ROTARY AUSTRALIA WORLD COMMUNITY SERVICE
Fraud Control and Corruption Prevention Policy

1. Purpose

The objective of this policy is to protect against, detect and respond to fraud and corruption in order to protect the interests of staff, volunteers, Rotarians, Rotary clubs and Districts and other stakeholders while retaining a high ethical standing within the community for Rotary Australia World Community Service Ltd (RAWCS).

2. Scope

This policy applies to all entities within RAWCS Ltd and to all Directors, employees, volunteers and consultants in relation to their work with/for RAWCS Ltd and its entities.

3. Policy Statement

RAWCS Ltd cannot and will not tolerate fraud or corruption. Every dollar taken by theft or fraud reduces RAWCS Ltd capacity to maintain level of services to Rotary clubs, projects, Philanthropists, and other stakeholders.

We rely on the work of the Australian Rotary clubs and the support of Philanthropists, corporate, government, and the community to enable us to deliver the services to the projects both overseas and Australia to make this world a better place.

Reputational damage arising from lax fraud control procedures can lead to a significant decline in confidence in RAWCS Ltd and have an adverse impact on donations and funding, leading to a more severe impact on the services we deliver.

It is in everyone's interests to prevent fraud and corruption from occurring and to report every suspected incident immediately to the head of risk management the National Treasurer, the Company Secretary, or the Chairman of the board. (except where they may be involved in the fraud or corruption event).

4. Definitions

a. Fraud – To dishonestly obtain or arrange a benefit by deception or other means. Examples include:

- Theft such as stealing property, petty cash, donations, client funds;
- Falsification of records, accounts or documents to deceive;
- Dishonestly destroying or concealing accounts or records;
- Embezzlement or misappropriation of funding or other assets;
- Misuse of assets or property for personal benefit; and
- Forgery or issuing false or misleading statements with intent to obtain financial advantage or deceive.

b. Corruption- Dishonestly obtain a benefit by misuse of power, position, authority, or resources. Examples include:

- Bribery, extortion & blackmail;
- Secretly permitting personal interests to override corporate interests;
- Secretly giving or accepting gifts & benefits in return for preferential treatment to the giver;
- Collusion, false quotes, false invoices;
- Manipulating design & specifications or processes for personal gain or to conceal defects;
- Complicity in excessive billing or submission of false support documents or concealment of documents;
- Falsifying job qualifications or work or safety certifications;
- Nepotism (favouring relatives); and
- Privacy breaches or data manipulation with intent to cause harm.

5. Roles and Responsibilities

Everyone in RAWCS is responsible for fraud control and corruption   prevention. Accordingly, every person must report every suspected incident immediately to both the head of risk management the National Treasurer, the Company Secretary, or the Chairman of the board (except when they may be involved in the fraud or corruption event). Further specific responsibilities are:

- The Board together with regional committees sets ethical principles that form the foundation of an ethical anti-fraud culture.
- Reviewing and monitoring policies for preventing and detecting fraud.
- Ensure that there are programs and controls in place to address risk, including fraud and corruption risk, and that those controls are effective.
- Be actively involved in planning activities to prevent, detect and respond to suspected fraud and corruption incidents.
- Maintain controls to prevent incidents of fraud or corruption from arising in their area of responsibility.
- Immediately notify all suspected fraud or corruption incidents that are detected within their jurisdiction to the head of risk management.
- Be continually alert to the possibility of fraud or corruption incidents and to internal control lapses.
- Inform risk management of any suspected incidents or control lapses or weaknesses.

6. **Head of Risk Management**
   - Consults with RAWCS Board about the best course of action when suspected fraud or corruption incidents are raised.

   - Consults with appropriate personnel during inquiries or investigation into fraud or corruption.

   - Provides notice to external parties of fraud or corruption incidents after approval by the RAWCS board.

   - Facilitate fraud and corruption awareness and education.

   - Maintain the Whistle-blower Policy and the Integrity Line for receipt of reports of serious wrongdoing.

   - Report on status of the fraud control and corruption prevention strategy to the Executive Team and the Board.

7. Internal Audit

RAWCS is committed to:
   - Maintain awareness of the possibility of fraud or corruption during audit work.

   - Provide advice and guidance on internal controls to prevent fraud or corruption.

   - Conduct tests of systems to identify possible fraud or corruption

8. Application

RAWCS is committed to minimising fraud and corruption and instilling a culture of:

   - 'Zero tolerance' of fraudulent and corrupt behaviour.

   - Inquiring and investigating all suspected fraud and corruption tip-offs regardless of source or if made anonymously.

   - Recovery of losses sustained through acts of fraud or corruption through all available avenues.

   - Reporting all incidents of fraud or corruption to external parties appropriate.

9. Prevention
Preventative measures include:

- Regular review of the integrity framework supporting a culture of integrity and intolerance of fraud or corruption.
- Awareness training and education.
- Risk assessments as part of annual project risk assessments.
- Continual quality improvement reviews of internal control and compliance measures.
- Pre-employment screening, including volunteers, contractors and consultants, where appropriate.
- Maintenance of a database for trend analysis to identify early action.
- Annual update of fraud control and corruption prevention plans for resolution of shortfalls in any of these preventative measures.

10. Detection

Detective measures include:

- Whistle-blower protection
- Internal audit awareness during audits.
- Quality assurance and compliance awareness during reviews.

11. Response
Response measures include:

- Amendment of the Fraud Control & Corruption Prevention Policy.
- Revision and refreshment of policies to rectify deficiencies.
- Review of internal controls after every confirmed incident.
- Application of disciplinary procedures for detected incidents.
- Civil action to recover losses where appropriate.
- Maintenance of insurance policies.
- Referral to external organisations and agencies, such as Police, as appropriate, after Executive approval.

12. Breach
A breach of this Policy may result in disciplinary action that may involve severance from the organisation.