Fraud Policy

Goal:
Through this policy on fraud, the Diplomacy Training Program (DTP) aims to:

- provide a clear statement that DTP maintains a zero tolerance approach towards fraud;
- ensure DTP develops appropriate processes and procedures to manage and mitigate the risk of fraud;
- ensure all relevant parties are aware of their responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs;
- provide guidance to staff/volunteers/contractors as to action which should be taken where they suspect any fraudulent activity;
- provide a clear statement to staff/volunteers/contractors of DTP’s zero tolerance approach towards fraud, including fraud for the purported benefit of the organisation; and
- provide assurance that any and all suspected fraudulent activity will be fully investigated.

Policy:
DTP will not tolerate fraud in any aspect of its operations. DTP will investigate any suspected acts of fraud, misappropriation or other similar irregularity.

An objective and impartial investigation, as deemed necessary, will be conducted regardless of the position, title, length of service or relationship with the organisation of any party who might be the subject of such investigation.

In the case of DTP employees, any fraud shall constitute grounds for termination of employment. In the case of volunteers, contractors and consultants it shall constitute grounds for termination of the relationship with DTP.

Any serious case of fraud, whether suspected or proven, shall be reported to the police.
Any person reporting a fraud, or a suspected fraud, shall suffer no penalty in their employment.

**Responsibilities**

The Board of DTP is responsible for ensuring that appropriate and effective internal control systems are in place. The Executive Director has operational responsibility for the prevention and detection of fraud in all areas of DTP operation. The Finance and Fundraising Committee will provide supervision and oversight of the Executive Director’s actions in preventing and detecting fraud.

Upon receipt or detection of any information relating to potential fraudulent conduct in any matter involving DTP, the Executive Director will:

(a) notify the members of the Fundraising and Finance Committee of the circumstance;

(b) cause an investigation to occur; and

(c) if the outcome of the investigation confirms fraudulent conduct, make recommendations to the Board regarding disciplinary procedures for any individuals involved and steps that should be taken to recover any losses suffered by the DTP as a result of the fraudulent conduct.

**Responsibilities of all DTP staff to prevent fraud:**

All staff/volunteers/contractors share in the responsibility for the prevention and detection of fraud in their areas of responsibility. All staff/volunteers/contractors have the responsibility to report suspected fraud. Any staff member, volunteer or contractor who suspects fraudulent activity must immediately notify the Executive Director, or a member of the Finance and Fundraising Committee.

In situations where a supervisor is suspected of involvement in the fraudulent activity, the matter should be notified to the next highest level of supervision or to the Executive Director, or if it concerns the Executive Director to the Board.

**Processes:**

Fraud prevention is a key concern of the organisation’s policies relating to Authority to Sign Cheques, Reimbursement of Expenses, Financial Transaction (credit and debit) Cards, Acceptable Use of Computers, Cash Management & Income Handling, and any other relevant policies.

Fraud prevention procedures shall be emphasised in the organisation’s practices relating to staff recruitment and staff induction.

**Conduct of and investigation into suspected fraud:**

Upon notification or discovery of a suspected fraud, the Executive Director will promptly arrange to:
(a) notify the Fundraising and Finance Committee; and
(b) investigate the suspected fraud;
(c) take any steps necessary to secure and prevent theft, alteration or
destruction of relevant records.

Where a prima facie case of fraud has been established the matter shall be referred
to the police, and the DTP will cooperate to the fullest extent with any requests
made by the police in the course of investigating or prosecuting those responsible
for the fraud. Any action taken by police shall be pursued independently of any
employment-related investigation by the organisation.

Protection of persons reporting or assisting in investigation of fraud:
No employee of the organisation, or person acting on behalf of the organisation in
attempting to comply with this policy shall:

• be dismissed or threatened to be dismissed;
• be disciplined or suspended, or threatened to be disciplined or suspended;
• be penalised or any other retribution imposed; or
• be intimidated or coerced;

based to any extent upon the fact that the employee has reported an incident or
participated in an investigation in accordance with the requirements of this Policy.
Violation of this section of the Policy will result in disciplinary action, up to and
including dismissal.

If an allegation is made in good faith, but it is not confirmed by the investigation, no
action will be taken against the originator.
Approval:
The DTP Board of Directors adopted this policy on fraud:

Date of Adoption: July 24, 2014

Date of Renewal: July 2016