

Anti-Fraud and Anti-Corruption Policy



Last Updated: 8 June 2026



Registered Charity



Vanni Hope (ABN: 19614675231) is a charity registered with the ACNC.

Introduction

Vanni Hope has a zero-tolerance policy towards fraud and corruption. We recognise that we work in a challenging context both in Australia and Sri Lanka where there are risks of fraud and corruption. We focus on preventing and detecting fraud, bribery, and unethical conduct through robust reporting channels, conducting a thorough risk analysis of our projects and by implementing our Anti-Fraud & Anti-Corruption Policy (the **Policy**) throughout our operational procedures.

Risk Analysis Approach

Our organisation applies a context-specific risk analysis framework to ensure that project funds are used transparently and are not subject to embezzlement or misappropriation at the community level. This included:

- **Pre-project risk assessment:** Identifying potential financial and operational risks based on location, stakeholders, and type of intervention.
- **Due diligence:** Screening and verifying partners, suppliers, and beneficiaries before engagement.
- **Segregation of duties:** Ensuring financial responsibilities (approval, disbursement, recording) are divided among different staff.
- **Budget controls:** Clear budget planning with defined cost categories and approval limits and we follow strict financial controls including approval hierarchies, documented payment processes, and limited cash handling. Wherever possible, payments are made through bank transfers.
- **Regular monitoring and field verification:** Conducting site visits, beneficiary checks, and progress reviews.
- **Financial reporting and audits:** All expenses are supported by invoices, receipts, photographs, and beneficiary acknowledgment and Periodic financial and narrative reports are prepared and reviewed, with internal and external audits where applicable.
- **Community feedback mechanisms:** Beneficiaries are encouraged to raise concerns through direct communication, helping to identify any misuse at an early stage.
- **Audit and review:** Internal reviews and external audits (where applicable) are conducted to ensure compliance with donor and organisational policies.

These measures help identify, mitigate, and monitor risks throughout the project life cycle, ensuring transparency and accountability in the use of funds in the ground level

Definition of Key Terms

Corruption means dishonest or illegal behaviour to obtain a benefit or undue advantage through the misuse of power, position, authority or resources.

Examples of corruption can include (but are not limited to):

- bribery, extortion & blackmail

- permitting personal interests to override the interests of relevant communities
- giving or accepting gifts and 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 documents or concealment of documents
- falsifying job qualifications or work or safety certifications
- preferential treatment for family and friends
- privacy breaches or data manipulation with intent to cause harm

Fraud means obtaining a benefit, or causing a loss, by deception or other means. Fraud can typically result in actual or potential financial loss to any person or entity, however this is not always the case. Examples of fraud include (but are not limited to):

- the misappropriation of funds for private gain
- theft such as stealing property
- misuse of property (e.g. using office space for private gain)
- bribery of foreign public officials to implement work
- diversion of aid to non-target groups
- falsifying financial or other documents for private gain

“*private gain*” refers to individual benefits, as well as benefits received by communities, ethnic groups, religious groups, political organisations, corporations or militia.

Scope

This Policy applies to any officeholder, member of staff, volunteer, contractor or member (each a **Representative**) of Vanni Hope involved in project, partnership, or organisational decision-making roles. The Policy also extends to those who partner with Vanni Hope and must ensure that all those to whom this policy applies are aware of and adhere to this Policy (and all other policies of Vanni Hope).

Vanni Hope requires that partner organisations contractually commit to complying with the key obligations of this Policy via a signed Memorandum of Understanding (MOU) or grant agreement. Vanni Hope will take appropriate steps to build partner capacity to meet these obligations where needed.

Policy

A. Commitment

Vanni Hope recognises the importance of fraud and corruption prevention and aims to maintain an organisational culture that discourages any fraudulent or corrupt activities. Fraudulent and

corrupt activity negatively impact our beneficiaries, sponsors or Representatives or partners and seriously damage public confidence in our ability to undertake sustainable development work.

The prevention and detection of fraud and corruption is the responsibility of every member of our organisation, including directors, staff and volunteers, as well as our overseas partner organisations. The Vanni Hope Board is responsible for creating an ethical culture that prevents fraud and corruption.

All our Representatives must agree to abide by this Policy and understand that it is their responsibility to prevent fraud or corruption by reporting suspected incidents in accordance with this Policy and the Complaints and Whistleblowing Policy.

We are committed to preventing fraud and corruption by:

1. vetting Vanni Hope Representatives and partners in accordance with the guidelines established in our Human Resources Policy;
2. educating Vanni Hope Representatives and partners on fraud and corruption detection and prevention;
3. monitoring financial transactions at an organisational level;
4. monitoring project implementation, management and outcomes;
5. external auditing and reporting; and
6. fraud and corruption detection, reporting and investigation.

Further detail of these processes are described below.

B. Vetting Vanni Hope Partners and Representatives

To maintain a culture and environment that prevents fraud and corruption, Vanni Hope hires staff and volunteers who are of suitable character and do not pose a risk to Vanni Hope's operations. This is achieved by recruiting staff and volunteers that are of strong moral character and follow the guidelines of Vanni Hope's Human Resources Policy. This includes carrying out reference checks where appropriate in light of the risk of fraud or corruption. This will be based on factors including the nature of the position and whether it involves dealing with funds and/or making decision which have a material (direct or indirect) consequence for Vanni Hope.

C. Educating Vanni Hope Staff

Vanni Hope ensures that our Representatives and partner organisations are aware of this Policy and requires such individuals to read the Policy. Vanni Hope will also look to implement any other formal or informal means of ongoing training in fraud and corruption awareness and prevention where necessary and possible.

D. Monitoring Financial Transactions

Vanni Hope monitors and records financial transactions that exceed a defined threshold. The threshold amount and the individual or team responsible for monitoring and recording such transactions will be confirmed by the Managing Director and documented in Vanni Hope's financial procedures.

E. Monitoring Vanni Hope Projects

Monitoring and evaluation are crucial to determining the success of Vanni Hope's development activities and its relationships with local community stakeholders, and a key measure of success is ensuring that fraud or corruption does not occur. This measure of success involves the ongoing management and monitoring of Vanni Hope's projects, their design, implementation and outcomes.

F. External Review and Reporting

Vanni Hope undergoes periodic external auditing and reporting processes as follows:

- as a medium registered charity, Vanni Hope's annual financial report must, at least once every year, be either reviewed or audited in accordance with the requirements under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* by a person qualified under that Act to conduct the review or audit; and
- Vanni Hope must provide an annual report to members detailing the financial records of the organisation (eg, balance sheet, profit & loss statement) including the financial performance for the relevant financial year.

G. Reporting Fraud and Corruption

Vanni Hope has a 'zero-tolerance' policy on fraudulent or corrupt behaviour. This means that any case of alleged, suspected or detected fraud or corruption must be reported immediately to the Vanni Hope Managing Director and Board of Directors, and be dealt with as soon as reasonably practicable by the Board of Directors of Vanni Hope.

The ***Complaints and Whistleblowing Policy*** clearly outlines the mechanism through which Vanni Hope staff must report allegations of fraud or corruption.

H. Investigating Fraud and Corruption

Vanni Hope will investigate all reported cases of alleged, suspected or detected fraud and corruption. Moreover, Vanni Hope aims to create a culture that encourages fraud and corruption detection, ensures that whistle-blowers are protected, and investigates allegations in a rigorous and impartial manner. To achieve this, Vanni Hope adopts the following measures for investigating fraud and corruption once a fraud incident has been reported or identified:

- taking steps to hold or freeze any pending transactions if possible and inform local law enforcement if assistance is required in this regard;
- undertaking investigations in a confidential, prompt and professional manner according to established guidelines;
- ensuring that no negative outcomes occur for whistle-blowers acting in good faith.

I. Confirmed Incidents of Fraud and Corruption

If allegations of fraud or corruption are proved to be correct, Vanni Hope will:

- take appropriate disciplinary action in a transparent and fair manner;
- seek the recovery of misappropriated funds or assets wherever possible including pursuing prosecutorial or administrative action;
- where the funds defrauded relate to institutional donors, such as the Australian Government, notify the donor in accordance with contractual requirements; and
- report as soon as practicable (and in any case, at least annually) to the Vanni Hope Board of Directors summarising any instances of fraudulent activity and actions taken by management.



Review

This Policy will be reviewed once every two years to ensure that the policy is operating effectively.

Date	Version	Review Description	Reviewed by	Approved by
Feb 2025	1	New template created	Virosh Poologasundaram	Board of Directors
June 2026	2	Complete reformat and general update of policy	Abinaja Yogarajah	Board of Directors