliation.

Any report of alleged or actual fraud and corruption submitted pursuant to this policy must be treated confidentially to the fullest extent practicable. Reports of fraud and corruption or suspected fraud and corruption may be submitted anonymously. Staff will not be retaliated against for good faith reports. Only personnel with a need to know should be advised of a report and any related investigation.

5. PROCEDURES

5.1 Prevention and Awareness:

All Rozana Board members, staff, volunteers, project partners and consultants have responsibilities and obligations to be aware of these rules and to follow Rozana's procedures in all cases. The CEO in each affiliate country is charged with disseminating this Policy and related procedures to Board members, staff, volunteers, project partners and consultants and for monitoring its implementation in activities for which Rozana is the responsible party. Written agreements with external parties should to the maximum extent possible include a written reference to Rozana's intolerance of fraud and how it should be managed, as per the Rozana Partnership Policy.

5.2 Implementation and Monitoring

Rozana's agreements with in-country program partners must clearly set out the requirements to protect funds from fraud and to not engage in anything that could be construed as bribery or corruption. Rozana Israel's CEO and Program Manager will regularly monitor activities and expenditure to guard against fraud and corruption.

The conduct of fraud, bribery and corruption risk assessment and the implementation of anti-bribery procedures forms part of Rozana's ongoing risk management and internal control processes.

5.3 Reporting

Rozana is bound by the requirements regarding the reporting and action of suspected breaches of this policy as defined by DFAT in its policy. As an Australian aid program implementation partner, Rozana is responsible for preventing and detecting fraud, bribery or corruption in any of its activities, both in Australia and overseas. Any breaches of this Policy must be investigated swiftly and at Rozana's expense.

5.3.1 Donor Reporting:

The CEO of the country office from which the donation was made is responsible for any donor reporting of fraud and corruption and overall assessment of donor implications but may delegate donor engagement to the Director of Development or the Relationship Manager for the donor in question. Rozana will cooperate with any requests from a donor relating to an ongoing investigation, as applicable.

5.4 Implications for person reporting alleged fraud and corruption

Any person reporting a fraud or corrupt behaviour, or a suspected fraud or corrupt behaviour, shall not be penalised for raising a concern of this nature.

If fraud is detected or suspected, Rozana Board members, staff, volunteers, project partners and consultants are responsible for timely reporting to the Rozana Board Chair and/or CEO. Rozana's preference is to receive reporting on fraud in writing or by email. If the complaint is made orally Rozana commits to recording the complaint in writing. All cases of fraud and corruption are handled in a confidential, prompt and professional manner.

5.5 Investigation and Follow up

Upon awareness of an alleged or suspected fraud and corruption, the CEO of an affiliate office or their designate will inform immediately (within three business days) the Rozana Australia CEO using a completed Initial Investigation of Suspected Fraudulent and Corrupt Act Report found at Appendix A. Where deemed appropriate, the Rozana Australia CEO will immediately notify the International Board Chair (within three days) who shall be an integral part of determining next steps. The report will include a determination of the amount of the suspected fraud, and whether the suspected fraud requires donor reporting.

Where fraud or corruption is alleged, suspected or detected, Rozana will:

- Promptly investigate the matter;
- Report detected or attempted fraud or corruption within Rozana activities to DFAT within five (5) working days and keep DFAT informed of action;
- Seek the recovery of misappropriated funds or assets and the application of appropriate penalties wherever possible;

- Seek prosecution of offenders wherever possible and appropriate.

6. DOCUMENT CONTROL INFORMATION

Date	Version	Revised Description	Reviewed / Updated by
April 2021	V1	Created	Board of Directors
26 August 2021	V2	Review of the policy in line with ACFID recommendations	Board of Directors
27 September 2023	V3	Change to contact details and include: https://whistleblowersoftware.com/security/RozanaReporting	Board of Directors

APPENDIX A: INITIAL INVESTIGATION OF SUSPECTED FRAUDULENT REPORT



INITIAL INVESTIGATION OF SUSPECTED FRAUDULENT REPORT

Pursuant to Rozana's Policy on Fraud & Corruption Prevention, the CEO receiving an allegation of fraud or corruption must complete and submit this report immediately (within three business days). This form should be submitted in all cases regardless of donor, amount, or materiality, and should be submitted prior to a full investigation. The Rozana CEO or their delegate should transmit this document electronically to the Board Chair.

One or two sentence responses to each item below are sufficient for purposes of this initial report.

1) Rozana Office or Entity: _____

2) Donor(s) and project(s) compromised: _____

3) Date of discovery: _____

4) Method of discovery: _____

5.) Date reported to funding Partner (if applicable): _____

6) Amount or value (estimate if necessary): _____

7) Initial internal control weaknesses or systems failures identified:

8) Initial remedial actions taken: _____

9) Potential for additional related fraud or corruption losses: _____

10) Initial determination of fraud/corrupted amount: _____

11) Initial determination if donor reporting is required: _____

[Attach additional pages or attachments if necessary]