



Financial Management & Anti-Fraud Policy

1. Purpose

This policy ensures that Lovemore Project manages its financial resources responsibly, transparently, and in compliance with relevant laws, accounting standards, and donor requirements.

It also establishes measures to prevent, detect, and respond to fraud, corruption, and misuse of funds.

2. Scope

Applies to:

- All Lovemore Project staff, directors, volunteers, contractors, and partners.
- All organisational funds, assets, bank accounts, and transactions.
- All donor funds, regardless of source, including DFAT and other grant funds.

3. Policy Statement

Lovemore Project will:

- Maintain accurate, complete, and timely financial records in accordance with Australian Accounting Standards.
- Use funds only for approved purposes consistent with donor agreements and organisational objectives.
- Implement internal controls to safeguard assets, prevent fraud, and ensure value for money.
- Take immediate and appropriate action in response to suspected or confirmed fraud or corruption.

4. Principles

- Transparency – Accurate financial reporting available to the Board and donors.
- Accountability – Clear allocation of financial responsibilities.
- Segregation of Duties – No one person has sole responsibility for financial transactions from initiation to reconciliation.
- Compliance – Adherence to ACNC, ACFID, DFAT, and relevant laws.
- Zero Tolerance – Fraud, corruption, and misuse of funds will not be tolerated.





5. Financial Management Standards

Budgeting

- Annual budget approved by the Board before the start of the financial year.
- Project budgets aligned with donor requirements and organisational priorities.

Bank Accounts

- All bank accounts held in the name of Lovemore Project.
- Dual signatories required for all payments, with at least one Board member or delegated officer.

Authorisation of Expenditure

- Payments authorised only against approved budgets.
- Invoices and supporting documentation required for all payments.

Cash Handling

- Minimise use of cash.
- Cash counts and reconciliations documented and verified by two people.

Procurement

- Competitive quotes for purchases above approved thresholds.
- Conflict of interest declarations for procurement decisions.

Record Keeping

- All financial records retained for at least 7 years.
- Secure storage of physical and electronic records.

Financial Reporting

- Monthly financial reports to management.
- Quarterly financial reports to the Board.
- Annual audited financial statements published.

6. Anti-Fraud & Corruption Measures

Definition of Fraud: Any intentional act to secure unfair or unlawful gain, including theft, falsification of records, misappropriation of funds, bribery, or abuse of position.

Prevention

- Staff and volunteers sign the Code of Conduct annually.
- Financial processes incorporate segregation of duties.
- Partners assessed for financial integrity during due diligence.

Detection

- Regular reconciliations and internal checks.
- Whistleblower mechanisms (see Whistleblower Policy) for confidential reporting.





Response

- Immediate suspension of suspect transactions or access.
- Investigation led by the Board or appointed investigator.
- Reporting to relevant authorities, donors, and regulators.
- Recovery of misused funds where possible.

Sanctions

- Disciplinary action up to termination and legal action.

7. Roles & Responsibilities

- Board – Approves budgets, reviews financial reports, oversees financial integrity.
- Treasurer/Finance Lead – Implements financial controls, prepares reports, ensures compliance.
- Project Coordinators – Manage project budgets and expenditure within approved limits.
- All Personnel – Report suspected fraud, comply with financial procedures.

8. Links to Other Policies

- Code of Conduct
- Whistleblower Policy
- Complaints Handling Policy
- Partnership Due Diligence Policy
- MEL Policy (financial data feeds into performance and accountability reporting)

9. Review

This policy will be reviewed every three years or sooner if:

- There are significant changes in donor requirements.
- Financial risks change significantly.
- Lessons from audits or investigations indicate improvements are needed.

- Approved by: Board of Directors – Lovemore Project

- Date: _____

- Next Review: _____

