



## The Dignity Project –

### Avoiding corruption, fraud and money laundering policy

The Dignity Project (TDP) is a not-for-profit, charitable and benevolent institution established in Australia solely to provide relief to young people in India in need, in particular young people from disadvantaged communities, through local projects to provide benevolent care, support, education and training **(Purpose)**.

TDP values honesty and accountability and operates within the laws and regulations of Australia and the countries it works in, namely India. The following policy outlines measures by TDP to prevent the risk of fraud, money laundering, corruption, or financing of terrorism. This policy is also supported by TDP's *Additional policy for use of funds and decision making*.

## Culture:

1. TDP has zero tolerance for fraud, money laundering, corruption, or financing of terrorism.
2. TDP is committed to ensuring best practice within its organisation and partner organisations and encourages all members, staff and volunteers to act with honesty and integrity in all their actions.
3. TDP acknowledges that fraud, money laundering, corruption and financing of terrorism will have a negative impact on the beneficiaries TDP seeks to support through its stated purpose and as such, TDP seeks to prevent the risk of fraud, money laundering, corruption and financing of terrorism through clear policies and procedures that are documented and publicly available.
4. TDP's values, as outlined in its *code of conduct*, help limit potential risks and all staff, members or volunteers agree to adhere to the TDP *code of conduct*.
5. TDP board members are committed to preventing the risk of fraud, money laundering, corruption and financing of terrorism and will take all steps required to limit the risk.
6. TDP welcomes individuals or groups to raise any and all concerns, including anonymous reports, and agrees to consider any concerns thoroughly and objectively. Measures for reporting are detailed below.

### Measures to prevent risks:

7. TDP will NOT make payments in cash. All payments made by TDP must be receipted and accurate and timely records maintained.
8. TDP will NOT make payments or provide payments into bank accounts owned by individuals.
9. TDP will not use a third-party wire service to make overseas payments.
10. TDP will only make payments to banks in India registered and regulated by the government.
11. TDP will only make payments or transfer funds for original invoices or receipts and requires original receipts to be submitted to TDP and or sighted by its appointed local representative prior to payment.
12. TDP will maintain written agreements between any organisation it provides funding or support to, outlining the scope and guidelines for any financial support provided by TDP.
13. TDP will prioritise support for organisations in India registered under the official Foreign Contribution (Regulation) Act which includes declarations and provisions to prevent an Indian organisation from misusing the funds under the government regulations listed in the aforementioned act.
14. TDP will never pay bribes or facilitation payments.

15. TDP will conduct due diligence on organisations, groups or individuals it partners with and may engage an external independent entity to conduct such due diligence.
16. TDP will regularly review and conduct internal risk assessments on its financial management procedures and reporting standards.
17. TDP may request and review the financial records of partner organisations or engage an independent auditor to review those financial records.
18. TDP agrees to keep and make available if requested, financial records for a period of 7 years. Storage of these records is outlined in TDP's *record keeping policy*.
19. The TDP secretary will make available at each board meeting accurate and up-to-date financial records for the board to review, consider and seek clarification if needed.
20. In line with the TDP *additional policy for use of funds and decision making*, all payments and dispersal of funds require board approval.
21. The TDP secretary must make available TDP financial records if requested by a board member, outside of scheduled board meetings.
22. TDP will appoint two members of its board to review and reconcile the TDP bank account each quarter.
23. TDP will use its *conflict of interest policy* to support board members and volunteers to declare potential conflicts. The *conflict of interest* policy is available on the TDP website. TDP will maintain a *conflict of interest register*.

24. TDP will monitor donations and review donations exceeding \$500 for red flags or anomalies including but not limited to donations made at odd times, multiple donations made by unknown parties close together and donations by unidentifiable individuals or organisations or any which it deems suspicious.
25. TDP will use two factor authentication on its bank accounts to execute payments or dispersal of funds.
26. TDP will complete and review annually an assessment of the risk of financial abuse. The assessment will be submitted to the board once complete and recorded in board meeting minutes. A copy of the assessment of risk will be maintained according to TDP's record keeping policy.

### **Reporting concerns:**

27. The board of TDP encourages all staff, including volunteers or individuals associated with partner organisations in overseas countries, to raise concerns about fraud or the inappropriate use of funds. TDP endeavours to provide all staff and volunteers directly affiliated with it training to detect fraud or the misuse of funds.
28. Concerns about financial irregularities or concerns about fraud or the use of funds by individuals or organisations TDP partners with, should be raised in writing to TDP's appointed independent entity. Concerns can be raised or reports made anonymously directly to the [secretary@thedignityproject.com.au](mailto:secretary@thedignityproject.com.au).
29. Board members can also raise concerns via the appointed independent entity.

30. Concerns raised by staff or individuals will be considered, thoroughly and objectively. The board will conduct further investigations as necessary and report any concerns to relevant authorities if necessary. Anonymous reports will also be investigated but there may be limitations to TDP's investigations depending on its ability to clarify or authenticate anonymous reports.
31. TDP will keep a record of any concern or report in line with its *record keeping policy*. Concerns will be shared with the board and relevant authorities if necessary; beyond which, reports will be kept confidential.

**Response:**

32. Any concern or report of alleged fraud or other misuse of funds will be raised with the board and where necessary, considered at meeting called especially for such purpose. If deemed necessary, the secretary or independent entity will commence an investigation into the concern.
33. TDP will report any concerns about the use of funds or fraud to relevant law enforcement bodies and/or the Australian Charities and Not-for-profit Commission when deemed necessary by the board.
34. If a concern of fraud relates to TDP's bank account, TDP will immediately notify its bank.
35. If concerns are raised about any TDP partner organisation overseas, TDP will suspend payments to that organisation or partner until such time as an investigation has been conducted and a decision made.

36. TDP will terminate any staff, board or volunteer found to have misused funds or to have purposefully engaged in fraud.
37. Where necessary, an independent person will be engaged to investigate a concern or report and report back to the board.
38. Following any report or concerns and any subsequent investigation, TDP will review this policy at the next scheduled board meeting and make recommendations for changes or action required to prevent further risks. A record of this will be record in the board meeting minutes.
39. TDP will review this policy on an annual basis.

### Related TDP policies

1. *TDP constitution*
2. *TDP code of conduct*
3. *TDP additional policy for use of funds and decision making*
4. *TDP safeguarding children and vulnerable people policy*
5. *TDP record keeping policy*
6. *TDP conflict of interest policy*

## Resources:

For more details about financial abuse, including definitions of fraud:

<https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/governance-toolkit/governance-toolkit-financial-abuse>

Making a report with the Australian Federal Police:

[https://forms.afp.gov.au/online\\_forms/report-commonwealth-crime](https://forms.afp.gov.au/online_forms/report-commonwealth-crime)

Making a report with the ACNC: <https://www.acnc.gov.au/for-charities/manage-your-charity/acnc-forms>

TDP policies and procedures: <https://thedignityproject.com.au>

Signed:	
Position:	Secretary
Dated:	11 June 2024