



FRAUD AND CORRUPTION POLICY

Version	1
Approved by Board on	18/11/2021
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INTRODUCTION

This policy aims to minimise any risk of wrongdoing, corruption, fraud, bribery or other financial impropriety among Cambodian Kids Foundation (CKF) Board, staff, contractors, consultants, volunteers and partners. This policy is based on stakeholder accountability, honesty and transparency. This policy also ensures that anyone working for or on behalf of CKF are aware of their responsibilities regarding the identification and prevention of fraudulent or corrupt conduct by promoting a workplace culture where corruption is not acceptable thus protecting the integrity and good reputation of CKF.

POLICY

This policy applies to all entities within CKF such as the Board, staff, contractors, consultants, volunteers and partners.

Fraud is the dishonest act of obtaining a benefit or causing a loss by deception or other means. Corruption is an abuse of a position of trust to gain an undue advantage. Bribery and extortion are forms of corruption. Some actions which constitute fraudulent or corrupt behaviour may include:

- Misappropriation or theft of funds or property;
- Falsification of records, accounts or documents to deceive;
- Dishonesty destroying or concealing accounts or records;
- Embezzlement or misappropriation of funding or other assets;
- Offering or taking inducements, gifts or favours which may influence the action of any person;



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- Forgery or issuing false or misleading statements with intent to obtain financial advantage or deceive
- Procuring goods and/or services from a family member or friend that inhibits fair and open competition; and
- Wrongfully using information or intellectual property.

Corruption is dishonestly obtaining a benefit by misuse of power, position authority or resources and some examples include;

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

CKF is committed to the prevention of fraud and corruption through the promotion of an ethical and transparent environment where all personnel actively participate in protecting the organisation's reputation and resources. CKF promotes a culture of trust, honesty and integrity and has a duty to protect any personnel who report breaches of this fraud policy. It is our policy that all personnel connected with CKF will conduct themselves with integrity and demonstrate awareness of the importance of ethical practices to develop and maintain effective controls to prevent fraud and avoid corrupt practices. All personnel will ensure that they are familiar with and comply with CKF's *Code of Conduct* and ACFID's Code of Conduct. All personnel are required to report any suspected fraudulent or corrupt acts as outlined in this policy.

CKF has no tolerance for fraud or corruption including the associated reputational impact. Any monies taken by theft or fraud reduces CKF's capacity to maintain the same level of frontline services to people in need or will reduce back office support to compensate for the loss. As a non-for-profit charity we



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rely on the support of government, business and the community to deliver the services we provide to people in need. Reputational damage arising from poor fraud control procedures can lead to a significant decline in confidence in CKF and have an adverse effect on donations and funding, leading to a more severe impact on the services we deliver.

Our *Whistle-Blower Policy* provides an alternative reporting mechanism and protective arrangements to encourage people who work for or with CKF to speak up about possible wrong doing for early resolution. CKF

PREVENTION

CKF's prevention of fraud and corruption mechanisms include:

- Regular review of integrity framework supporting a culture of integrity and intolerance of fraud or corruption
- Continual quality improvement reviews of internal control and compliance measures
- Maintenance of database for trend analysis to identify early action

DETECTION

CKF's detection mechanisms include:

- Whistle-blower protection
- Internal audit awareness during audits
- External audit awareness during audits

RESPONSE

CKF's response measures include:

- Revision and refreshment of policies to rectify deficiencies
- Maintenance of an internal investigative capability
- Internal notification, escalation and investigation of fraud and corruption incidents
- Internal reporting of investigation outcomes and escalation where appropriate



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- Review of internal controls after every confirmed incident
- Application of disciplinary procedures
- Civil action to recover losses where appropriate
- Media management involvement as appropriate
- Reporting to funding agencies of incidents and rectification measures
- Referral to external organisations and agencies such as Police, as appropriate, after President approval

RESPONSIBILITIES

Everyone in CKF is responsible for fraud control and corruption prevention. Every person must take responsibility to understand the Code of Conduct and to report suspected incidents immediately.

The Board is responsible for the administration, interpretation and implementation of this policy and for advising on the need to review or revise this policy as and when the need arises. Where issues related to compliance to this policy are identified, CKF Board members will work with staff and other relevant stakeholders to address these issues promptly.

The CKF President sets the 'ethical tone at the top' to flow throughout CKF to entrench a culture of high ethics and integrity. The president is also responsible for approving terms of reference for any investigation into fraud or corruption and to endorse final actions to be taken in response to actual incidents of fraud or corruption.

All partners, employees and volunteers are to be continually alert to the possibility of fraud or corruption incidents and to internal control lapses. Such duties extend to informing their manager or supervisor of any suspected incidents or control lapses or weaknesses. Alternatively, where reporting by normal channels are restricted, refer to the Whistleblower Policy for reporting.

Internal auditors are to maintain awareness of the possibility of fraud or corruption during audit work and provide advice and guidance on internal controls to prevent fraud or corruption. Internal auditors are to conduct tests of systems to identify possible fraud or corruption and specialist investigatory expertise where needed.



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External auditors are to maintain awareness of the possibility of fraud or corruption throughout their auditing work of CKF.