

- **Burmese Community Development Collaboration (BCDC)**

# FINANCIAL WRONGDOING POLICY

(Compliant with ACFID, ACNC,  
and International Best Practices)

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## 1. INTRODUCTION

The Burmese Community Development Collaboration (BCDC) is committed to the highest standards of financial integrity, transparency, and accountability. We recognize that financial wrongdoing—including fraud, corruption, bribery, money laundering, and misuse of funds—can severely harm our organization’s credibility, undermine donor and stakeholder trust, and ultimately impact the vulnerable communities we serve.

This Financial Wrongdoing Policy provides a comprehensive framework to prevent, detect, report, investigate, and address any form of financial misconduct across all BCDC operations.

It reflects our strong commitment to ethical financial management and responsible stewardship of all resources entrusted to us.

Through this policy, BCDC ensures:

- Compliance with all relevant national and international financial laws and standards.
- Protection of donor funds and public trust.
- Promotion of a culture of honesty, ethical conduct, and zero tolerance for financial misconduct.
- Fulfillment of our obligations under the Australian Council for International Development (ACFID) Code of Conduct, the Australian Charities and Not-for-profits Commission (ACNC) External Conduct Standards, the DFAT Counter-Terrorism and Anti-Corruption Guidelines, and other international anti-corruption conventions.

This policy applies to all BCDC staff, volunteers, Board members, contractors, partners, and any individuals or entities engaged in activities on behalf of BCDC, across all geographic locations.

Financial wrongdoing at any level will not be tolerated, and all allegations will be treated seriously and acted upon appropriately.

## 2. PURPOSE AND OBJECTIVES

### 2.1 Purpose of the Policy

The BCDC Financial Wrongdoing Policy serves as a comprehensive framework to uphold ethical, transparent, and accountable financial management in all facets of the organization's activities.

BCDC recognizes that financial wrongdoing—including fraud, corruption, bribery, money laundering, or misuse of funds—can have devastating impacts on our credibility, partnerships, donor confidence, and our ability to effectively deliver humanitarian and development services.

This policy is established to:

- Prevent, detect, report, and address all forms of financial wrongdoing.
- Promote responsible stewardship of funds entrusted to BCDC by donors, government bodies, and partners.
- Ensure compliance with all applicable domestic and international laws and financial governance standards.
- Strengthen public and stakeholder trust in BCDC's financial practices.
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Through this policy, BCDC aims to:

- Reinforce a strong organizational culture of ethical financial behavior.
- Minimize financial wrongdoing risks via internal controls and risk management strategies.
- Ensure transparency and accountability in all financial transactions.
- Encourage safe reporting mechanisms and protect whistleblowers.
- Take swift, proportionate, and lawful action against individuals or entities involved in financial wrongdoing.

This policy applies to all financial operations of BCDC, ranging from daily expenditure management to high-value procurement and grant disbursements.

## 2.2 Objectives of the Policy

The primary objectives of the BCDC Financial Wrongdoing Policy are to:

### 2.2.1 Establish a Clear Framework for Financial Integrity

- Define financial wrongdoing and set clear expectations for ethical conduct.
- Establish mandatory guidelines and internal controls to prevent, detect, and address financial misconduct.
- Ensure financial transactions are properly authorized, documented, and recorded.

### 2.2.2 Strengthen Risk Management and Financial Oversight

- Identify, assess, and mitigate risks related to fraud, corruption, bribery, money laundering, and terrorism financing.
- Implement effective financial control systems and conduct regular audits.
- Align BCDC's financial oversight mechanisms with donor requirements, legal frameworks, and recognized best practices.

### 2.2.3 Promote Transparency and Accountability

- Ensure that financial reporting is accurate, accessible, and timely for all stakeholders.
- Assign clear roles and responsibilities for financial decision-making.
- Mitigate conflicts of interest through strict ethical procurement and financial practices.

### 2.2.4 Strengthen Whistleblower Protection and Reporting Mechanisms

- Provide safe, confidential, and accessible avenues for reporting suspected financial misconduct.
- Protect whistleblowers from retaliation and ensure professional handling of all disclosures.
- Establish clear, fair, and timely investigation procedures for financial wrongdoing allegations.

### 2.2.5 Enforce Disciplinary and Legal Actions

- Implement strict disciplinary measures—including dismissal—for individuals or entities proven to have engaged in financial wrongdoing.
- Pursue legal action where necessary, including the recovery of misused or embezzled funds.
- Uphold a zero-tolerance stance towards bribery, fraud, corruption, and misuse of funds at every level of BCDC's operations.

## 2.3 Alignment with International Standards and Best Practices

The BCDC Financial Wrongdoing Policy aligns with:

- Australian Council for International Development (ACFID) Code of Conduct – Upholding financial accountability and transparency.
- Australian Charities and Not-for-profits Commission (ACNC) External Conduct Standards – Ensuring financial integrity in international activities.
- DFAT Counter-Terrorism and Anti-Corruption Guidelines – Preventing misuse of development assistance funds.
- OECD Anti-Bribery Convention – Combating bribery in international nonprofit engagements.
- United Nations Convention Against Corruption – A global framework to prevent, detect, and prosecute corruption.

By aligning with these frameworks, BCDC reaffirms its commitment to best-practice financial governance.

## 2.4 Organizational Commitment to Ethical Financial Management

BCDC is fully committed to:

- Embedding ethical financial behavior at all organizational levels.
- Ensuring all staff, volunteers, contractors, and partners understand and comply with this policy.
- Promoting financial transparency, accountability, and reporting obligations.
- Taking collective responsibility to protect and safeguard the financial integrity of BCDC.
- Making financial wrongdoing prevention an organizational priority, beyond mere compliance obligations.

By adhering to this policy, BCDC affirms its dedication to maintaining donor trust, protecting organizational resources, and ensuring the sustainable achievement of its mission.

## 3. SCOPE OF THE POLICY

### 3.1 Individuals and Entities Covered

The BCDC Financial Wrongdoing Policy applies to all individuals and entities involved in BCDC's financial operations, regardless of their role, seniority, location, or contractual arrangement.

This ensures that financial misconduct is prevented, detected, and addressed consistently across all operations, programs, and partnerships.

The following groups are covered under this policy:

#### 3.1.1 BCDC Personnel

- Board Members and Executive Leadership: Responsible for financial governance, strategic oversight, and compliance with risk management frameworks.
- Employees and Volunteers: Required to adhere to internal controls, ethical financial practices, and reporting obligations in the course of their duties.
- Finance and Administrative Staff: Accountable for budgeting, accounting, auditing, compliance with financial regulations, and reporting.

#### 3.1.2 External Partners and Entities

- Contractors, Suppliers, and Vendors: Must comply with BCDC's procurement standards, financial transparency requirements, and contractual obligations.
- Implementing Partners and Sub-Grantees: Obligated to comply with funding agreements, anti-corruption measures, and financial accountability standards.
- Donors and Funding Agencies (where applicable): Must adhere to BCDC's guidelines on financial reporting, fund disbursement, and ethical use of resources.

Accountability applies equally to all covered parties, regardless of employment status, contract type, or operational location.

## 3.2 Financial Activities Covered

This policy applies to all financial operations, transactions, and assets under BCDC's control, ensuring the integrity and ethical handling of financial dealings at all times.

Key financial activities covered include:

### 3.2.1 Payroll and Compensation

- **Salary Payments and Benefits:** Processed according to approved payroll policies and proper authorizations.
- **Overtime, Allowances, and Bonuses:** Subject to approval and accurate documentation.
- **Per Diems and Travel Reimbursements:** Reimbursed based on actual expenses and clear documentation.

### 3.2.2 Procurement and Contract Management

- **Procurement of Goods and Services:** Must adhere to competitive bidding, transparent selection, and documented approval processes.
- **Supplier and Contractor Payments:** Require verified invoicing, proper authorization, and adherence to financial protocols.
- **Asset Purchases and Management:** Assets must be tracked, recorded, and audited according to asset management procedures.

### 3.2.3 Grant and Donor Fund Management

- **Donor Fund Allocations:** Funds must be used solely for approved project purposes.
- **Project Budgets and Reporting:** Financial reporting must be accurate, timely, and align with donor agreements.
- **Sub-Grants and Disbursements:** Subject to regular monitoring, audits, and compliance verification.

### 3.2.4 Bank Accounts, Cash Handling, and Electronic Transactions

- **Bank Account Management:** All accounts must be registered, reconciled, and monitored in line with financial procedures. All BCDC bank accounts require dual-signature approval for all transactions to ensure transparency and internal control. This applies to both manual and electronic transactions, and includes thresholds set by the Finance Manual. Signatories must be authorized staff or board members designated through formal resolution.
- **Cash Disbursements and Advances:** Must be supported by appropriate approvals and reconciliations.
- **Electronic Fund Transfers:** Must adhere to financial authority levels and fraud prevention protocols.

### 3.3 Geographic and Operational Scope

The policy applies to all BCDC operations and activities, whether undertaken domestically or internationally.

Coverage includes:

#### 3.3.1 Australia (BCDC Headquarters and Offices)

- Compliance with Australian financial laws, ACFID Code of Conduct, and ACNC External Conduct Standards.

#### 3.3.2 Myanmar and Thailand (Field Offices and Partner Programs)

- Humanitarian relief, refugee support, education, and development programs.
- Ensuring proper financial practices in politically sensitive and high-risk environments.

#### 3.3.3 Other International Locations

- Programs operated in additional countries must comply with both local jurisdiction laws and Australian regulatory frameworks.
- Observance of international standards for anti-money laundering, anti-bribery, and counter-terrorism financing.

### 3.4 Specific Situations and Transactions Covered

The policy governs all financial dealings involving BCDC funds, assets, or financial decision-making authority. Specific situations include:

- **Use of restricted and unrestricted donor funds:** Funds must be used according to donor agreements.
- **Emergency and humanitarian relief funding:** Subject to expedited, but still accountable, financial procedures.
- **Loans, credits, and financial assistance programs:** Monitored for compliance and financial risk management.
- **Financial liabilities and commitments:** Full disclosure and transparency are required for all obligations.

### 3.5 Exceptions and Special Considerations

There are no exemptions from this policy. However, special considerations apply:

- **Emergency Humanitarian Response:** Flexible financial procedures may be permitted during urgent humanitarian crises, while maintaining minimum necessary controls.
- **Government and Legal Compliance:** Where required, BCDC will comply with specific financial obligations mandated by regulatory authorities or legal frameworks

### 3.6 Summary of Responsibilities

<b>Role</b>	<b>Financial Responsibilities</b>
<b>Board of Directors</b>	Oversight of governance, financial policies, and risk management.
<b>Executive Leadership</b>	Strategic financial planning, operational financial integrity, regulatory compliance.
<b>Finance Department</b>	Day-to-day financial operations, accounting, and monitoring of internal controls.
<b>Procurement Officers</b>	Compliance with procurement and contracting standards, supplier management.
<b>Staff and Volunteers</b>	Adherence to financial procedures, reporting irregularities, ethical handling of resources.
<b>Partner Organizations</b>	Compliance with BCDC financial policies and donor financial management standards.
<b>External Auditors</b>	Independent verification of financial compliance and accountability.

## 4. DEFINITIONS

Clear definitions are crucial to ensuring that all individuals and entities covered by this policy have a common understanding of financial wrongdoing and related concepts. The following definitions apply throughout the BCDC Financial Wrongdoing Policy:

### 4.1 Financial Wrongdoing

Any act or omission involving fraud, corruption, bribery, money laundering, terrorist financing, theft, embezzlement, misappropriation, or any misuse of financial resources entrusted to BCDC, whether intentional or negligent.

### 4.2 Fraud

Dishonest activity causing actual or potential financial or reputational loss to BCDC. Examples include:

- Falsifying financial records or documents.
- Misrepresenting information to gain financial advantage.
- Unauthorized use of BCDC's funds, property, or resources.

### 4.3 Corruption

The abuse of entrusted power or position for private gain, whether for oneself or another party.

Forms of corruption include:

- Kickbacks or secret commissions.
- Nepotism and favoritism in procurement or employment decisions.

### 4.4 Bribery

The offering, giving, receiving, or soliciting of anything of value (e.g., money, gifts, favors) to improperly influence the actions or decisions of another individual or organization.

### 4.5 Embezzlement

The theft or misappropriation of funds, assets, or property entrusted to one's care but owned by BCDC or its donors.

## **4.6 Misuse of Funds**

The use of BCDC's financial resources for unauthorized, unethical, or illegal purposes, including:

- Personal expenses.
- Non-programmatic activities.
- Politically motivated spending not aligned with BCDC's mission.

## **4.7 Money Laundering**

The process of concealing the origins of illegally obtained money, typically by means of transfers involving legitimate businesses, charities, or international projects. BCDC is committed to identifying and preventing money laundering risks in all activities.

## **4.8 Terrorism Financing**

The provision or collection of funds with the intention or knowledge that they will be used to support terrorist activities, groups, or individuals. BCDC must comply with all counter-terrorism financing laws and conduct appropriate risk assessments.

## **4.9 Whistleblower**

Any individual (internal or external) who reports suspected or actual financial wrongdoing in good faith. BCDC protects whistleblowers against retaliation and ensures confidentiality and fairness in all cases.

## **4.10 Conflict of Interest**

A situation where an individual's personal interests could improperly influence their professional duties and decisions, including financial decisions. Conflicts must be disclosed immediately to ensure transparency.

## **4.11 Internal Controls**

Processes and systems designed to provide reasonable assurance of the reliability of financial reporting, compliance with applicable laws and regulations, and the effective and efficient use of BCDC's financial resources.

## **4.12 Investigation**

The formal process of examining allegations of financial wrongdoing to determine their validity and to recommend corrective or disciplinary actions.

## 5. ROLES AND RESPONSIBILITIES

Ensuring effective prevention, detection, reporting, and management of financial wrongdoing at BCDC requires clear assignment of roles and responsibilities across the organisation. All individuals associated with BCDC must actively uphold the standards set out in this policy.

### 5.1 Board of Directors

The Board of Directors holds ultimate accountability for BCDC's financial governance. Their responsibilities include:

- Providing leadership to promote a culture of financial integrity, transparency, and zero tolerance for financial wrongdoing.
- Approving and reviewing the Financial Wrongdoing Policy to ensure alignment with best practice governance standards and regulatory obligations.
- Ensuring that strong internal control systems and independent audit mechanisms are in place and functioning effectively.
- Overseeing serious incidents of financial wrongdoing and ensuring timely and appropriate remedial actions.
- Reporting material cases of financial wrongdoing to relevant external authorities where necessary (e.g., regulators, donors).

### 5.2 Executive Management

The Executive Management Team (including the CEO and Senior Managers) is responsible for operational implementation of this policy. Their duties include:

- Establishing robust internal financial control systems and ensuring adherence to them across BCDC activities.
- Promoting awareness of the Financial Wrongdoing Policy among employees, volunteers, contractors, and partners.
- Providing training and induction on financial integrity, fraud risk management, and whistleblower protections.
- Ensuring that all allegations of financial wrongdoing are promptly and thoroughly investigated.
- Reporting significant financial wrongdoing matters to the Board without undue delay.
- Taking corrective actions, including sanctions or legal referrals, where necessary.

### **5.3 Managers and Supervisors**

All BCDC Managers and Supervisors have a critical frontline role in maintaining financial integrity within their teams. They are responsible for:

- Modelling ethical financial conduct and reinforcing compliance with financial policies and procedures.
- Monitoring financial activities and ensuring that risks of wrongdoing are proactively managed.
- Encouraging team members to report concerns about financial misconduct without fear of reprisal.
- Supporting investigations and ensuring full cooperation from their teams.

### **5.4 Staff, Volunteers, and Contractors**

Each individual working with or on behalf of BCDC is responsible for maintaining the highest standards of financial integrity. This includes:

- Complying with all applicable financial procedures, controls, and reporting obligations.
- Immediately reporting any suspected or known instances of financial wrongdoing.
- Cooperating fully and truthfully with any investigation related to allegations of financial misconduct.
- Acting honestly and transparently in all financial matters, avoiding conflicts of interest.

### **5.5 External Partners, Implementing Organizations, and Suppliers**

All external entities engaged with BCDC must:

- Comply with BCDC's financial wrongdoing policy, ethical standards, and contractual obligations.
- Report any suspected financial wrongdoing involving BCDC funds or activities.
- Cooperate with audits, monitoring visits, or investigations initiated by BCDC or its donors.
- Ensure that any sub-grantees or subcontractors also adhere to the principles of financial integrity and transparency.

## 6. PROCEDURES FOR REPORTING FINANCIAL WRONGDOING

### 6.1 Reporting Channels

BCDC encourages the prompt and honest reporting of all suspected, attempted, or actual instances of financial wrongdoing.

Reports may be made through the following channels:

- Direct Reporting to the CEO or Executive Management:
  - Employees, volunteers, contractors, and external stakeholders can report concerns confidentially to the CEO or Executive Management Team.
- Whistleblower Protection Officer:
  - Reports can be directed to the designated Whistleblower Protection Officer, who is responsible for handling allegations independently and confidentially.
- Board Chairperson:
  - If the allegation involves Executive Management or if the reporter is not comfortable reporting through the internal chain of command, the concern may be raised directly with the Chair of the Board of Directors.
- External Reporting Bodies:
  - In cases where internal reporting is not appropriate or effective, individuals may report concerns to external regulatory bodies such as:
    - The Australian Charities and Not-for-profits Commission (ACNC)
    - The Australian Federal Police (AFP)
    - ACFID Code of Conduct Committee (for Code violations)

### 6.2 Reporting Methods

Reports may be made in the following ways:

- In writing (email or letter)
- Verbally (in a private meeting)
- Through an anonymous online submission (where available)

All reports should include sufficient detail to enable a proper investigation, such as:

- Description of the suspected wrongdoing
- Dates, locations, individuals involved
- Any evidence available

Anonymous reports are accepted; however, full anonymity may limit the capacity to investigate thoroughly.

## 6.3 Handling of Reports

Upon receiving a report:

- An initial assessment will be conducted within five (5) working days to determine whether a full investigation is warranted.
- If necessary, a formal investigation will be initiated, managed either internally or through an independent external investigator appointed by BCDC.

BCDC commits to:

- Treat all reports seriously and confidentially.
- Avoid any prejudice until the conclusion of an investigation.
- Keep the identity of the whistleblower confidential (unless legally obligated to disclose).
- Provide regular updates to the whistleblower (where known and appropriate) about the progress and outcome of the investigation.

## 6.4 Protection of Whistleblowers

BCDC strictly prohibits retaliation, harassment, or victimization against anyone who reports wrongdoing in good faith.

Whistleblowers are entitled to:

- Confidentiality of their identity and report.
- Protection from adverse employment or engagement action.
- Access to support services if required.

Retaliation against a whistleblower will be treated as a serious disciplinary offence and may result in dismissal or termination of engagement.

## 6.5 False or Malicious Reports

Deliberate false reporting, where the individual knows the information to be untrue, will be treated as serious misconduct. Such behavior may lead to disciplinary action, including termination of employment or contract.

## 7. PROTECTION FOR WHISTLEBLOWERS

### 7.1 Commitment to Whistleblower Protection

BCDC is committed to providing a safe environment where individuals feel empowered to report suspected or actual financial wrongdoing without fear of reprisal. We value the courage it takes to report misconduct and view whistleblowers as critical to maintaining ethical integrity and financial accountability.

### 7.2 Rights of Whistleblowers

Any person who reports suspected financial wrongdoing in good faith is entitled to:

- Confidentiality: Their identity will be protected to the fullest extent possible under the law.
- Protection from Reprisal: They will not suffer retaliation, discrimination, harassment, demotion, dismissal, or any other adverse action as a result of making a report.
- Support: They will be offered support mechanisms such as counselling, employee assistance programs (EAP), or referral to legal or independent advice where necessary.
- Right to Anonymous Reporting: Whistleblowers may choose to remain anonymous during the reporting and investigation process, although anonymity may limit the ability to thoroughly investigate the matter.

### 7.3 Responsibilities of Whistleblowers

To ensure the integrity of the reporting process, whistleblowers are expected to:

- Act in good faith and provide information that they believe to be true.
- Provide as much detail and evidence as possible to support their allegations.
- Cooperate fully with any investigation, subject to their right to anonymity if requested.
- Avoid making deliberately false, malicious, or vexatious reports, as this may result in disciplinary action.

### 7.4 Protection Against False Allegations

While BCDC encourages open reporting, malicious or knowingly false allegations are unacceptable.

If an investigation reveals that a report was made with deliberate intent to cause harm, appropriate disciplinary or legal action may be taken against the individual making the false allegation.

## **7.5 Whistleblower Support Services**

BCDC will maintain a designated Whistleblower Protection Officer, responsible for:

- Ensuring the whistleblower's rights are protected.
- Acting as a point of contact for ongoing support.
- Monitoring the whistleblower's welfare throughout the process.

In serious cases, external independent support (such as an Ombudsman service) may be recommended to further safeguard the whistleblower.

## **8. CONFIDENTIALITY REQUIREMENTS AND PRIVACY PROTECTIONS**

### **8.1 Commitment to Confidentiality**

BCDC is committed to maintaining the highest standards of confidentiality in all matters relating to allegations, investigations, and outcomes of financial wrongdoing. All information obtained during the process will be treated as confidential and handled with the utmost care to protect the privacy of all parties involved.

### **8.2 Confidentiality Obligations**

All individuals involved in a report or investigation – including whistleblowers, witnesses, investigators, and respondents – are required to:

- Treat all information related to the matter as strictly confidential.
- Share information only with authorized individuals who have a legitimate need to know.
- Refrain from discussing the matter outside of official reporting and investigation channels.

### **8.3 Measures to Protect Confidential Information**

BCDC will implement the following measures to safeguard confidential information:

- **Secure Storage:** Investigation records, evidence, and related documents will be stored securely, with restricted access.
- **Limited Disclosure:** Disclosure of investigation details will be limited to individuals directly involved in managing or overseeing the case.
- **Secure Communication:** Sensitive communications will be conducted using secure, encrypted methods where appropriate.

### **8.4 Privacy Protections**

BCDC will comply with the Australian Privacy Principles (APPs) under the Privacy Act 1988 (Cth) and relevant international privacy laws (where applicable). This includes:

- Protecting the personal information of individuals involved.
- Using personal information only for the purpose of investigating and addressing the alleged wrongdoing.
- Allowing individuals access to their personal information where permitted by law.

### **8.5 Breaches of Confidentiality**

Any breach of confidentiality obligations – intentional or negligent – may result in disciplinary action, up to and including termination of employment or engagement. In cases of serious breaches, BCDC may also refer the matter to external authorities.

## 9. INVESTIGATION OF ALLEGATIONS AND MANAGEMENT OF FINANCIAL WRONGDOING REPORTS

BCDC is committed to investigating all reports and suspicions of financial wrongdoing in a manner that is thorough, impartial, timely, and consistent with principles of procedural fairness and due process. This section outlines the organization's framework for initiating, managing, and resolving investigations, and for ensuring appropriate actions and safeguards for all parties involved.

### 9.1 Commitment to Fair and Impartial Investigations

BCDC recognizes that maintaining public and donor trust requires not only strong financial management, but also an unwavering commitment to ensuring that any allegations of misconduct are handled with integrity and transparency.

All investigations will:

- Be conducted fairly, objectively, and free from conflicts of interest.
- Be guided by the principles of natural justice and procedural fairness.
- Ensure the confidentiality of the process and the protection of individuals making a report in good faith.
- Be conducted by appropriately qualified internal personnel or external parties when necessary to ensure independence and credibility.

### 9.2 Initiating an Investigation

Upon receiving a credible report of suspected financial wrongdoing, the following steps will be taken:

- An Initial Assessment will be conducted within five (5) working days by the Chief Executive Officer (CEO), Whistleblower Protection Officer, or the Board Chair (in cases where the CEO or executive leadership are implicated).
- The assessment will determine whether there is sufficient basis to initiate a formal investigation and whether there are urgent actions required to preserve evidence or mitigate further harm.
- If a formal investigation is warranted, the CEO or Board will authorise the appointment of an internal or external investigator with no involvement or conflict of interest in the matter under review.

### 9.3 Investigation Principles

BCDC adheres to the following core principles for managing all financial wrongdoing investigations:

- Confidentiality: All reports and investigations will be managed with the highest degree of discretion. Information will only be shared with those who have a legitimate need to know.
- Impartiality: All investigations will be conducted objectively and free from bias. Any individual with a conflict of interest will be excluded from the process.
- Timeliness: Investigations will be carried out as efficiently as possible, given the complexity of the case, and in accordance with internal timelines.
- Evidence-Based: All findings and decisions will be grounded in verifiable facts and documentary or testimonial evidence.
- Natural Justice: Individuals accused of wrongdoing will be informed of the allegations, provided with the opportunity to respond, and their rights will be respected throughout.

### 9.4 Conduct of the Investigation

The investigator or investigation team will be responsible for:

- Defining the Terms of Reference, outlining the scope, objectives, and timeframes for the investigation.
- Interviewing all relevant parties, including the reporter (if known), witnesses, and the individual(s) against whom the allegations are made.
- Collecting and examining relevant evidence, including financial documents, internal records, communications, digital logs, and any other pertinent material.
- Reviewing internal financial control mechanisms, including verification of banking procedures and adherence to BCDC's dual-signature authorization protocol for all transactions. This ensures that proper financial oversight and risk mitigation practices were in place.
- Identifying and assessing any signs of suspicious transactions or potential money laundering activity, including irregular fund flows, use of personal accounts, or unknown third-party transfers.
- Documenting the investigation process in detail, maintaining secure records of evidence, findings, and decisions.
- Ensuring that all individuals involved are treated with professionalism, dignity, and confidentiality.

At the conclusion of the investigation, the investigator(s) will prepare a comprehensive Investigation Report containing:

- A summary of the allegations and scope of the investigation.
- Description of all evidence collected and reviewed.
- Findings of fact and analysis.
- Recommendations for corrective, disciplinary, or legal action.

## 9.5 Investigation Process

The investigation process will consist of the following steps:

1. **Notification and Documentation:** Upon receiving a credible report of financial wrongdoing, the designated officer (e.g., CEO or Whistleblower Protection Officer) will formally confirm receipt of the allegation. All relevant information will be recorded, logged, and securely stored in accordance with confidentiality and recordkeeping protocols.
2. **Appointment of Investigator(s):** A qualified and impartial investigator—or where necessary, an independent investigation panel—will be appointed. Investigators must be free from conflicts of interest and have the appropriate skills and experience to handle financial investigations.
3. **Development of Investigation Plan:** The appointed investigator(s) will develop a clear and structured investigation plan. This plan will define the scope, objectives, methodology (e.g., interviews, document analysis), resource needs, and expected timeframes. The plan may include attention to potential risks of fraud, corruption, or money laundering.
4. **Execution:** The investigator(s) will carry out all activities outlined in the investigation plan, including:
  - Conducting confidential interviews with the reporter (if known), witnesses, and the subject of the allegation
  - Reviewing internal records such as financial documents, payment authorizations, digital communications, and logs
  - Examining organizational procedures, including compliance with BCDC’s internal financial controls (e.g., dual-signature banking requirements, threshold approvals)
  - Documenting all activities and maintaining secure records of evidence and decisions
5. **Evaluation:** The investigator(s) will evaluate the evidence against the standards outlined in this policy, relevant organizational policies (e.g., Code of Conduct, Whistleblower Policy), and any applicable legal or regulatory frameworks. Findings must be objective, evidence-based, and aligned with principles of procedural fairness and natural justice.
6. **Reporting:** A formal Investigation Report will be submitted to the CEO or Board. This report will include:
  - A summary of the allegation and investigation scope
  - A description of the evidence reviewed and key findings
  - An analysis of whether the evidence substantiates the alleged wrongdoing
  - Recommendations for disciplinary, corrective, legal, or operational actions
7. **Decision-Making:** Final decisions on outcomes will be made by the CEO or Board, based on the Investigation Report and recommendations. Actions may include formal warnings, termination of employment or contracts, recovery of funds, policy improvements, or referrals to external authorities. Appropriate follow-up and documentation will be maintained.

## 9.6 Anti-Money Laundering (AML) Review

Where an investigation reveals indicators of money laundering or irregular financial activity, BCDC will undertake a targeted Anti-Money Laundering (AML) review as part of its formal response.

The AML review will include the following steps, where applicable:

- Tracing of funds to confirm the origin and destination of financial transactions
- Verification of financial sources, including donors, vendors, and implementation partners
- Identification of red flags or suspicious activity, such as:
  - Use of personal, unregistered, or offshore bank accounts
  - Unusual or unexplained cash payments
  - Third-party transactions lacking clear documentation or accountability
- Evaluation of internal control compliance, including:
  - Adherence to BCDC’s dual-signature bank transaction requirements
  - Delegated authority limits
  - Monthly reconciliations and financial reporting procedures
- Cross-checking financial records, communication logs, and contractual documents to detect inconsistencies
- Coordination with legal or compliance advisers, where required, to ensure BCDC meets its reporting obligations under Australian law or any relevant international AML frameworks

If the review substantiates concerns of unlawful conduct, the findings will be included in the Investigation Report and, if necessary, referred to relevant regulatory or enforcement bodies as outlined in *Section 9.9*.

## 9.7 Rights of the Parties Involved

All individuals involved in the investigation are entitled to fair treatment:

- The Whistleblower (Reporter):
  - Will be treated respectfully, kept informed (as appropriate), and protected from retaliation.
  - May remain anonymous unless they consent to disclosure.
- The Subject of the Allegation:
  - Will be informed of the allegations made against them.
  - Will have the right to respond to the allegations and present their version of events.
  - Will be presumed innocent until the investigation concludes.
- Witnesses:
  - Will be engaged in a confidential and respectful manner.
  - Will not suffer adverse consequences for participating in good faith.

## 9.8 Investigation Outcome

Following the investigation, a formal decision will be made by the CEO or the Board (where senior leadership is involved), based on the findings and recommendations.

Outcomes may include:

- Disciplinary Action: Up to and including termination of employment or contractual relationships.
- Financial Remedies: Recovery of funds or restitution where applicable.
- Systems Review: Improvements to internal controls, policies, or procedures.
- Referral: Reporting to law enforcement or regulatory authorities (see 8.8).
- Feedback: Where permissible, the whistleblower will be informed of the outcome, subject to privacy considerations.

If allegations are found to be unsubstantiated, reputational restoration measures may be considered.

## 9.9 Referral to External Authorities

Where investigations identify possible criminal conduct or regulatory breaches, BCDC will:

- Refer the matter to law enforcement, regulatory agencies (such as ACNC or ATO), or funding bodies as appropriate.
- Fulfil all legal obligations for disclosure, including those under the Privacy Act 1988 (Cth) or applicable legislation in countries of operation.
- Cooperate fully with external investigations or proceedings.
- Document all external referrals and communications for compliance purposes.

## 10. DISCIPLINARY AND CORRECTIVE ACTIONS

### 10.1 Zero Tolerance for Financial Wrongdoing

BCDC enforces a zero-tolerance approach toward any form of financial wrongdoing, including fraud, corruption, bribery, misappropriation, theft, or financial misconduct.

Any individual or entity found to have engaged in financial wrongdoing will face disciplinary or corrective action, consistent with the severity of the misconduct.

### 10.2 Disciplinary Measures

Depending on the nature and seriousness of the misconduct, disciplinary actions may include (but are not limited to):

- Formal reprimand or warning.
- Demotion or reassignment of duties.
- Termination of employment, volunteer engagement, or contractual agreement.
- Suspension pending investigation outcomes.
- Recovery of misappropriated or lost funds.
- Legal action for damages and recovery of assets.
- Reporting the wrongdoing to appropriate law enforcement or regulatory agencies.

### 10.3 Corrective Actions

In addition to disciplining individuals, BCDC will take corrective measures to address underlying issues that contributed to financial wrongdoing, including:

- Strengthening internal controls and procedures.
- Enhancing staff training on financial policies and ethical conduct.
- Updating risk management frameworks.
- Reviewing and revising financial systems or procurement processes where gaps are identified.

## **10.4 Role of the Board and CEO**

- The CEO, in consultation with relevant managers, is responsible for recommending appropriate disciplinary and corrective actions for general staff and volunteers.
- If the allegations involve senior executives, the Board of Directors will determine disciplinary outcomes.
- All decisions regarding termination, referral to external authorities, or legal action must be approved by the Board where necessary.

## **10.5 Appeals Process**

- Individuals subject to disciplinary action have the right to request an internal review of the decision.
- Appeals must be submitted in writing within [specified days] (e.g., 14 days) of notification of the decision.
- Appeals will be reviewed by an impartial panel or delegated committee, and a final decision will be made.

## 11. EXTERNAL REPORTING OBLIGATIONS

### 11.1 Commitment to Legal and Regulatory Compliance

BCDC is committed to complying with all relevant Australian laws, international obligations, and the requirements set by regulatory bodies such as:

- Australian Charities and Not-for-profits Commission (ACNC),
- Australian Council for International Development (ACFID),
- Department of Foreign Affairs and Trade (DFAT),
- Law enforcement and anti-corruption agencies (where applicable).

We ensure that incidents of financial wrongdoing are reported externally when required by law, regulation, donor agreements, or funding agency contracts.

### 11.2 Mandatory Reporting

BCDC will report financial wrongdoing externally in the following circumstances:

- If it involves criminal conduct (e.g., theft, fraud, money laundering).
- If required under statutory obligations (e.g., serious incidents to ACNC).
- If it involves misuse of donor or government funds (e.g., DFAT funding).
- If directed to do so by a donor agreement, partner organisation, or funding contract.
- Where public safety, legal compliance, or significant reputational risk is involved.

### 11.3 Reporting Channels

External reporting may be made to:

- Local law enforcement agencies (Police),
- Regulatory bodies (ACNC, ACFID, DFAT, ASIC),
- External auditors,
- Donor agencies or funding bodies.

The decision to report externally will generally be made by the CEO, in consultation with the Board of Directors, after an internal assessment and legal advice where necessary.

## **11.4 Timeframes for External Reporting**

Where immediate reporting is required (e.g., serious criminal activity), BCDC will report without undue delay, ideally within 7 business days of the initial discovery or confirmation of wrongdoing.

For other reportable matters, BCDC will adhere to the reporting timeframes set by applicable laws, donor agreements, or regulatory requirements.

## **11.5 Cooperation with Authorities**

Once an external report is made:

- BCDC will fully cooperate with investigations conducted by regulatory authorities, police, or funding agencies.
- All employees, volunteers, and contractors must assist in providing accurate and timely information as requested.
- BCDC will implement any recommendations from investigations to strengthen internal controls and compliance.

## 12. RECORDKEEPING AND DOCUMENTATION

### 12.1 Importance of Recordkeeping

BCDC recognizes that maintaining comprehensive and accurate records of all reported incidents of financial wrongdoing is essential to:

- Ensure transparency and accountability,
- Support internal investigations and external audits,
- Provide evidence for any legal, regulatory, or disciplinary proceedings,
- Strengthen internal learning and continuous improvement.

All records must be kept securely, accurately, and confidentially.

### 12.2 Records to be Maintained

The following types of records will be maintained:

- Initial Reports: Full documentation of the original complaint or disclosure of wrongdoing.
- Assessment and Investigation Files: Notes, interviews, evidence collected, findings, and conclusions.
- Decision Records: Board or Executive Management decisions related to investigations and actions taken.
- Notifications: Records of any external reports made to regulators, authorities, or funding bodies.
- Follow-up Actions: Implementation of recommendations, system improvements, or disciplinary measures.

### 12.3 Storage and Security

All financial wrongdoing records must be:

- Stored securely either electronically or in locked physical files,
- Accessible only to authorized personnel with a legitimate need-to-know,
- Protected in compliance with BCDC's Privacy Policy and applicable data protection laws (e.g., Australian Privacy Act 1988).

Electronic records should be stored in password-protected systems with audit trails.

### 12.4 Retention Period

BCDC will retain records of financial wrongdoing incidents for a minimum of seven (7) years or longer if:

- Required by law or regulation,
- Necessary for the resolution of ongoing investigations or legal claims,
- Stipulated under donor or contractual obligations.

After the retention period, records will be securely destroyed.

## 13. COMMUNICATION AND AWARENESS OF THE POLICY

### 13.1 Promoting Awareness

BCDC is committed to ensuring that all individuals covered by this policy are aware of:

- The importance of financial integrity,
- The procedures for reporting financial wrongdoing,
- The protections available to whistleblowers,
- Their responsibilities in preventing, detecting, and responding to financial misconduct.

The Financial Wrongdoing Policy will be actively communicated to all Board members, employees, volunteers, contractors, and relevant external partners.

### 13.2 Induction and Training

- **New Staff and Volunteers:** All new employees, volunteers, and Board members will receive orientation on the Financial Wrongdoing Policy during their induction.
- **Ongoing Training:** Refresher training sessions will be conducted at least every two years, or earlier if major policy updates or significant incidents occur.
- **Specialized Training:** Individuals in higher-risk roles (e.g., finance, procurement, project management) will receive additional training on fraud risk management and ethical financial practices.

### 13.3 Public Availability

- The Financial Wrongdoing Policy will be published on BCDC's internal intranet and external website (if applicable).
- Summaries or simplified guides will be made available to external stakeholders, including implementing partners and suppliers.

### 13.4 Management Responsibility

- The **Executive Management Team** is responsible for promoting policy awareness.
- Managers and supervisors must reinforce the importance of financial integrity in day-to-day operations.

## 14. REVIEW AND CONTINUOUS IMPROVEMENT

### 14.1 Periodic Review

The Financial Wrongdoing Policy will be reviewed:

- **Every two years** at a minimum,
- Or **earlier** if there are:
  - Significant changes in regulatory or donor requirements,
  - Major incidents of financial wrongdoing,
  - Lessons learned from audits, evaluations, or investigations.

The review process will ensure that the policy remains relevant, effective, and aligned with evolving best practices and legal standards.

### 14.2 Review Process

- **Executive Management** will lead the review process in consultation with the Board of Directors.
- Input will be sought from:
  - Employees,
  - Volunteers,
  - Partners,
  - Whistleblowers (where applicable),
  - Internal and external auditors.

### 14.3 Continuous Improvement

BCDC is committed to:

- Strengthening financial controls and reporting mechanisms,
- Enhancing whistleblower protection frameworks,
- Updating training programs based on emerging risks and lessons learned,
- Promoting innovation in detecting and preventing financial wrongdoing.

Where improvements are identified, BCDC will update the policy, associated procedures, and internal training to ensure continuous enhancement of our financial integrity framework.

## 15. CONCLUSION

BCDC is deeply committed to upholding the highest standards of ethical financial management across all operations and programs.

Through this Financial Wrongdoing Policy, BCDC:

- Affirms its zero-tolerance approach toward financial misconduct,
- Establishes clear responsibilities for all individuals and partners,
- Provides accessible mechanisms for reporting suspected wrongdoing,
- Commits to protecting whistleblowers and conducting impartial investigations, and
- Ensures compliance with all national and international standards.

Safeguarding financial integrity is not only a legal obligation but a fundamental pillar of BCDC's mission to serve communities responsibly and sustainably.

All employees, volunteers, partners, and stakeholders are expected to actively contribute to maintaining a culture of honesty, transparency, and accountability.

By working collectively, we ensure that donor trust is preserved, community needs are met ethically, and BCDC's vision for a just and resilient society is advanced with integrity.

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