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StudyBeyondBorders Organisation

**POLICY**

# FINANCIAL WRONGDOING POLICY

*Change begins with Education*

# TABLE OF CONTENTS

## Contents


1. STUDYBEYONDBORDERS IN CAMBODIA OVERVIEW 2
**2. PURPOSE 2**
3. SCOPE 2
4. DEFINITIONS 2
    4.1. Fraud 2
    4.2. Corruption 3
    4.3. Money Laundering 3
    4.4. Violation of Sanctions imposed by government 3
    4.5. Terrorism Financing 3
    4.6. Board 3
    4.7. Management 3
    4.8. Staff and Volunteers 3
    4.9. Person 3
5. POLICY AND POLICY PRINCIPLES 3
    5.1. Policy 3
    Policy principles SBBC: 4
6. POLICY IN ACTION 4
7. RESPONSIBILITY 5
8. REPORTING OF FINANCIAL WRONGDOING 6
9. RELATED POLICIES 6
10. REFERENCE DOCUMENTS 6
11. POLICY MANAGEMENT 8

## 1. STUDYBEYONDBORDERS IN CAMBODIA OVERVIEW

StudyBeyondBorders in Cambodia **(SBBC)** is a local Cambodian non-government organisation operating in rural areas of Battambang and Siem Reap Provinces. The organisation is supported by an alliance of registered development organisations in Australia (SBBA), the UK (SBBUK), and Ireland (SBBI).

**SBBC** aims to build capability within Cambodian education policy-making, leadership, mentoring, and training to equip and motivate teachers to provide quality education to children. The organisation is committed to supporting systemic change so that educators are proud to work in the teaching profession and are highly respected by parents, communities, and peers. To this end, **SBBC** conducts programs to mentor education leaders, upskill teachers, engage parents and communities, and develop resources that together enable the delivery of quality education to schoolchildren. The organisation seeks to embed all its work at the school, district, provincial, and national levels.

## 2. PURPOSE

This policy sets out SBBC's policy regarding the prevention, awareness detection and investigation of suspected financial wrongdoing by employees and others with a business relationship with the organisation.

## 3. SCOPE

This policy applies to any wrongdoing or suspected wrongdoing, including fraud, corruption, terrorism financing, money laundering and violation of sanctions imposed by the government of the legal entity as well as any international sanctions applied by Australia, EU, or the UK . This policy applies to staff and volunteers, Board of Trustees, vendors, contractors, and any other formal partner in a business relationship with **SBBC**.

## 4. DEFINITIONS

### 4.1. Fraud

**"Fraud"** is defined as dishonestly obtaining a benefit, or causing a loss, by deception or other unlawful and/or unethical means. It extends beyond the legal definition of fraud to benefits obtained that can be both tangible and intangible. It encompasses activities and/or behaviours broader than misuse and theft of money.

This definition of fraud includes the following:

- Forgery or alteration of documents (cheques, bank drafts, bank statements, time sheets, invoices, quotations, agreements, etc.) or bank accounts belonging to **SBBC**.
- Misrepresentation of information on documents.
- Misappropriation of funds, supplies, or assets.
- Theft, disappearance, or destruction of assets.
- Improprieties in the handling or reporting of money or financial transactions.
- Authorising or receiving payments for goods not received or services not performed.
- Authorising or receiving payment for hours not worked.
- Inappropriate use of the organisation's records and disclosing confidential and proprietary information to outside parties, without consent.

4.2. Corruption

**"Corruption"** is defined as the offering, giving, soliciting, or acceptance of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include:

- Bribery, whether offered or accepted including acceptance of funds / other benefit to alter a decision such as supplier or beneficiary selection, payment of funds to secure a favourable outcome either personally, such as for a promotion, or for the benefit of connected parties.
- Conspiracy
- Extortion

4.3. Money Laundering

"Money Laundering" is defined as the process of concealing the origin, ownership or destination of illegally or dishonestly obtained money and hiding it within legitimate economic activities to make them appear legal.

4.4. Violation of Sanctions imposed by government

Government Sanction laws implement sanctions agreed by the United Nations Security Council, or are made autonomously or against those that appear on the terrorist list. **SBBC** also specifically shall adhere to the Australian government Consolidated List of sanctioned entities.

4.5. Terrorism Financing

"Terrorism Financing" – intentionally providing or collecting funds and being reckless as to whether those funds would be used to facilitate or engage in a terrorist act.

4.6. Board

**"Board"** means the Board of Directors or Trustees of the respective organisation.

4.7. Management

**"Management"**, means the Managing Director, Finance Manager, members of the Senior Leadership Team (SLT) and other individuals who manage or supervise funds or other resources, including managing staff.

4.8. Staff and Volunteers

**'Staff and volunteers'** are people who hold contracts with **SBBC**, whether this be a permanent contract, fixed term contract or volunteer agreement.

4.9. Person

The term **'person'** or **'persons'** refers to one or many participants, staff and/or volunteers.

## 5. POLICY AND POLICY PRINCIPLES

5.1. Policy

**SBBC** is committed to protecting funds and other property entrusted to it by donors from attempts by members of staff, volunteers, the public, contractors, sub-contractors, partners, partner staff, or Board members, to gain financial or other benefit by deceit. We will take all reasonable steps to prevent financial wrongdoing; and will act promptly when actual or suspected financial wrongdoing is identified.

**Policy principles SBBC**:

- Maintains a 'zero tolerance' attitude towards financial wrongdoing. Financial wrongdoing, regardless of who this is committed against, will constitute misconduct and may be grounds for dismissal. It may lead to actions to recover any losses sustained by **SBBC** as a result of such wrongdoing (including referral to law enforcement authorities)
- Requires that all staff must report any case of suspected or detected wrongdoing immediately if it is detected or suspected. Reports must be made in good faith and be as thorough as possible. False or malicious allegations may result in disciplinary actions
- Adopts a risk management approach to the prevention, detection and investigation of suspected fraudulent and corrupt activity that is incorporated into its business processes, management practices, internal controls and related activities;
- Commits to creating an organisational culture that prevents wrongdoing, including senior management example, stringent recruitment processes, monitoring and evaluation to ensure funds are spent as expected, in-house training and appropriate reporting mechanisms.
- Will prosecute or apply other appropriate sanctions against those who have committed fraud and engaged in corrupt conduct.
- Will report suspected or confirmed financial wrongdoing to upstream partners such as SeeBeyondBorders entities in line with partner agreements. We recognise that some partners may have further upstream commitments to report within 5 days of a suspected or confirmed breach and we commit to meeting such deadlines.

## 6. POLICY IN ACTION

- Fostering and maintaining the highest standards of ethical behaviour
- Stringent recruitment procedures
- Regular assessment of financial wrongdoing risk at program, fundraising and office level considers how wrong doing could be perpetrated in our operating environment. Fraud, corruption, money laundering, terrorism financing and violation of sanctions imposed by governments are covered by risk assessment.
- Separate Counter Terrorism Policy
- Documentation and operation of controls to mitigate the identified risks and regular checks that these are implemented effectively.
- Publicising this policy and training staff on the risks and application of the controls
- Ensuring that employees directly involved in prevention of financial wrongdoing receive adequate training;
- Donations only accepted from ethical sources, refunds require authorisation and explicit intent to refuse funds from illegal activities or sources
- Ensuring investigation of instances of financial wrongdoing and making every effort to recover the proceeds of these acts.
- Referring incidents of wrongdoing to appropriate authorities;

- Reporting on control activities to the Managing Director and the Board.
- Reporting Incidence of Fraud and other financial wrongdoing to the Board.
- Upstream reporting of Fraud and other financial wrongdoing to SeeBeyondBorders entities via their CEO IO and/or CFO in line with grant and funding agreements and within a specified timeframe of 3 days.
- The approval of the Managing Director shall be sought prior to reporting any incidents of fraud or corruption to external authorities. If the Managing Director is a subject of financial wrongdoing, this responsibility reverts to the Chair of the governing body.

## 7. RESPONSIBILITY

- The governing body of **SBBC** has ultimate responsibility for the prevention and detection and investigation of financial wrongdoing and for ensuring that appropriate internal control systems are in place.
- All personnel are responsible for: ensuring that they are familiar with and comply with financial wrongdoing policies and procedures; conducting themselves with integrity and avoiding financial wrongdoing of any kind; demonstrating awareness of prevention of financial wrongdoing practices; and reporting all suspected cases of financial wrongdoing as soon as possible in line with the policy.
- The Finance Manager is responsible for the design of the internal control environment to ensure that financial wrongdoing is prevented.
- The Managing Director is responsible for ensuring that the internal control environment is effective.
- All staff are responsible for operating in accordance with the internal control environment.
- The Board are responsible for oversight of the internal control environment.
- Managers have a responsibility to: be aware of areas in their sections that have high risk of financial wrongdoing; role model a zero tolerance for financial wrongdoing culture within their teams and throughout the organisation; ensure that prevention of financial wrongdoing policies and procedures are communicated and understood amongst their teams; and understand the applicable legal environment for their areas.
- The Managing Director is responsible for managing the investigation process, including appointment of the investigation team, consideration of reporting the financial wrongdoing to external bodies (in consultation with the governing body), and deciding on disciplinary action. If the Managing Director is a subject of financial wrongdoing, this responsibility reverts to the Chair of the governing body.
- All managers should ensure that they assess the risk of financial wrongdoing in their areas of responsibility, are alert to any indicators of such conduct, ensure that their teams are trained in financial wrongdoing awareness and facilitate reporting of any suspected financial wrongdoing.
- All staff and volunteers have responsibility for preventing and detecting financial wrongdoing.
- All SLT members are responsible for ensuring they conduct themselves ethically and that they are aware of potential risks of financial wrongdoing at **SBBC**.

- Every employee and volunteer of **SBBC** has an obligation to assist in upholding this policy. The Board has responsibility for the monitoring and review of this policy.

## 8. REPORTING OF FINANCIAL WRONGDOING

All employees have a duty to report concerns they have, or information provided to them, about the possible fraudulent or corrupt activity of any employee, Board member, contractor, vendor, or any other party with an association with **SBBC.**

Any employee who has a reasonable basis for believing wrongdoing has occurred must report the suspected act immediately.

Wrongdoing can be reported orally in person or by telephone, or in writing to a supervisor or a more senior manager. Where reports are made orally we will ensure the report is documented and followed up.

If the employee suspects that the supervisor or manager could be involved, or could have a conflict of interest; then the employee should report the matter to a more senior manager, the Managing Director or Chair of the Board.

Where the whistleblower wishes to remain anonymous the report can be addressed to:

Email: feedback@seebeyondborders.org

Any person who reports an actual or suspected fraud in good faith, shall be protected as set out in the published Whistle-Blower Policy

If at any time, a staff member believes that the action taken in response to the matter reported is inappropriate or insufficient; the employee must notify the Managing Director in the first instance and the Chair of the entity Board.

Incidence of Fraud and other financial wrongdoing should be reported to upstream funding Partners where it is a requirement of the funding agreement. Specifically this includes SeeBeyondBorders international entities and has a reporting requirement of within 3 days.

## 9. RELATED POLICIES

- Conflict of Interest Policy
- Whistle-blower PolicY
- Counter Terrorism Policy

## 10. REFERENCE DOCUMENTS

- MoA Agreements with SeeBeyondBorders entities
- Commonwealth Fraud Control Framework
- UK Bribery Act 2010
- Commonwealth Fraud Control Guidelines March 2011
- Commonwealth Criminal Code Act 1995 (Part 7.3)

- DFAT ANCP Head Agreement
- Australian Government Investigations Standards (AGIS)

## 11. POLICY MANAGEMENT

This policy has been approved by the Board of Trustees of SBBC as noted below.

Amendments will be recommended to the Managing Director from time to time as deemed appropriate by the General Manager Shared Services, usually annually.

Formal reviews are recommended every three years from the anniversary date of approval by the Board.

Recommendations for minor changes can be approved by the Managing Director before the Board review every three years.

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| **Reference Code** | FWRP/12/2024/1.0 |
| **Executive Owner** | The Managing Director |
| **Policy Manager** | The Finance Manager |
| **Effectiveness Approval Body** | SBB Cambodia Board |
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**Note: This policy was published and approved by the Managing Director and General-Shared Services in December 2024 before Board establishment.*