

## **Fairtrade ANZ Anti-Fraud and Corruption Policy**

### **1. Purpose**

The purpose of this policy is to:

- Articulate Fairtrade ANZ's rejection of all forms of corruption and fraud, and its commitment to the highest standards in the conduct of all of its operations;
- Establish controls for all Fairtrade Australia and New Zealand Ltd (**Fairtrade ANZ**) personnel regarding the identification and prevention of corruption and fraudulent activity; and
- Ensure Fairtrade ANZ's operations and activities are conducted in an accountable, transparent and ethical manner.

### **2. Related Policies**

- Control of Funds Policy;
- Counter-Terrorism Policy; and
- Procurement Policy.

### **3. Who does this policy apply to?**

This policy applies to:

- All personnel and associates of Fairtrade Australia and New Zealand, including permanent, fixed term and casual employees, contractors, interns, volunteers and Board and Committee members.
- All personnel, partners and subcontractors that are engaged by Fairtrade Australia and New Zealand.
- All Fairtrade ANZ funded projects (both in Australia, New Zealand and overseas), including their management, staff, volunteers, contractors and governing authorities.

### **4. Fairtrade ANZ's Commitment (Policy Statement)**

- 4.1. Fairtrade ANZ acknowledges that it is a criminal offence under Australian and New Zealand law to commit or support corrupt or fraudulent activities, including bribery. Fairtrade ANZ also has an obligation to all stakeholders to ensure that all monies used and disbursed by Fairtrade ANZ are used only for their articulated purposes and that processes.
- 4.2. Fairtrade ANZ is committed to maintaining a culture of honesty and will not tolerate fraud or corruption in any aspects of its operations, including within its operations in Australia and New Zealand, and in the manner Fairtrade ANZ projects are delivered overseas by partner organisations.

### **5. Policy**

- 5.1. Fairtrade ANZ will uphold all laws relevant to countering corruption and fraudulent activity in all jurisdictions in which it operates and expects that the projects it funds in developing countries will uphold relevant legislation in their local jurisdictions.

- 5.2. Fairtrade ANZ has established processes under its Control of Funds Policy and its Counter-Terrorism Policy which are designed to assist to protect its funds from the risk of fraud and corruption in Australia, New Zealand and in the developing countries where the projects it funds are located.
- 5.3. In addition, in order to reduce the risk of fraud and corruption in our overseas projects, Fairtrade ANZ will:
- seek to work with partnership organisations that can demonstrate a positive track record with open and transparent processes;
  - communicate its zero tolerance attitude towards fraud and corruption to all partner organisations and as part of all partnership agreements;
  - incorporate mechanisms for fraud and corruption prevention into partnership agreements (such as regular milestone reporting and staged payments);
  - maintain regular monitoring of all projects and ensure that Fairtrade ANZ employees, liaison officers and project managers are alert to guarding against fraudulent and/or corrupt practices;
  - where appropriate, support its partner organisations and producer organisations in implementing financial and governance policies and procedures that assist in reducing the risk of fraud and corruption.

## **6. Reporting and investigations**

- 6.1. Fairtrade ANZ will investigate all suspected acts of corruption and fraud in accordance with the process in the Fairtrade ANZ Complaints Handling and Whistleblowing Policy. All proven corruption and fraud will constitute grounds for dismissal (for employees) or termination (for partner organisations).
- 6.2. All Fairtrade ANZ staff and in-country liaison officers and project managers who suspect corruption or the commission of fraud must report their suspicions to their immediate supervisor, or the CEO, immediately. Any suspicion of fraud and/or corruption related to the CEO should be reported to the Chair of the Fairtrade ANZ Board.
- 6.3. The CEO is responsible for investigating all reported instances of suspected fraud or corruption. Reports of suspected corruption or fraud will be handled confidentially and the identity of the person making the report will not be revealed to the accused without their consent.
- 6.4. The CEO will inform the Fairtrade ANZ Board of any reports of suspected fraud and/or corruption, actions taken and resolutions (if any) at the next Board meeting following receipt of the report of sooner should the case be deemed serious.
- 6.5. Serious cases of fraud, whether suspected or proven, will be reported to the appropriate authorities.

## **7. Responsibilities**

- 7.1. Fairtrade ANZ's Board of Directors has ultimate responsibility for the prevention and detection of corruption and fraud and is responsible for ensuring that appropriate and effective internal control systems.
- 7.2. Fairtrade ANZ's CEO is responsible for:
- investigating reported instances of corruption and fraud;
  - explaining this policy to all Fairtrade ANZ employees and volunteers, including as part of the induction process for new staff; and
  - ensuring that all employees and partner organisations carry out the procedures here included to minimize the risk of supporting terrorist organisations or individuals.

7.3. Fairtrade Australia and New Zealand's managers and supervisors are responsible for:

- assessing the risk of corruption and fraud within their area of responsibility;
- communicating this policy to all partner organisations, and ensuring that partner organisations communicate this policy to their board members, staff, volunteers and contractors implementing funds and development activities funded by, or through Fairtrade ANZ.
- where appropriate, educating partner organisations and producer organisations about corruption and fraud detection and prevention, including designing and implementing appropriate training and development programs to aid compliance with this policy.
- facilitating the reporting of suspected corruption and fraudulent activities

7.4. All employees and volunteers are responsible for complying with this policy.

## 8. Definitions

**Corruption:** the abuse of power for private gain, this includes financial corruption such as fraud, bribery and extortion and also non-financial forms such as the diversion of aid to non-target groups, allocation of resources in return for favours and preferential treatment for family or friends. These practices may be associated with coercion and intimidation of staff or beneficiaries who decline to participate in corruption.

**Fraud:** is dishonestly obtaining a benefit or causing a loss by deception or other means. This includes (but is not limited to):

- misappropriation of funds, supplies or other assets, including the use of assets for private purposes;
- falsifying costs or expenses or forgery, falsification or alteration of document;
- providing false or misleading information or failing to provide accurate information where there is an obligation to do so;
- seeking or accepting cash, gifts or other benefits from third parties in exchange for preferable treatment or personal benefit; and
- corruption or abuse of position.

**Producer Organisations:** an association of farmers or a company dependent on hired labour that produces one or more commodities for which there are [Fairtrade Standards](#) and that has been certified to meet those standards. Once certified, they are added to the Fairtrade product register and registered companies can buy from them under Fairtrade terms.

**Partner Organisations:** an organisation other than Fairtrade ANZ implementing funds and development activities funded by, or through Fairtrade ANZ.

## 9. Document Control

This policy will be available in the shared Fairtrade Australia and New Zealand drive for all employees and in its website.

A copy of this policy will be provided to any person or organisation on request.

## 10. For More Information

For more information or to report any concerns/violations, please contact [info@fairtrade.com.au](mailto:info@fairtrade.com.au) or [info@fairtrade.org.nz](mailto:info@fairtrade.org.nz)

## 11. Approval and Review

This policy will be reviewed once every 3 years.

**Last Approved By Board: 21 May 2018**

**Scheduled Review Date: May 2021**