

AUSTRALIAN DOCTORS FOR AFRICA

Policy: FRAUD AND CORRUPTION

Date last approved: 11/2024

Date of next review: 11/2027

Approved by: Board

1 PURPOSE AND SCOPE

1.1 Purpose

ADFA acknowledges that poverty and disadvantage are widespread in the countries in which it works, and that governance arrangements, and attitudes to transparency and accountability may be less developed than in Australia. As such, there may be an increased risk of fraud, corruption or bribery. ADFA also acknowledges that fraud and corruption undermine sustainable development.

ADFA has a zero tolerance to fraud and corruption, and supports DFAT's Fraud Strategy Statement which states that DFAT does not tolerate fraudulent or dishonest behaviour and is committed to preventing, detecting and responding to fraud in all aspects of its business. This policy provides a framework for managing and mitigating the risk of fraud and corruption in ADFA's work.

1.2 Scope

This policy applies to all staff, board members, and volunteers of ADFA, as well as to all those with whom ADFA has professional dealings, including partner organisations and consultants.

2 CONTEXT

ADFA provides voluntary surgical, medical, nursing and physiotherapy assistance to overseas countries. Medical and surgical supplies and hospital equipment are sourced from within Australian or overseas by donation or by commercial transaction. This equipment is then transported to the designated country, cleared through customs and the relevant health agency and delivered to the recipient hospital or partner organisation.

At every stage of this process ADFA may be required to pay commercial fees, purchase equipment, pay freight, pay clearance agents and make transfers to pay customs and import duties and provide appropriate documentation, a copy of which is to be provided to the recipient of the donated goods.

Apart from these normal commercial transactions ADFA does not and will not pay inducements, kick backs or other payments to any individual or organisation either within Australia or overseas.

Through an MOU with the recipient hospital or partner organisation, ADFA makes its expectations clear, that equipment and services are donated for the benefit of the local community and the goods are not for resale. It is also made clear to the recipient that the equipment is not for personal use and is not to be transferred to another facility, but is to be utilised at a particular location or facility. Where possible, an individual or department is generally held responsible and accountable for the donated goods.

3 DEFINITIONS

Fraud: Dishonestly obtaining a benefit, or causing a loss, by deception or other means". In this definition, "benefit" refers to both tangible items, such as money or objects, and intangible benefits including power, status or information.

Corruption: is the misuse of entrusted power for private gain. Corruption is conduct that involves, or that is engaged in for the purpose of, the staff member abusing his or her office as a staff member of the agency; that perverts, or that is engaged in for the purpose of perverting, the course of justice; or that, having regard to the duties and powers of the staff member as a staff member of the agency, involves, or is engaged in for the purpose of, corruption of any other kind.

Bribery: is considered a form of corruption.

Prevention controls: would include training, procedures, contracts, agreements, segregation of duties, governance arrangements, communication of policies.

Detective controls: may include regular reporting and testing, site visits, phone calls, photos, workshops, videos, validation checks, audits and reviews.

Corrective controls: decrease the extent of the consequence once the risk event has occurred. For example a crisis management plan, insurance, increased monitoring,

4 POLICY GUIDELINES

- ADFA is committed to preventing, detecting and correcting fraud, which is deemed illegal under Division 70 of the Commonwealth Criminal Code Act 1995.
- ADFA will commit and adhere to local laws and regulations regarding anti-corruption and fraud, in countries in which it operates.
- ADFA takes a risk management approach to fraud and corruption, and will assess and identify potential fraud risk, and determine controls for the prevention, detection, and correction of fraud and corruption.
- To prevent and detect fraud, ADFA's strategies will focus on organisational, country and project level controls.
- ADFA will ensure that its organisational financial systems are robust, and will continue to be reviewed to ensure that processes and controls are in place which will impede attempts at internal corruption or fraud, including screening of staff (ie, police checks and qualifications checks), separation of duties/powers related to authorising and signing of payments, board approved financial delegations, regular reconciliations, board financial oversight etc.
- To ensure internal capacity, ADFA will provide specific fraud awareness training to relevant staff where necessary, and keep a register of training undertaken.
- ADFA will communicate its expectations around fraud risk management to staff, board members, volunteers, partner organisations, and contractors, particularly in regard to prevention and reporting. Medical volunteers, and especially team leaders, will be made aware of this policy, and expectations especially for overseas medical assignments.
- ADFA will undertake due diligence on its partner organisations to assess their capacity for fraud prevention, and provide strengthening if required.
- ADFA will review partner organisations' financial statements, audit reports, and project acquittals, and require procurement protocols to be in place, such as multiple quotes, payment on invoice, progress payments, photographic evidence of expenditures, etc.
- ADFA CEO will undertake discussions with partner organisations during regular on-site visits regarding ADFA's anti-fraud and corruption commitments.
- Partner / contractor agreements will clearly reference this policy and ADFA's expectations regarding the prevention and reporting of fraud and corruption.

5 REPORTING

- Breaches or potential breaches of this policy are to be reported to the ADFA Board as soon as possible.

- When on location in the countries in which ADFA operates, any requests for corrupt payments are to be reported to the team leader immediately.
- In the delivery of DFAT business, ADFA will report any suspected or real incidents of fraud to DFAT **within five (5) business days** using DFAT's 'Fraud Referral Form' (<https://www.dfat.gov.au/about-us/publications/suspected-or-detected-fraud-corruption-referral-form>).
- ADFA will report any incidents of fraud to an appropriate law enforcement agency where appropriate.
- ADFA will also keep a register of all incidents of fraud to inform future fraud management practice.
- ADFA will investigate detected, suspected or attempted fraud in accordance with the principles set out in the Australian Government Investigation Standards (AGIS) and the laws of the jurisdiction in which the fraud incident occurred.

6 CONSEQUENCES

At times, refusal to participate in a corrupt process may have consequences for the timely and successful delivery of donated goods. ADFA will adhere to this no-corruption policy, communicate the policy to relevant authorities and continue to work within normal legal, commercial and philanthropic channels to enable delivery of goods and services.

7 ACCEPTANCE OF GIFTS OR BENEFITS

Board members, volunteers and other representatives of ADFA may not solicit any gifts or benefits, or accept any gifts or benefits that might in any way appear to compromise or influence them in their official capacity. Where a gift or benefit has been offered (whether accepted or not) and the offer could constitute an attempt to induce favoured treatment, this should be reported. If in any doubt, guidance should be sought from the CEO and or Board.

Gifts to the organisation, as opposed to donations, of more than nominal value may be considered acceptable where they do not compromise or influence the organisation, but should be disclosed to the Board.

If ADFA is engaged in a tender process, no gift, no matter how small or insignificant, should be accepted from the tenderers.

8 REFERENCES

8.1 Associated Documents

- ADFA Policy – Complaints Handling
- ADFA Policy – Financial Management
- ADFA Policy – Medical Equipment and Supplies
- ADFA Policy – Overseas Medical Assignments
- ADFA Policy – Whistleblower
- Procedure – Complaints Handling
- ADFA Code of Conduct – Medical Volunteers
- ADFA Code of Conduct – Non-medical

8.2 References

DFAT's Fraud Strategy Statement (<https://www.dfat.gov.au/about-us/corporate/fraud-control>)

Established: June 2010

Reviewed: January 2013, October 2017, April 2019, November 2021, October 2024