

OCI Foundation International

Sponsors of the: (i) Cyfed Undergraduate Scholarships (ii) CBH Scholarships (iii) IFOMSSA Junior Awards (iv) IFOMSSA Senior Awards and (v) Annual JAMB Awards (vi) ArOF Health Campaign (vii) LAMS Initiative (viii) The Gynocular Project



Policy on Financial Management and Financial Wrongdoing (March 2025)

A. Introduction

This Policy Document states how OCI Foundation funds are managed to prevent wrongdoing (Corruption, Fraud, Bribery) and financial error. share a copy. It applies to directors/governing body members, management, employed staff, volunteers, contractors and to partners or parties with business relationships with the OCI Foundation.

B. Responsibilities

- 1) The OCI Foundation Board must ensure that all the groups listed above are aware of this Policy and that breaches of it are handled promptly and appropriately.
- 2) The CEO is responsible for ensuring that the Board constantly has the information and reports required for the regular assessment of OCI Foundation funds.

C. Definition of Terms

- **FRAUD:** This is the wrongful or criminal deception intended to result in financial or personal gain. It includes the intentional deception to deprive a victim of a legal right or to gain from a victim unlawfully or unfairly.
- **CORRUPTION:** This is a form of dishonesty or a criminal offence that is undertaken by a person or an organisation that is entrusted in a position of authority to acquire illicit benefits or abuse power for one's gain.
- **BRIBERY:** This is an attempt to make someone do something by giving the person money, presents, or something else they want.
- **TERRORISM FINANCING:** This refers to the means and methods that terrorist organisations use to finance activities that pose a threat to national and international security. Such funding can come from both legitimate and criminal sources.
- **MONEY LAUNDERING:** This is 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.

D. Policy Commitments

The OCI Foundation will:

- 1) Use its funds (and ensure that its funds are used by third parties with whom it collaborates) only to further the purpose of the Foundation and not for personal use or gain.
- 2) Deal with its funds and assets in authorised, responsible and reasonable ways.
- 3) Operate according to a budget.

- 4) Take steps to ensure funds transferred overseas are received and accounted for.
- 5) Keep financial records.
- 6) Only allow qualified staff, volunteers, and/or contractors to be responsible for financial management with a provision for oversight.
- 7) Establish a system for regularly analysing internal systems to identify areas that need monitoring and updating.
- 8) Commit to regular training for partners and staff on financial policies, particularly those to prevent financial wrongdoing.
- 9) Task its board to formally review quarterly income and expenditure reports, balance sheets, cash flow forecasts, and key performance indicators.
- 10) On behalf of the Board, the CEO must check individuals and organisations receiving funds against the Australian National Security Listed Terrorist Organisations and the DFAT ASO Consolidated List of all persons and entities listed under Australian sanctions laws.

E. Annual Budget

- 1) The board is responsible for conducting a budget planning process each year as part of its annual strategic planning.
- 2) The budget is to be regularly monitored and reviewed.
- 3) All expenditure decisions must be approved by the CEO to whom the Board has delegated responsibility.
- 4) The budget must include country-by-country provision for overseas programs.
- 5) The OCI Foundation's budget must be flexible in responding to unforeseen events, including possible reductions in cash flow.

F. Bank accounts

- 1) All money is to be stored in a bank account (or accounts) in the name of the OCI Foundation.
- 2) A minimum of two individuals nominated by the Board are to be the eligible bank signatories for each account.
- 3) Withdrawals or electronic transfers made from any OCI Foundation bank accounts must be approved by one Board member or a delegate authorised by the Board or CEO.

G. Overseas transactions

- 1) Funds transferred outside of Australia can be transferred using a formal banking system or other approved international fund transfer system approved by the Board or its delegated authority.
- 2) The CEO or their delegate must always verify that the funds transferred have been received.

H. Third-Party Programs

- 1) The OCI Foundation partially pursues its charitable purposes through collaborating with a third party or third parties to deliver programs overseas.
- 2) The ACNC External Conduct Standards (ECS) require the OCI Foundation to ensure that resources given to third parties are applied with reasonable controls and risk management processes in place.
- 3) As part of its ECS risk assessment, the Board authorises the CEO to determine what level of oversight is required in relation to the financial management of third parties, about matters including the:
 - a) Level of risk associated with the operations.

- b) Relationship with the third party.
 - c) Financial management procedures within the third party.
 - d) Consequences of poor financial management by third parties.
- 4) The CEO, on behalf of the Board, must consider whether it is appropriate to:
- a) Impose financial management obligations on third parties through a Memorandum of Understanding or other agreement.
 - b) Offer training on financial management to third parties.
 - c) Require third parties to produce a financial management policy or procedure (or provide one for them to adopt); and/or
 - d) Implement OCI Foundation's controls and monitoring systems to oversee the third party's financial management.

I. **Financial records**

- 1) The OCI Foundation must retain financial records for seven years that correctly record and explain:
 - e) How it spends or receives its money or other assets; and
 - f) Its financial position and performance.
- 5) The financial records should allow the Board to prepare, audit, and review true and fair financial statements.
- 6) Financial records showing income and expenditure must be prepared country-by-country for operations and activities outside Australia.
- 7) The OCI Foundation must conduct an annual audit or review as its ACNC obligations require.

J. **Practical OCI Foundation Measures for Tackling Financial Wrongdoing**

- 1. The OCI Foundation Board commits to a zero-tolerance approach to all financial wrongdoing, such as fraud, corruption, bribery, terrorism financing and money laundering.
- 2. Communicate our zero-tolerance approach to financial wrongdoing to internal and external stakeholders through staff and partner orientation and the OCI Foundation website.
- 3. As part of this Financial Wrongdoing Prevention Policy, the OCI Foundation commits to the following measures:
 - a) Recruitment practices that include due diligence on prospective employees.
 - b) Due diligence assessment of partners and key third-party suppliers.
 - c) Regular training for staff and partners is needed to raise awareness of the risks associated with fraud and corruption, mitigation strategies, and the organisation's relevant policy and procedures.
 - d) Risk analyses in each country of operation, including Australia.
 - e) Reporting procedures, including reporting all cases of alleged, suspected or detected fraud or corruption without delay.
 - f) All alleged fraud or corruption cases must be handled confidentially, promptly and professionally.
 - g) Independent audits, delegations, financial management, internal controls, accounting, and cash handling procedures will be conducted to minimise the risk of fraud.
 - h) Ongoing monitoring to ensure compliance with anti-fraud/anti-corruption policies and any related procedures.
 - i) The prohibition of undocumented transactions or loans to governing body members or staff.

- j) A complaints handling policy is already in place to deal with allegations of wrongdoing.
 - k) Clear strategy for recovering fraud proceeds and applying prosecutorial or administrative action.
- 4. Encouragement of whistleblowing in cases of suspected fraud and corruption.
- 5. Where suspected fraud or corruption is reported, the Board or person(s) delegated by the Board will promptly undertake a confidential and independent review process.
- 6. Clear documentation of the assessment and identification of risks and risk-mitigation strategies within the OCI Foundation. Components of this documentation are listed in "Item K" below.
- 7. Ensuring that risk assessments explicitly consider the risks associated with wrongdoing, corruption, fraud, bribery or other financial impropriety.
- 8. Undertaking training and awareness programs to ensure that staff and partners know potential risks, policies and procedures to prevent and mitigate risks, and reporting procedures.
- 9. Undertake periodic reviews of anti-fraud and anti-corruption policy and procedures and report outcomes to the governing body. Organisations that are exposed to higher risks should consider external verification and assurance of their anti-corruption procedures.
- 10. The OCI Foundation's board is tasked with handling financial issues. They can delegate as deemed fit and contact the ACFID Code Secretariat Management Team or STOPline, an Australian body that specialises in whistle-blower protection services.
- 11. Undertake comprehensive due diligence assessments of all current and potential partners and key third-party suppliers to assess the robustness of their practices and operations, policies, and general approaches to anti-fraud and anti-corruption, internal financial management, procurement, and reporting procedures.
- 12. Include anti-fraud and anti-corruption clauses in all partnership and third-party supplier contracts.
- 13. Provide training for partners where necessary to ensure their awareness of the risks associated with fraud and corruption and local legal and regulatory obligations.
- 14. Periodic review of partners' internal financial management, procurement, and reporting procedures and, where possible, those of key third parties with whom the OCI Foundation works.
- 15. A Financial Control system that promotes:
 - a) Handling of receipts and expenditure of funds.
 - b) Budgeting and forecasting of activities.
 - c) Preparing timely financial reporting for board members and senior management.
 - d) Conducting the annual external audit of financial statements and Annual Reports.
 - e) Evaluating your organisation's performance.
 - f) Evaluating staff and programs.
 - g) Maintaining property inventory records (including fixed assets and stock).
 - h) Implementing personnel and conflict of interest policies.

K. **Components of the Risk Assessment and Documentation**

1. **Risk Identification:** The OCI Foundation systematically identifies potential risks across various areas of the organisation. Techniques at our disposal for this

include brainstorming, checklists, and reviewing past incidents to uncover potential threats.

2. **Risk Assessment:** At this stage the OCI Foundation evaluates the likelihood and potential impact of each of the identified risks. If need be, we may use qualitative descriptions to categorise risks or quantitatively assign numerical values to likelihood and impact.
3. **Risk Mitigation Planning:** After assessing the risks, we develop mitigation plans that will help address high-priority risks. These plans outline specific actions, timelines, responsible parties, and resource allocation for reducing or eliminating the identified risks within the OCI Foundation. Some strategies we adopt for risk mitigation include:
 - a. Risk Avoidance: Implementing controls to eliminate the risk altogether.
 - b. Risk Reduction: Taking actions to reduce the likelihood or impact of a risk.
 - c. Risk Transfer: Shifting the risk to a third party, such as through insurance.
 - d. Risk Acceptance: Accepting the risk if the potential impact is low or the cost of mitigation is too high.
4. **Documentation: These are important to help ensure Transparency and Accountability, Improved Decision-Making, Effective Resource Allocation and Compliance within the OCI Foundation. Some of documentation include:**
 - a. **Risk Register:** This is a central document that lists all identified risks, their assessments, and mitigation plans. It provides a comprehensive overview of the OCI Foundation's risk landscape.
 - b. **Risk Assessment Reports:** These provide detailed analysis of specific risks identified, including the methodology used for assessment, findings, and recommendations.
 - c. **Contingency Planning:** This involves developing backup plans to address risks that cannot be fully mitigated within the OCI Foundation.

L. Addressing Money Laundering, Corruption and Fraud

This sub-section outlines policy approaches for minimising risks of wrongdoing, corruption, fraud, bribery or other financial impropriety among the OCI Foundation's Board, staff, contractors, consultants, volunteers and partner organisations.

Our statement on this is that the OCI Foundation 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. We promote a culture of trust, honesty and integrity and have a duty to protect any personnel who report breaches of our fraud policy.

Activities tackled by this OCI Foundation's Fraud Control and Anti-Corruption protocol include:

1. False accounting: dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose
2. Furnishing information which may be misleading, false or deceptive.

3. Unauthorised disclosure or manipulation of sensitive information linked to the theft of information, money or property
4. Forgery or unauthorised alteration of any document
5. Procuring goods and/or services from a family member or friend that inhibits fair and open competition.
6. Avoiding and/or creating an unauthorised liability.
7. Wrongfully using information or intellectual property; and/or
8. Not declaring a conflict of interest.

To this end, the OCI Foundation commits that all its personnel and associates will:

- a) Conduct themselves with integrity and demonstrate awareness of the importance of ethical practices.
- b) Ensure that they are familiar with and comply with the Foundation's code of conduct and other relevant codes of conduct.
- c) Develop and maintain effective controls to prevent fraud and avoid corrupt practices.
- d) Ensure they are familiar with, and comply with, fraud prevention procedures in their areas of responsibility.
- e) Report any suspected fraudulent or corrupt acts as outlined in this policy.

M. Addressing Counter Terrorism

The OCI Foundation is committed to using its best endeavours to ensure all expenditure of funds and the implementation of program activities, including those carried out by any partners or affiliates in countries in which the OCI Foundation operates, comply with all laws and regulations relevant to the prevention and control of terrorism. The OCI Foundation will work in conjunction with Australian and overseas governments to ensure its programs are not supporting terrorist activities.

To this end, the OCI Foundation commits that it will:

- a) In all new project contracts and MOUs with partners, ensure that a common agreement exists between all parties to share all responsibilities to mitigate the risk of association with terrorism and terrorist organisations.
- b) Comply with all counter-terrorism laws and policies, including within Australia and all overseas partners.
- c) Advise employees and volunteers of their obligations to use their best endeavours in ensuring that funds are not used to fund terrorist activities.
- d) Make this policy available to all staff, volunteers and associates who are involved in all of its activities. They will be sent a copy of this policy.

N. Compliance with this policy

- The Board must comply with this policy and review compliance as part of its standard self-evaluation.
- If the CEO or the Board have reason to believe this Policy has not been complied with, they must investigate.

O. Review of Policy Document

This policy is subject to review in March 2028, three years after its implementation. Our appraisal tool will be used as part of that review. However, it can be sooner if legislation or other events warrant it.

P. Feedback

- If you have any feedback on the OCI Foundation on this document, please contact us immediately via the link [HERE](#).
- For our various countries of operation, these numbers can also be reached:
 - Australia: +61755808331
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This document was partly developed courtesy of similar documents from Plus Education and Kyeema Foundation.